

**WHENEVER, WHEREVER  
AND HOWEVER IT SUITS ME.**  
ANNUAL REPORT  
2016



**SWISS POST** 

## Group

### Business activities

**Communication market:** Letters, newspapers, small goods, promotional mailings, solutions for business process outsourcing and innovative services in document solutions in Switzerland and internationally

**Logistics market:** Parcel post, express and SameDay services, and e-commerce 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

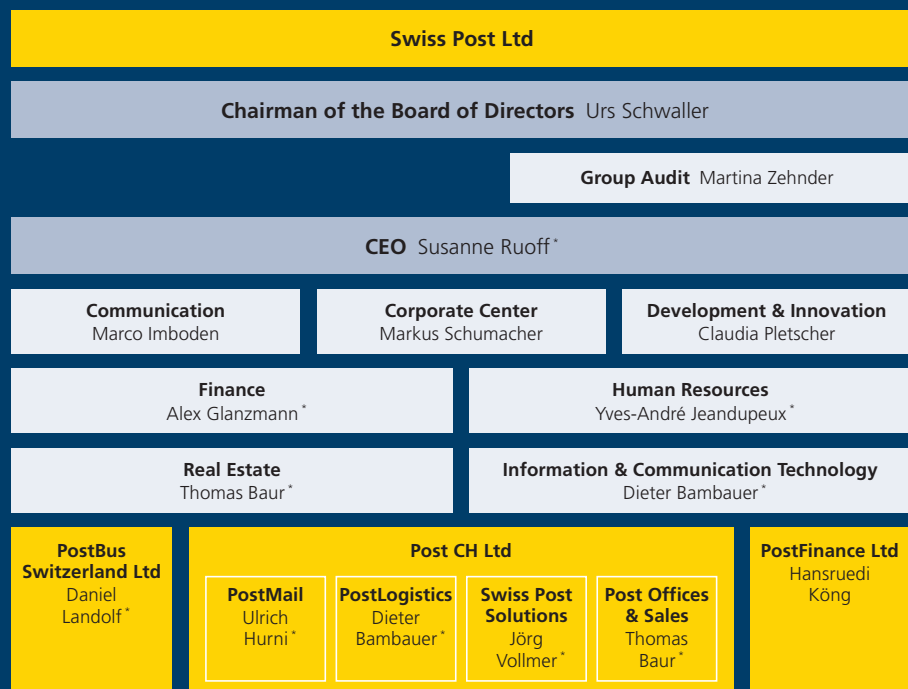
### Our performance in 2016

#### Key figures

		2016	Strategic goal
Operating income	CHF million	8,188	–
Operating profit (EBIT)	CHF million	704	700–900
Group profit	CHF million	558	–
Equity	CHF million	4,881	–
Degree of internal financing – investments	Percent	100	100
Addressed letters	In millions	2,089	–
Parcels	In millions	122	–
Avg. PostFinance customer assets	CHF billion	119	–
PostBus passengers (Switzerland)	In millions	152	–
Customer satisfaction	Index (scale of 0 – 100)	80	≥ 78
Headcount	Full-time equivalents	43,485	–
Employee commitment	Index (scale of 0 – 100)	82	> 80
CO <sub>2</sub> efficiency improvement since 2010	Percent	16	10 <sup>1</sup>

<sup>1</sup> Target for 2016.

### Organization chart as at 31 December 2016



\* Member of Executive Management

## Markets and segments

### Communication market

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

Key figures		2016
Operating income	CHF million	2,906
Operating profit	CHF million	317
Addressed letters	In millions	2,089
Unaddressed items	In millions	1,915
Newspapers	In millions	1,149
Headcount	Full-time equivalents	16,241

**Swiss Post Solutions** is a leading provider of solutions for business process outsourcing and innovative services in document solutions.

Operating income	CHF million	558
Operating profit	CHF million	20
Area of activity	Number of countries	16
Headcount	Full-time equivalents	6,803

**Post Offices & Sales** offers the densest network for postal services in Europe, with a wide range of access points that ensure even more customer proximity on a daily basis. SMEs can avail themselves of specialized consultants and a wide range of services and business customer points.

Operating income	CHF million	1,196
Operating profit	CHF million	-193
Inpayments	In millions	165
Headcount	Full-time equivalents	6,006

### Logistics market

**PostLogistics** offers logistics solutions for cross-border parcel delivery, as well as courier, express and SameDay services. It takes care of transport and warehousing logistics and provides private customers with services that make it easy to receive parcels. The range is completed by a full portfolio of services in e-commerce.

Key figures		2016
Operating income	CHF million	1,572
Operating profit	CHF million	117
Parcels	In millions	122
Express items	In millions	2
Headcount	Full-time equivalents	5,151

### Financial services market

**PostFinance** is the ideal partner for anyone who manages their own finances: whether in payments, savings, investments, retirement planning or financing – PostFinance offers its customers simple, straightforward products with fair conditions.

Key figures		2016
Operating income	CHF million	2,155
Operating profit	CHF million	542
Customer accounts	In millions	4.85
Inflow of new money	CHF million	4,479
Avg. PostFinance customer assets	CHF billion	119
Headcount	Full-time equivalents	3,614

### Passenger transport market

**PostBus** is the market leader in public bus transport in Switzerland. With its fleet of modern vehicles, PostBus carries millions of passengers every year. In regional passenger transport, the bus company is developing an increasingly strong presence in cities and conurbations alike.

Key figures		2016
Operating income	CHF million	923
Operating profit	CHF million	36
Domestic passengers	In millions	152
Domestic vehicle kilometres	In millions of km	153
Vehicles	Number	2,242
Headcount	Full-time equivalents	3,210



# SIMPLE YET SYSTEMATIC – SWISS POST.

We connect the physical and digital worlds, setting new standards with our products and integrated solutions. We make it easier for our customers to operate in today's complex environment, giving them greater scope to succeed.



8,188 million

francs in **operating income**,  
down slightly year-on-year.



558 million

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



80 points

**Customer satisfaction** remains high.



16%

is the **CO<sub>2</sub> efficiency improvement** over 2010  
achieved by Swiss Post by the end of 2016.



61,265

employees, slightly below the **headcount**  
for the prior year.



82 points

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





## 14 The postal network of the future

Swiss Post wants a network that meets everyone's requirements. It is therefore developing new access points and expanding its services more flexibly.



## 23 Manage consignments individually

Customers can choose when and where Swiss Post should deliver their parcels thanks to "My consignments".



## 35

### Make mobile payments with TWINT

With TWINT, users can make payments, send and receive money, store customer cards, benefit from coupons and loyalty cards, and make donations.



## 39 Integrated mobility provider

PostBus is continuing to develop its system services and increasing its range of products along the mobility chain.

### Contents

<b>Foreword</b>	<b>2</b>
<b>24/7, wherever you are</b>	<b>5</b>
<b>Interview</b> with Urs Schwaller and Susanne Ruoff	<b>6</b>
<b>Strategy</b>	<b>9</b>
<b>Access points</b>	<b>13</b>
<b>Business performance</b>	<b>17</b>
Group	18
Communication and logistics market	22
Financial services market	34
Passenger transport market	38
<b>Sustainability and commitment</b>	<b>43</b>
<b>Employees</b>	<b>49</b>
<b>Corporate governance</b>	<b>53</b>
<b>Key figures</b>	<b>61</b>

This Annual Report is supplemented by a separate **Financial Report** (management report, corporate governance and annual financial statements), comprehensive **Annual Report key figures** and a **GRI report**. Information on reference sources is provided on page 60.



” —  
Swiss Post provides  
a high-quality universal  
postal service.

#### Dear Reader

Swiss Post once again provided a high-quality universal postal service during the last financial year. In order to ensure that we can continue fulfilling this requirement in the future, Swiss Post consistently moves with the times. The regulatory framework is changing rapidly. Our customers increasingly carry out their postal transactions wherever and whenever it suits them: after office hours, on the train or during their holidays, far away from home. We are responding to this increased requirement for mobility and flexibility. Customer proximity is our primary goal. That's why we want to offer our customers the right service in the right place at all times.

Whether they are young or old, whether they prefer digital or more traditional channels: our customers expect our solutions to be convenient, fast and easy to understand, and to work consistently. The demand is for straightforwardness and maximum simplicity, particularly in services that connect the physical and digital worlds. With innovative, well-thought-out solutions, we want to make life easier for our customers in an increasingly complex environment. We don't do everything that is technically possible, only the things that offer added value for people in our country. This is our vision – and what drives us to continue developing and expanding our services and the postal network.

The past year was shaped by major structural challenges. With Group profit of 558 million francs and an operating profit (EBIT) of 704 million francs, Swiss Post suffered a decline in its result compared to 2015.

While the letter, newspaper and promotional mailing business was still an essential pillar of Swiss Post in 2016, customers are increasingly replacing traditional postal products with digital products. This is having a growing impact on the core business and on the postal network. By 2020, Swiss Post therefore intends to establish a branch network with a broad range of physical and digital access points that are fit for the future. In the logistics market, online business is booming but the market environment is tough, in particular because a growing number of new competitors – including providers from outside the sector – are forcing their way into the market. For PostFinance,

the challenges posed by the digital transformation in the banking sector and persistent negative interest rates are growing steadily. In the negative interest rate environment, the lending prohibition also does not make it any easier for PostFinance to find profitable investments for the customer deposits entrusted to it.

The environment is and will remain challenging for Swiss Post in all markets. The company therefore requires a regulatory framework that will allow it to continue financing a high-quality universal service from its own funds in the future.

On behalf of the Board of Directors and Executive Management, we would like to sincerely thank staff and management for the good operating result. We very much appreciate your commitment. Our staff remain the key to Swiss Post's success. We would like to thank our customers for their confidence in us. We will continue to serve you with our accustomed high standard of quality and satisfy you with new solutions and services.



**Urs Schwaller**  
Chairman of the  
Board of Directors



**Susanne Ruoff**  
CEO

” —

We want to offer our customers the right service in the right place at all times.



” —

The restructuring of our network is a great opportunity to build a Swiss Post that is close to the customer and financially sound.

**Urs Schwaller**  
Chairman of the Board of Directors

**24/7, WHEREVER  
YOU ARE:**  
WHENEVER, WHEREVER  
AND HOWEVER  
IT SUITS ME.



Digitally enriched  
brochure

**SWISS POST** 

## Dear Readers

What are the postal requirements of today's customers? How do they behave? What do they expect from us? We're looking for answers to these questions in an active dialogue with our customers and partners in order to shape the development of the postal network so that everyone benefits: 24/7, wherever you are.

Swiss Post's nationwide physical presence is now being supplemented and expanded by a wide range of access points for postal services, such as My Post 24 terminals, acceptance and collection points at petrol stations and train stations, and innovative apps: we meet the changing habits and requirements of our customers with services that are becoming more individual all the time. For example, parcels and registered letters can now be collected or delivered seven days a week. Parcel carriers can collect returns from your home or another address. Our financial services allow you to carry out financial transactions anytime and anywhere from your PC or the PostFinance App, or make cashless payments by smartphone with TWINT, the digital wallet. And PostBus now offers solutions along the entire mobility chain: from the Postbus and car sharing to PubliBike. For us, this mix of traditional and innovative services, of online solutions and personal contact, is the key to continued success in the future.

We are proud to continue providing a high-quality universal postal service for the Swiss people. But we also want to make allowance for changing customer requirements. That is why we will ensure that many physical access points will continue to be available in the future, whether in the form of self-operated branches or branches with partners (postal agencies). With the agency model, we provide very specific support for infrastructure in rural areas, as it offers businesses such as small grocery stores a second source of income. Today, there are around 3,800 access points – post offices, agencies, home delivery services, service points such as acceptance and collection points, and business customer points. In future, there will be more than 4,000 access points, with traditional and new solutions complementing each other to provide the best possible universal service for all requirements, regions and generations – to the usual high standards of quality and reliability. With an infrastructure that remains economically viable in the medium and long term. And more customer-friendly than ever before.



**Susanne Ruoff**  
CEO



” —

Swiss Post's solutions are practical and convenient. They fit perfectly into my daily working life.

→ Page 8



# Whenever, wherever and however it suits me.



” —

Online, mobile, versatile, digital:  
Swiss Post's solutions fit in with my lifestyle.

→ Page 12



” —

Enter your destination, buy a ticket  
and you're ready to go. Quickly and  
easily with an app.

→ Page 16

This brochure has  
been **enriched with  
digital content**.  
It appears when you  
scan a marked image  
with the **Post-App**.



You can recognize  
digitally enriched  
content from this  
icon.



Start the Post-App  
and choose the  
"Scan code/images"  
menu item.



Scan the image  
above the icon.



Discover  
multimedia  
content.

## **24/7, wherever you are:** Swiss Post is building the network of the future

---

### **New expectations**

People have become more mobile – both at work and in their free time. This trend is affecting Swiss Post too: there is growing demand for electronic postal services that are available around the clock. Swiss Post is responding to this trend by developing the existing postal network.

---

### **Dense network**

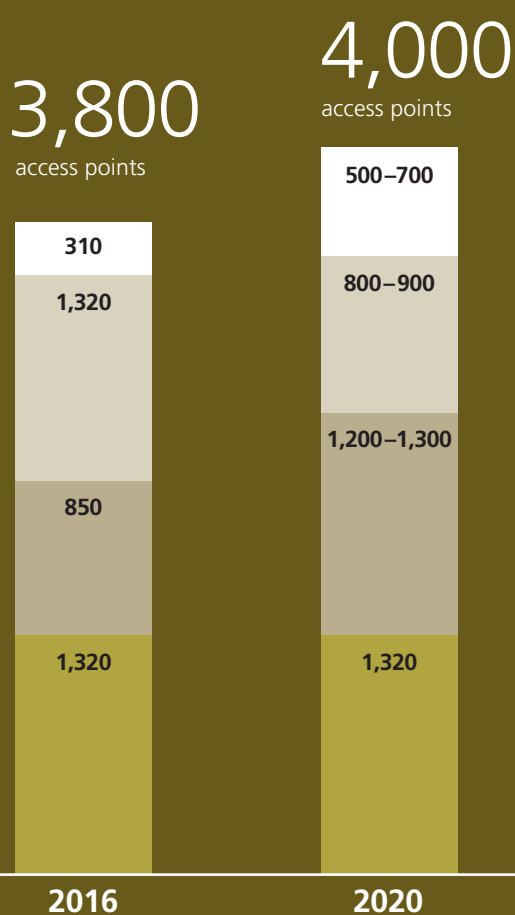
Swiss Post has a nationwide presence throughout Switzerland. At the end of 2016, it maintained around 1,320 post offices, 850 postal agencies, 1,320 home delivery services and 310 additional service points such as acceptance and collection points and My Post 24 terminals. This means that Swiss Post has the densest network for postal services anywhere in Europe.

---

Every day, one million customers come into contact with Swiss Post.

Swiss Post will expand its network to around 4,000 access points by 2020.

## Development of the postal network



## From 3,800 to 4,000

Swiss Post will expand the number of its access points from 3,800 at the end of 2016 to at least 4,000 by 2020, with a stronger focus on proven postal agencies with their long opening hours. Swiss Post will increase the number of post offices converted into the successful agency format, allowing it to maintain a dense network of branches in the long term while at the same time strengthening regional infrastructure.

- Acceptance and collection points, My Post 24 terminals and business customer points
- Traditional post offices
- Postal agencies
- Home delivery service



## Physical, virtual, mobile: simply near

Swiss Post is there for its customers, anytime and anywhere – thanks to a wide range of services and access points. It offers its services around the clock.

### Access points



#### Branches



#### Branches with partners



#### Home delivery service



#### Private letter boxes



#### Acceptance/ collection points



#### My Post 24 terminals



#### Letter boxes



#### Swiss Post portal



#### Customer Service



#### Business customer points

### Postal services

In our self-operated branches (post offices), you can use all postal services during normal opening hours: drop off letters and parcels, collect consignments, buy stamps and make inpayments in cash or with the PostFinance Card.

In our branches with partners (postal agencies), you can combine postal transactions with your daily shopping: drop off letters and parcels, collect consignments and buy stamps, and withdraw cash with the PostFinance Card. Cashless payments can be made with the PostFinance Card or the Maestro card. These branches are operated with Swiss Post partners, who are mainly retailers.

In rural areas in particular, you can take care of the most important postal transactions directly at your doorstep. Our delivery staff accept letters and parcels and sell stamps while on their rounds. If ordered in advance, you can make inpayments and withdraw cash.

With pick@home, Swiss Post collects your parcels from your home or office. You can order the collection service conveniently online.

If you spend a lot of time on the move, you can collect your parcels where it suits you. You can choose any branch or one of our numerous acceptance and collection points at train stations and petrol stations.

You can use My Post 24 terminals to collect and send your parcels and registered letters 24 hours a day.












You can post your pre-franked consignments at any time at around 15,000 locations throughout Switzerland. No stamp at hand? You can download an SMS postage stamp to your smartphone 24/7.

You can find a wide range of services on the Swiss Post website. For example, you can manage your consignments, set up single authorizations or report an address change – all with just one login. With the Post-App, you can also use the most popular services on your mobile.

Customer Service is available by phone or e-mail to answer any questions on Swiss Post's services.






Business customers can drop off their mail at dedicated business customer points. At all letter and parcel centers, they can benefit from acceptance points with a direct link to letter and parcel processing.

## Access points

	<b>PostFinance branches</b>		Do you need personal financial advice? Our specialists are there for you for questions about payments, savings, investments, retirement planning or financing at 43 branches and 57 consulting offices.
	<b>Postomats</b>		With the PostFinance Card, you can withdraw cash in francs or euros and use other postal account services at all Postomats throughout Switzerland.
	<b>E-finance</b>		Whether by website or app – with e-finance, you can manage your accounts easily and conveniently wherever you are and make payments at the touch of a button.
	<b>E-trading</b>		Whether you're using a computer, tablet or smartphone, you can manage your securities anytime and anywhere with e-trading.
	<b>PostFinance App</b>		Check your account balance and transactions, transfer money, top up prepaid credit, or scan and approve invoices: with the PostFinance App, you can access your account anytime and anywhere.
	<b>TWINT</b>		With TWINT, you can pay for your purchases with your smartphone. TWINT is fast, convenient and cashless. Just install the app and start making mobile payments.

## Access point

## Mobility services

	<b>PostBus App</b>		Get door-to-door timetable information, buy timetable-based tickets from different fare networks online, receive up-to-date traffic and diversion notifications in real time – the PostBus App offers many practical features.
	<b>PostBus stops</b>		Do you live in the countryside or a conurbation? PostBus serves 11,773 stops, taking you into town and bringing you back home again safely and punctually.
	<b>PubliBike stations</b>		Get there by public transport and cover the last mile by bicycle. In growing numbers of cities and municipalities, you can hire bicycles and e-bikes around the clock at numerous stations.



**Send and receive mail easily –**  
whenever, wherever and however it suits me.



”

Swiss Post's solutions are practical and convenient. They fit perfectly into my daily working life.

— **Fabio Segat**  
Lawyer

**What I like:**

Swiss Post offers me convenient, practical solutions around the clock that make my life easier. I know about solutions such as the SMS service that notifies me when the registered letter with my new passport arrives, and I can have a parcel delivered to me in the evening or directly to my local train station.

**What I'd like to see:**

It would be great to be able to manage the receipt of parcels or registered mail at even shorter notice. And it would be nice to be informed about new services more quickly.



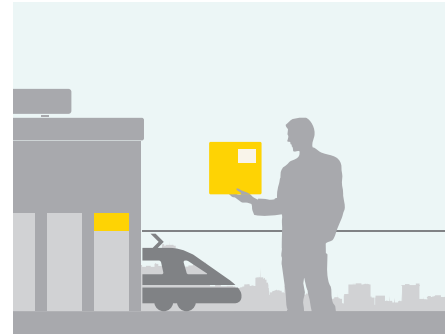
## You decide where, when and how you want to receive or send your consignments.

Not at home when the mail carrier calls? Do you want to collect your parcel on the way to work? Or combine your visit to the post office with your shopping in town? People have become more mobile – both at work and in their free time. That's why Swiss Post aims to be exactly where its customers are, with the right products and services at the right time, and to adapt its services to their everyday lives.

Swiss Post today offers many options for sending and receiving mail along with new services to make receiving and returning consignments as easy as possible for its customers.

### On the go

Alternative acceptance and collection points



Whenever and wherever you want: at the post office, at SBB train stations or petrol stations – you can send and receive your parcels with the PickPost service at numerous locations.

### Around the clock

Swiss Post service points



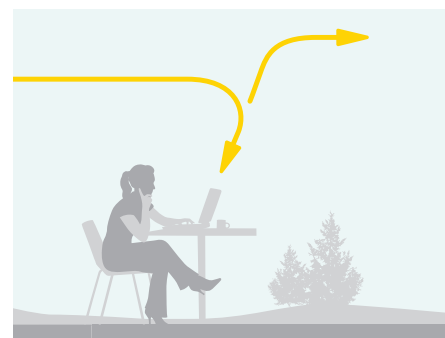
You can collect and drop off parcels or registered letters around the clock at 80 or so My Post 24 terminals. Swiss Post also regularly empties almost 15,000 yellow letter boxes throughout Switzerland.



**So flexible: I can collect my consignments whenever I want.**

### Online

My consignments



With the "My consignments" online service, Swiss Post informs you of incoming consignments, allowing you to choose when and where you want to receive your parcels before delivery.

### In your free time

Evening, Saturday and Sunday delivery



Consignments are delivered when recipients are at home – in the evening or at the weekend. With Swiss Post's value-added services, online shops can offer their customers real added value.

### Conveniently at home

pick@home



The parcel carrier simply collects return parcels from your home or another address of your choice. You can also conveniently manage collection orders on the go with the Post-App.



So practical: I have my parcel collected from my home.

### Personally where you are

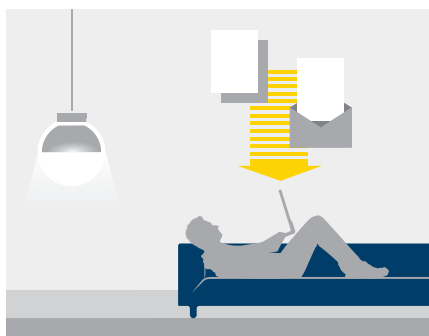
Branches and home delivery service



Swiss Post is there for you nationwide, even in more remote areas. You can take care of your postal business in around 1,320 self-operated branches, 850 branches with partners or with 1,320 home delivery services at your own front door.

### Physical or digital

E-Post Office



Receive your mail the way it suits you – physically or digitally. Take care of your correspondence on your computer or mobile phone, archive documents or pay your bills.



So smart: your electronic letter box is always accessible, wherever you are.

**Manage my own finances –**  
whenever, wherever and however it suits me.





” —

Online, mobile, versatile,  
digital: Swiss Post's solutions  
fit in with my lifestyle.

— Céline Debray  
Online bookseller

**What I like:**

I'm a computer fanatic, so I'm enthusiastic about Swiss Post's versatile digital solutions. Whether I'm using e-finance for my business payment transactions, having a quick look at my account balance with the PostFinance App or paying for my coffee at the kiosk with TWINT: it works. It's that simple.

**What I'd like to see:**

I'd like to see Customer Service getting in touch by mail as quickly as possible, within 24 hours at the latest. And it would be nice if mail carriers could make allowance for my business opening hours on their rounds.



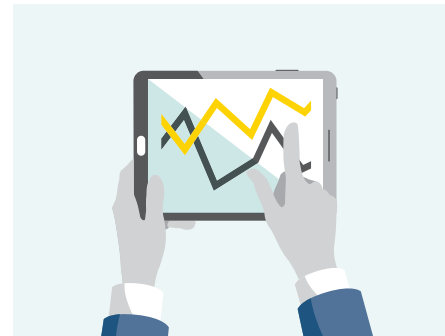
## You decide when, where and how you manage your own finances.

Do you want to open a new account or invest a certain amount on a regular basis? You know what you want, and you want to manage your money easily and online. How and where it suits you best: early in the morning on the train or late in the evening at home.


Whether in payments, savings, investments, retirement planning or financing – PostFinance offers you everything to meet your daily financial needs, including straight-forward products with attractive conditions and easy access. We support you fairly and in partnership, speak your language and understand your needs.

### Independent

E-trading



Buy and sell shares, bonds, derivatives and funds: e-trading is for anyone who wants to trade securities independently online. Also works with the PostFinance App.


 **So global: I can trade on the major stock exchanges.**

### At home and on the go

E-finance



With e-finance, you can manage your accounts and fund custody accounts online and carry out all your financial transactions securely and efficiently, whenever and wherever it suits you.


 **So clear: I can set up my e-finance the way it suits me.**

### Mobile and easy

PostFinance App



Check your account balance and transactions, transfer small amounts, top up prepaid credit, location search, currency calculator, market prices: with the PostFinance App, your account is always with you.

 **So functional: with the PostFinance App, I always know what's going on with my money.**

## Cashless

TWINT



Say goodbye to cash and cards: TWINT is the digital wallet on your smartphone. Simply install the app, register, load money free of charge and start paying with your smartphone.



**So inexpensive: I don't pay any annual fees for TWINT.**

## Contactless

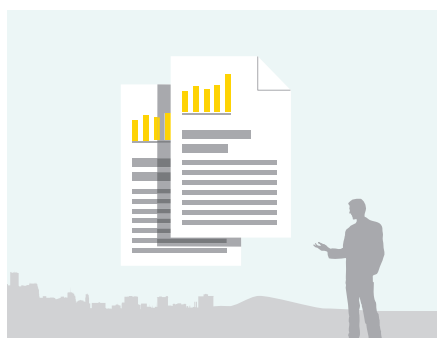
PostFinance Card



Make cashless purchases, buy petrol and pay online – all this is possible with the PostFinance Card. For small amounts up to 40 francs, you don't even need a PIN.

## The right fit

Fund range



At PostFinance, you can find the appropriate fund or funds for your individual strategy – with the initial selection made by PostFinance.

## Worldwide

Travel payment methods



Wherever your journey takes you: with the right combination of travel payment methods, you will have a constant supply of money around the globe at all times.





**Simply out and about –**  
whenever, wherever and however it suits me.

”

Enter your destination,  
buy a ticket and you're  
ready to go. Quickly and  
easily with an app.

— **Ueli Nutt**  
Pensioner

**What I like:**

Whether it's in town or in the mountains: I like travelling with PostBus. With the PostBus App, checking your connections and buying a ticket is really easy. And the free WiFi is of course also a plus. Being able to switch to PubliBike directly from the Postbus to get exactly where you're going is a great service. But that's something better left to the youngsters.

**What I'd like to see:**

Digital display panels at the stops would be fantastic – so you know if your planned connection is going to work out.



You want to get from A to B quickly and easily, whenever, wherever and however you're travelling.

PostBus is unmistakable. Anyone who sees a yellow bus thinks of PostBus. And there's a reason for that: cities and conurbations are growing together, people's requirements are constantly changing, and getting from A to B needs to be quicker and easier. PostBus is up to these challenges, and tailors its many services accordingly: from straightforward passenger transport and car sharing to mobile ticket solutions, which are also offered to third parties, the range includes solutions for all mobility requirements – and across the entire mobility chain.

### Reliable

Scheduled routes



Every day, 417,000 passengers wait at one of 11,773 PostBus stops and use 882 routes to get from their home to work on time.

### In next to no time

PostBus App



Get your ticket in two clicks – in various fare networks: the PostBus App gives you access to all connections and tickets from a total of 14 fare networks. And you can buy your ticket in next to no time.



**So pleasant: I can buy my ticket without having to queue up.**

### Networked

WiFi in PostBus vehicles




For gamers, tourists and commuters: passengers travelling on around 1,600 Postbuses can surf the Internet free of charge – for an even more enjoyable journey.

## Practical and healthy

PubliBike

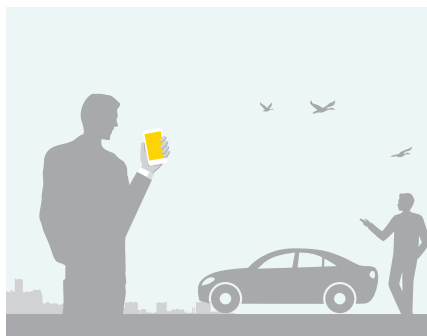


Get off the train, hop on a bike and head straight to the office: there are PubliBike stations in many Swiss cities and municipalities and at 118 stations – and their number is growing all the time.

 **So welcome: no matter where I go, I always have a bike.**

## Together

PubliRide



Get a lift instead of sitting behind the wheel: with PubliRide from PostBus, you have company on your journey and also help to ease the traffic. Simply book or offer the car share online.

## Easy and quick

Mobile ticketing



Do you want your ticket directly on your mobile phone instead of having to look for a ticket machine? No problem. With the SMS ticket from PostBus, you can simply order the ticket by SMS and receive it immediately.


 **So fast: the SMS ticket is on my mobile in no time.**

## Forward-looking

Autonomous shuttle



Step into the future! Working together with partners, PostBus is testing its autonomous shuttle buses in the city of Sion. Silently, cleanly and safely.

 **So safe: soon I'll be taking the shuttle from the office to the production hall on our company premises.**

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

Tel. +41 58 338 11 11  
[www.swisspost.ch](http://www.swisspost.ch)  
[annualreport.swisspost.ch/supplement2016](http://annualreport.swisspost.ch/supplement2016)

**SWISS POST** 

” —

Whether physical,  
virtual or mobile,  
Swiss Post is where  
its customers are.

Susanne Ruoff  
CEO





” —

By the year 2020, postal services will be accessible at more than 4,000 locations in Switzerland.

---

#### Interview

with **Urs Schwallier**, Chairman of the Board of Directors, and **Susanne Ruoff**, CEO

---

**Urs Schwallier, when was the last time you paid a bill with an inpayment slip at the post office counter?**

I've been handling most of my payments online for years now. And I'm no different from the vast majority of our customers in this respect. Habits have changed and there are many new technological options. We've all become more mobile, which means that we want services we can use anywhere and anytime, when it suits us. Swiss Post must therefore also remain as close to its customers as possible in future.

**What has Swiss Post done to meet its customers' changing requirements and habits?**

Susanne Ruoff: You can now handle your postal transactions seven days a week, and increasingly also around the clock. This is made possible by the growing number of My Post 24 terminals or the nationwide network of acceptance and collection points at petrol stations and train stations. With our pick@home service, parcel carriers collect parcels from the customer's home or another address of their choice. Other examples include the SMS postage stamp,

” —

We focus on the established model of current and new access points existing side by side.

management of registered letter and parcel deliveries, and PostCard Creator. For payment transactions, the trends are similar. PostFinance already offers a wide range of solutions that allow customers to manage their finances 24/7.

**Customer requirements and habits will continue to change. What does this mean for the postal network?**

Urs Schwaller: The key focus is on easy access to our services, not the format. With the traditional post office, Swiss Post is less and less able to meet today’s customer requirements. This trend is apparent in the drastically declining volumes of letters, parcels and inpayments handled over the counter, which is why in the autumn of 2016, we communicated our vision of the postal network of the future and how we intend to move forward to policymakers and the public. In our development of the postal network, we are considering the varying needs of the different generations, regions and cultures. And we are focusing on the established model of current and new access points, existing side by side and complementing each other. The postal agency model is a top priority: in the past ten years, it has proved to be a practical and popular access point.

**What does this mean for the universal service?**

Urs Schwaller: In the long term, we want to maintain a dense network of access points that is both customer-friendly and financially viable. By the year 2020, postal services will be accessible at more than 4,000 locations in Switzerland. Today that number stands at around 3,800. Swiss Post is committed to a strong public service now and in the future. The restructuring of our network is a great opportunity to build a Swiss Post that is close to the customer and financially sound.

**How important are profits for Swiss Post in this respect?**

Urs Schwaller: Swiss Post must generate a solid profit. It is often forgotten that Swiss Post uses its own resources to fund its development and is not dependent on financing by the Confederation. It is essential that this should remain the case in the future. Every year, we invest between 400 and 500 million francs in the ongoing development of our infrastructure and services. We are aware of our considerable responsibility

and intend to continue offering Switzerland the best universal postal service in the future. To achieve this, we need a regulatory framework that allows us to develop.

**There are still many customers who prefer personal contact. How does Swiss Post accommodate this requirement?**

Susanne Ruoff: People who prefer personal contact will still be able to use this service in the future. That is why we are expanding



” —

The key focus is on easy access to our services, not the format.

” —  
 Another of Swiss Post’s core competencies is the confidential handling of sensitive data.

the agency network. Postal agencies offer numerous postal services and longer opening hours, and the collaboration with a local partner strengthens the infrastructure of the village or district. We want to increase the number of branches at partners to between 1,200 and 1,300 by 2020, while also creating 200 to 400 additional service points such as acceptance and collection points or My Post 24 terminals.

**People in Switzerland like to shop online. This means that parcel volumes are increasing steadily. What is Swiss Post doing for senders and recipients in this area?**

Susanne Ruoff: Yes, Swiss Post does indeed benefit from this shopping behaviour. Since 2013, parcel volumes have increased by 10.7 percent. In 2016, we delivered a record number of 122 million parcels. We have developed new services: we want our customers to be able to receive their consignments as flexibly as possible, which is why, for example, we have created 310 additional service points. With “My consignments”, recipient customers can manage their consignments before they are delivered, including consignments sent to them without their knowledge. The support we provide to our sender customers allows them to operate their business even more successfully, for example with services such as Sunday delivery or same-day delivery. Our basic aim is to support Swiss companies in domestic and international e-commerce with appropriate services.

**In traditional retailing, mobile payment is a big issue. How is Swiss Post positioned in this sector?**

Susanne Ruoff: Mobile payment must be simple and convenient. But to establish itself against the use of cash, there must also be an additional benefit for the customer. TWINT is more than just a payment app. With TWINT, business customers can design their own mobile marketing campaigns

and use attractive coupons or loyalty cards to increase their sales in a targeted way.

**This means that TWINT also opens up new opportunities in direct marketing for business customers. Doesn’t this compete with the letter?**

Susanne Ruoff: Paper still has a major impact. Brochures lie on the kitchen table, and you can pick them up again two days later. Digital advertising by contrast is quickly clicked away. The possibilities offered by TWINT are the ideal supplement to Swiss Post’s services and fit in with our strategy of connecting the physical and digital worlds. This is our approach to accommodating all our customers’ requirements. But the big challenge is and will remain finding a good balance between the traditional and the new.

**Do you see other opportunities for new services or business areas?**

Susanne Ruoff: We want to carry our core competencies into the digital world. Part of this is taking a close look at the issues surrounding smart mobility. For example, we are testing new forms of delivery, such as delivery robots or drones, and automated logistics solutions. Or the intelligent parcel that finds the customer automatically because it knows where the customer wants to receive it. Another of Swiss Post’s core competencies is the confidential handling

of sensitive data. We already assist companies with the digital transformation of their business processes. For business customers, we take care of the entire document solutions system, capture the information it contains, enrich it and integrate it into the customer’s systems. We also support companies in the automation of business processes.

**Speaking of digital transformation: how does it affect Swiss Post?**

Urs Schwaller: We are digitizing our business on three levels: first, we are supplementing our core business with new digital services. “My consignments” is one example of this, where we let the customer intervene in the delivery process by telling us when and where they want to receive their consignment. Thanks to platforms in eHealth and e-voting, Swiss Post is a trustworthy partner that is opening up new opportunities for its customers in the digital world and pushing forward into new business areas. In future, we will be able to vote electronically in elections and referendums. With e-voting, we are supplementing what used to be a physical process with an electronic one. And last but not least, we are of course also digitizing our own processes, including our operating processes at the major sorting centers, our procurement processes and our human resources processes, such as recruitment or departures.

” —  
 The big challenge is and will remain finding a good balance between the traditional and the new.

# STRATEGY

Swiss Post seeks to create added value for Switzerland, customers, employees and its owner by safeguarding the quality of its universal service, operating independently, reacting quickly to market changes, being responsive to specific customer requirements and meeting its owner's financial goals by achieving stable market positions. As the key to success, employees enjoy a culture of challenge and promotion.

We create added value for:

## Our owner



### Finances

Annual operating profit (EBIT) of 700 to 900 million francs in the 2014–2016 strategy period



### Market position

Leading market positions in Switzerland and in e-commerce

## Our customers



### Customer satisfaction

At least 78 points (scale of 0–100)

## Switzerland



### Universal service

Fulfilling our legal mandate (regulatory framework) by focusing on customers and providing consistently high quality



### Sustainability

Improve CO<sub>2</sub> efficiency by 10 percent compared with 2010 by the end of 2016

## Our employees



### Employee commitment

At least 80 points (scale of 0–100)



## Strategy

## Added value for all

Swiss Post remains the market leader in its core businesses, establishes new standards with its products and integrated solutions and sets itself apart from the competition, while not losing sight of its universal service obligation.

We are strengthening our core business and developing new integrated solutions.



### The Swiss Post vision: Simple yet systematic – Swiss Post.

We connect the physical and digital worlds, setting new standards with our products and integrated solutions. We make it easier for our customers to operate in today's complex environment, giving them greater scope to succeed.

With its strategic goals, Swiss Post determines how it intends to satisfy its customers' requirements, meet the challenges of its operating environment and achieve the top-level stipulations of the Federal Council: Swiss Post seeks to systematically create added value for Switzerland, customers, employees and its owner. It achieves this by safeguarding the quality of its universal service, operating in a sustainable manner, increasing customer satisfaction and employee commitment, and meeting its financial requirements.

#### Core business

The Swiss Post business model is based on its solid core businesses of letters, parcels, newspapers, magazines, payment transaction services and public passenger transport. Swiss Post protects and develops its core business by working to maintain a competitive cost base, building on its strong positions in the value chain and continually adapting its range of products and solutions, making it a leader in terms of both quality and value for money and, in turn, ensuring that it is able to secure and expand its leading positions in the long term. Swiss Post fulfils its obligation to provide a high-quality universal service at all times.

#### Development areas

In addition to defending its core business, Swiss Post pursues a growth strategy in selected markets, focusing its resources on driving forward specific development areas determined for Swiss Post as a whole, and creating new business models within each development area:

– E-commerce: Swiss Post combines communication, logistics and financial services into integrated solutions that meet the requirements of online retailers and recipient customers. As the systems leader in Switzerland, it offers a portfolio of services covering the entire e-commerce value chain.

– Dialogue marketing: Swiss Post provides business customers with a wide range of products and services for promotional letters.

– Online and mobile banking: The shift of payment transactions to digital channels is being pushed ahead by technological developments. PostFinance therefore intends to continue developing its role as the market and innovation leader in online and mobile banking.

– E-post: Swiss Post pursues hybrid and digital growth initiatives in the postal sector. It is establishing hybrid systems such as E-Post Office, the smart online letter box. Recipients decide how they would like to receive their mail: on paper or in electronic form.

– Document solutions: Swiss Post positions itself as a key provider of document solutions both in Switzerland and abroad, and aims to participate in market growth thanks to industry-focused integrated solutions. Swiss Post processes documents such as invoices or customer correspondence efficiently, manages them and feeds them into its customers' electronic processes or archives them.

– Mobility solutions: Swiss Post wants to use new mobility solutions such as bike sharing (PubliBike) to become the leading integrated provider in passenger transport.

#### Outlook

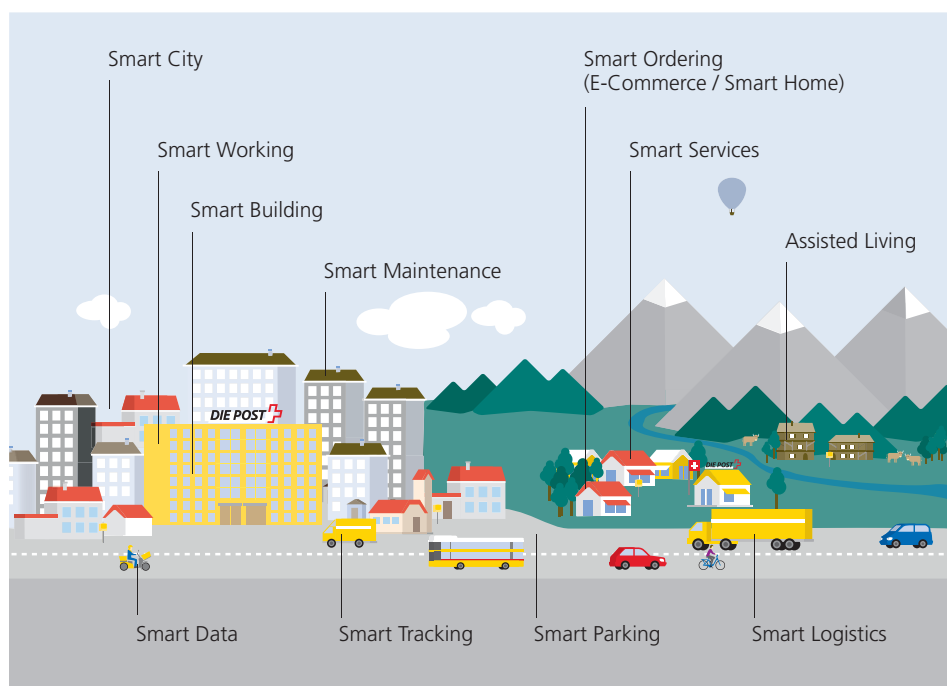
At the end of 2016, Swiss Post adopted the "Transformation Swiss Post 2020" strategy with defined strategic thrusts and new business development areas for the next four years.

→ More on the strategy in the Financial Report from page 16

Development focus: Smart systems

## The Internet of things makes life easier

The world around us is becoming more intelligent: objects are networked, systems act autonomously. This opens up new possibilities – including for Swiss Post and its customers.



Stolen bikes report their location to their owner, shelves know how much stock they're holding, and Postbuses are driving autonomously through pedestrian zones – this is no longer just a vision of the future. Everyday objects are being fitted with sensors and connected to the Internet of things. They send their data to powerful software systems that teach themselves to make even better decisions and in turn control other objects – such as robots.

### Investing in the future

The development of smart systems of this kind is being driven forward by major investments around the world. While the subject also raises questions, above all it offers opportunities: in goods logistics and passenger transport in particular, the potential is huge. Swiss Post therefore wants to contribute to this development and is committed to building a special wireless network for the Internet of things. Since March 2016, various efforts have been under way to link "postal things" to the Internet.

### New, intelligent services

In the future, it will be possible to use a wireless network to connect parcels, letter boxes and many other things to the Internet with a minimum of energy consumption, thanks to smaller and more inexpensive sensors that no longer need a SIM card. This will allow Swiss Post to offer its customers new, intelligent services.

For example, sensors enclosed with a consignment could provide alerts if the consignment is opened while not permitted or the ideal temperature for a medication is exceeded. An additional sensor detects the process step and provides the location at which the incident has taken place. Customers in turn could use small smart buttons to re-order directly from the storage rack or cabinet – easily and directly, with no detours through a webshop or app.



**Claudia Pletscher**  
Head of Development & Innovation

### Claudia Pletscher, in the Development & Innovation Group unit, you "get new ideas off the ground". What does that mean in concrete terms?

We bring expertise and new partners to Swiss Post; we connect and inspire. We try to break out of old ways of thinking and go beyond the obvious. As the driving force behind development, we launch cross-unit projects and promote market-oriented programmes.

### Why does Swiss Post focus on topics such as the Internet of things and autonomous technologies?

New technologies are changing customer expectations and Swiss Post's core business with increasing speed. So we have defined specific search fields, and we conduct in-depth analysis of the impact these have on Swiss Post's core business. From this we then identify new business opportunities.

### What is the role of Development & Innovation in this process?

We support the business units in the digital transformation. Swiss Post can make full use of its core competencies from the physical world in the digital sphere.

Development focus: Autonomous technologies

## New technologies for the core business of tomorrow

What impact will autonomous delivery robots have on the core business? How will self-driving Postbuses and drones change customer requirements? Swiss Post is taking a proactive approach to the technological trends of the future.

A self-driving Postbus is navigating the streets of Sion skilfully and safely. Elsewhere, a self-driving delivery robot may soon be bringing a hot meal to an elderly person. Or a Swiss Post drone could transport a blood sample quickly and reliably from a remote country doctor's office to the laboratory.

It is difficult to make predictions, particularly about the future. The author Mark Twain knew this; and Swiss Post knows it too. Nevertheless, one thing is clear: the trend towards the autonomous transport of goods or people could fundamentally change Swiss Post's core business.

### Innovation is part of Swiss Post's DNA

That's why Swiss Post is looking so closely at these issues. "As a pace-setter in the logistics sector, Swiss Post not only has to examine innovative solutions, it has to shape them," says Dieter Bambauer, Head of PostLogistics. Swiss Post therefore intends to help shape drone technology and delivery robots from the outset, and to identify at an early stage where these initiatives can usefully be integrated into its processes to improve efficiency.

Throughout Swiss Post's history, the company has reinvented itself again and again, as illustrated by the evolution in transport from the mail coach through diesel to hybrid and electric buses. "Identifying, testing and introducing technological innovations is part of Swiss Post's DNA," emphasizes Claudia Pletscher, Head of Development & Innovation. The reality is simple: if Swiss Post doesn't adopt the new technologies, others will anyway – companies such as Google, Amazon and Apple. "Swiss Post wants to be at the forefront of these trends in order to develop future solutions in line with the requirements of the Swiss people and economy," says Claudia Pletscher.

### Everything major starts with trial and error

Some of the tests with delivery robots and drones may look like just playing around. But the impression is deceptive. "Every major innovation in history started with somebody giving it a shot," says Claudia Pletscher. The first smartphone (1993) – large, unwieldy and unreliable – was a gimmick. The first car (1900), with a speed of only six kilometres an hour, was also a plaything.

” —  
Every major innovation in history started with somebody giving it a shot.

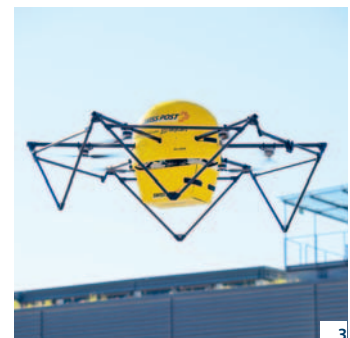
**Claudia Pletscher**  
Head of Development & Innovation



1



2



3

1 \_  
A self-driving delivery robot brings urgently required medication from the pharmacy to a patient's home.

2 \_  
Undergoing testing in Sion: the self-driving Postbus.

3 \_  
In the future, parcels may be transported by drones to remote or inaccessible areas.

# ACCESS POINTS

Access points are places where customers can obtain postal services. Swiss Post wants a network that meets everyone’s requirements. It is therefore developing new access points and expanding its services more flexibly → [Page 14](#). In an interview, the Head of Post Offices & Sales explains the planned restructuring and expansion of the postal network → [Page 15](#). In the municipality of Aegerten in the Seeland region, a grocery has doubled as a postal agency for years – and everyone is happy with it → [Page 16](#).



1,000,000

**customers** come into contact with Swiss Post every day.



Around 3,800

**access points** are offered by Swiss Post throughout Switzerland.



1.3 million

**calls** were answered by Customer Service in 2016.



1.75 million

**customers** use **e-finance** to manage their finances online.



50,000

**people** visit the **Swiss Post website** every day.



3.83 million

is the number of times Swiss Post’s **apps** have been **downloaded** so far.



The postal network of the future

## Swiss Post is there for its customers, anytime and anywhere

Swiss Post is making its services more flexible and diverse for its customers and continually adding new access points. The overall network is becoming denser and denser.

Anna has the jeans she ordered online delivered to a collection point that is on her way to work. She paid for them using e-finance. If the jeans don't fit, Swiss Post will collect the return parcel from an address of her choice. Anna sends the collection order with the Post-App.

### 24/7, wherever you are

More and more Swiss Post customers are just like Anna: they make use of the services available in the digital world and take care of business whenever and wherever it suits them. Swiss Post has recognized these changing customer requirements and is continuing to develop its network accordingly. Thanks to branches with partners such as retailers (postal agencies), acceptance and collection points at train stations and petrol stations, and My Post 24 terminals, it has access points that remain open at off-peak times – or even around the clock. Very much in line with the many and varied expectations of its customers.

### Expansion to 4,000 access points

Today, Swiss Post offers around 3,800 access points. By 2020, there will be at least 4,000. Swiss Post will focus even more closely on the established model of traditional and new access points existing side by side. The postal network of 2020 will be made up of 800 to 900 self-operated branches (post offices), 1,200 to 1,300 branches with partners (postal agencies) and 500 to 700 additional service points such as acceptance and collection points or My Post 24 terminals. The number of locations with a home delivery service will remain constant at just over 1,300.

### Europe's densest postal network

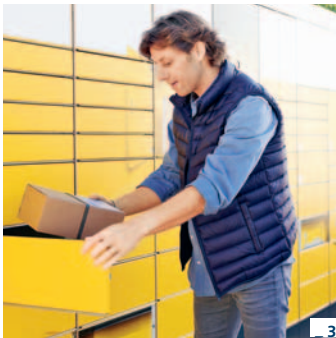
Swiss Post already offers the most finely meshed network in Europe. "We want to consolidate this leading position by creating an infrastructure that can also be financed in the medium and long term," says Thomas Baur, Head of Post Offices & Sales. Swiss Post is doing this by focusing on branches with partners and access points close to customer flows such as train stations, as well as concentrating on expanding its digital services. "The postal network of the future will be more diverse," says Thomas Baur. "Traditional and new access points will complement each other and, taken as a whole, will serve the requirements of all generations and regions."



1 – Don't have a stamp? Simply send an SMS containing the word "Stamp" to the number 414 and write the code you receive on the envelope instead of the stamp.

2 – Collect and drop off parcels wherever and whenever it suits you – thanks to acceptance and collection points at numerous locations, such as SBB train stations.





3



4

3 – Customers can use My Post 24 terminals to collect and send their parcels and registered letters 24 hours a day.

4 – Business customers can drop off their consignments at dedicated business customer points.



5

Interview

# Swiss Post is building the network of the future

For years now, Swiss Post has been developing its network in line with changing customer requirements. Where changes are necessary, Swiss Post is committed to dialogue with the cantons and affected citizens. Decisions will continue to be made as usual in cooperation with the municipalities in question.

**Thomas Baur: In October 2016, you announced the Swiss Post network of the future. What does it look like?**

The postal network of the future is near, flexible, diverse, physical and digital. We want a postal network that meets everyone’s requirements: the elderly, the young, those in remote areas, and our urban, predominantly digital customers.

**Why is the restructuring necessary in the first place?**

Changed customer requirements call for a changed network. It’s really as simple as that. Volumes are declining steadily, but households still expect a high-quality service from us. They also want to be able to choose how and when they use Swiss Post services according to their requirements. Swiss Post has responded by creating new access points such as branches with partners, My Post 24 terminals and acceptance and collection points, and by continuously expanding their numbers.

**There will soon be more postal agencies than post offices. Why is that?**

Branches with partners – generally retailers – have proved to be practical and popular access points. The advantage of these branches is that customers benefit from a wide range of postal services and attractive opening hours. At the same time, the collaboration with a local partner strengthens the infrastructure of the village or district.

5 – Pay bills: with e-finance, the PostFinance App or in person at the counter

**Some municipalities are afraid they might lose their post office. Which postal services will be available to them in the future?**

We need to show citizens that Swiss Post is not being cut back, but being restructured and expanded. We are not closing any locations without replacing them, but rather engaging in dialogue at municipal level to look for and find solutions that meet local requirements. It is important to us to maintain a local presence wherever possible, generally in the form of the proven solution with a partner – for example, a village or district shop. And digital solutions work just as well in rural as in urban areas. Our challenge will be to bring all of our products and services closer to our customers – both physical and digital.

**How do you explain the changes to municipalities and citizens?**

In municipalities affected by the changes, Swiss Post invites the public to information events where we explain alternatives and the diversity of our services. Ultimately, it comes down to providing each and every citizen with solutions that meet their different needs. Alongside all of this individuality, what remains the same is the quality and reliability – that’s guaranteed by Swiss Post.

” —  
Branches with partners have proved to be practical and popular access points.

**Thomas Baur**  
Head of Post Offices & Sales,  
Member of Executive Management

Branch with partner

## The best thing that could have happened to me

For the past three years, Verena Gnägi has been running a postal agency in her grocery shop in the village of Aegerten. For her, it's a second source of income – and the longer opening hours are a benefit for the local residents.

While the salesperson sticks stamps onto envelopes, Ueli Hirsbrunner is putting a few fresh products for dinner in his shopping basket. After paying, he opens the post office box for his gardening company and pulls out several consignments. The grocery in Aegerten doubles as a postal agency. Since June 2013, owner Verena Gnägi has been accepting letters, and customers have been picking up parcels or making inpayments with Swiss Post or Maestro cards. Gardening company owner Hirsbrunner says he doesn't miss the post office in the village at all. For him and his business, the postal agency is very convenient. "It has longer opening hours than the old post office, so I can now drop off my consignments after work."

### Swiss Post remains in the village

Many people in Aegerten feel the same way as Ueli Hirsbrunner: "There was a good deal of concern, particularly before the old post office was closed. Afterwards, people learned to appreciate the agency in the village shop," says Mayor Stefan Krattiger. He would of course

” —  
I'm glad there are still postal services available in the village.

**Stefan Krattiger**  
Mayor of Aegerten

1 –  
The grocery in Aegerten doubles as a postal agency.

have preferred to keep the post office. But given the circumstances, he thinks integrating the branch into the village shop was the best solution. "I'm glad there are still postal services available in the village."

### The best thing for the shop owner

For Verena Gnägi, the owner of the grocery, the postal agency is "a second mainstay," as she says. "It's the best thing that could have happened to me and my three employees." It's difficult to make ends meet nowadays with a small shop. Thanks to the postal agency, she now has an additional source of income – and the work is more varied too.





# BUSINESS PERFORMANCE

At 558 million francs, Swiss Post generated less profit in 2016 than in the previous year → [Page 19](#). The result is positive in all four markets, but the pressure on the core postal business is growing → [Page 20](#). Swiss Post intends to maintain high quality levels, improve its efficiency and adapt its capacities to demand. That's why it made substantial investments in 2016 → [Page 21](#). Customers again gave Swiss Post very good scores in 2016 → [Page 21](#).



558 million

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



80 points

show that **customer satisfaction** remains at a high level.



2,089 million

**addressed letters** were posted in Switzerland in 2016.



119 billion

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



122 million

**parcels** were delivered in Switzerland in 2016.



152 million

**passengers** were transported by PostBus in 2016.



# 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, while also continuing 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.

Operating income CHF million	Group profit CHF million	Equity <sup>1</sup> CHF million	Economic value added CHF million	Headcount Full-time equivalents
8,188	558	4,881	121	43,485

<sup>1</sup> As at 31 December 2016.



Group result

## Swiss Post delivers a solid result

Swiss Post is continuing to face pressure in its core business due to the accelerating pace of structural change. Operating profit (EBIT) decreased accordingly by 119 million to 704 million francs year-on-year. Operating income is solid at 8,188 million francs. In a highly competitive market, Group profit fell from 645 million francs to 558 million francs. Swiss Post is tackling the change with transformations at all levels: it is investing with foresight in its range of services for private and business customers and is modernizing its infrastructure.

Operating profit (EBIT) decreased from 823 million to 704 million francs. Operating income fell by 36 million francs to 8,188 million francs (previous year: 8,224 million). For 2016, Group profit stood at 558 million francs, which represents a decrease of 87 million francs.

Declining consignment volumes, pressure on margins in the logistics business and the low interest environment in the financial sector are having a growing effect on Swiss Post's result. Operating profit is also affected by the sale of a PostFinance participation and depreciation of tenant fit-outs in logistics centers, which were necessitated by the rapidly changing economic environment in the logistics business.

### Investments for customers

In the past year, Swiss Post made investments of around 450 million francs in developing its infrastructure, in new services and in other themes (see page 21).

### Top marks for quality

In 2016, Swiss Post once more funded the costs of the universal service in full – as well as all investments. Overall, Swiss Post again achieved very high marks for the quality of the universal service, with an accessibility figure of 95.8 percent. Postal legislation stipulates that 90 percent of the permanent residential population must be able to access a post office or postal agency on foot or by public transport within 20 minutes. Once again, this indicates that, in terms of its universal service, Swiss Post ranks among the best in Europe.

### Dividend for the Confederation

As at 31 December 2016, Group equity stood at 4,881 million francs (before appropriation of profit). At the General Meeting, the Board of Directors will propose paying a dividend of 200 million francs to the Confederation.

### Profound transformation required

The pressure on the core postal business is growing strongly. Against this background, Swiss Post will have to transform itself profoundly over the coming years. It will increasingly adapt its services to customer habits and expand the number of access points available. Swiss Post must therefore continue to restructure its postal network and focus on customer requirements and long-term financial viability, with an emphasis on the successful model of branches with partners. The increase in efficiency throughout all areas of the company is already a key factor in the good operating result and will continue. Finally, Swiss Post is faced with the challenge of creating new sources of income, with all units working intensively on innovation projects designed to stabilize the Group's operating income in the long term.

→ For detailed information on the Group result, see page 25 of the Financial Report



**Alex Glanzmann**  
Head of Finance,  
Member of Executive Management

### Are you satisfied with the result?

Given the difficult market environment, I am satisfied. Achieving this good result called for strong operational performance across all units.

### Has it become more difficult to operate profitably?

Without question. The structural change has its effect on our core businesses, and volumes in the communication market and margins in logistics are under pressure. In addition, PostFinance is not allowed to issue loans, interest income is volatile and it is difficult to invest customer capital profitably.

### Profits remain solid, but Swiss Post still has to change?

Without stable profits, we can no longer finance the universal service from our own resources in the long term. Swiss Post must transform itself. We must focus clearly and closely on changing customer requirements and develop sensible growth areas in line with our core competencies. At the same time, we must also continue to pursue consistent cost management to free up funds for this development and restructuring.

## Segment results

## Pressure on core business continues to grow

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

### Swiss Post must transform itself.

**Alex Glanzmann**  
Head of Finance, Member of Executive Management

#### Communication market

The number of addressed letters declined by 3.8 percent in the past year (2015: -1.4 percent). The number of unaddressed promotional mailings decreased by around 3.5 percent (2015: -1.7 percent). In 2016, PostMail recorded an operating profit of 317 million francs (previous year: 358 million francs). As a result of the transfer of private customer products from Post Offices & Sales and foreign currency effects, operating income rose to 2,906 million francs in 2016 (previous year: 2,820 million francs).

The operating profit generated by Swiss Post Solutions in 2016 was up 5 million francs year-on-year to 20 million francs. The improved result is due to cost reductions and efficiency improvement projects. At the same time, operating income fell from 609 million to 558 million francs.

In the past year, the operating result at Post Offices & Sales stood at -193 million francs (previous year: -110 million francs). In addition to the continuing decline in over-the-counter transactions, the fall in the result is mainly due to the adjusted internal performance mandate. The number of inpayments also declined by 5.4 percent year-on-year. Operating income fell to 1,196 million francs (previous year: 1,601 million francs).

#### Logistics market

The volume of parcels processed by PostLogistics rose by 5.7 percent year-on-year (2015: +3.0 percent). PostLogistics recorded an operating profit of 117 million francs (previous year: 145 million francs). The decline is mainly due to higher expenses arising from the transfer of product responsibility for private customer parcels. Thanks to the higher parcel volumes and increased demand for value logistics solutions, operating income rose to 1,572 million francs.

#### Financial services market

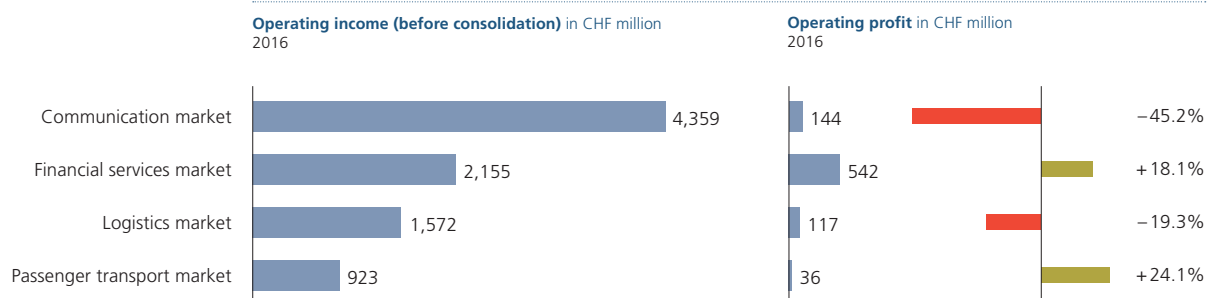
In 2016, PostFinance achieved an operating profit of 542 million francs, up 83 million francs year-on-year. The improved result is primarily due to non-recurring revenue from the sale of equity holdings and a participation. PostFinance recorded a significant decline in net interest income before impairment (-48 million francs).

#### Passenger transport market

In 2016, PostBus again travelled more kilometres and transported more passengers. Around 152 million passengers travelled by Postbus – almost 7 million more than in the previous year. At 36 million francs, operating profit at PostBus exceeded the prior-year figure by 7 million francs. This was primarily due to the fall in fuel prices and to the expansion of products and services. Operating income rose by almost 9 percent to 923 million francs.

→ For detailed information on the segment result, see page 36 of the Financial Report

#### Fundamental structural change in core business





Investments

## More capacity and efficiency

Swiss Post is increasing its capacity at the Dailens parcel center, sharpening its focus on automated logistics processes, standardizing the system architecture in its Postbuses, and has taken its last petrol scooter off the road.

In 2016, Swiss Post installed an additional, even more powerful sorting system at Dailens, increasing capacity at the parcel sorting center, the third to be upgraded after Härkingen and Frauenfeld. This allows Swiss Post to maintain its ability to process parcels to the usual high standard of quality – even with growing volumes and faster delivery speeds.

At the Villmergen logistics center, Swiss Post has brought a fully automated storage and picking facility for pharmaceutical small goods and medical products on stream. Swiss Post is the only provider in Switzerland to offer such a solution for hospitals and homes.

To ensure that all services for account management and payment transactions continue to run

smoothly and reliably on a modern platform in the future, PostFinance is modernizing its core banking system.

In future, PostBus plans to equip its individual vehicles with a single computer, communication system, GPS transmitter, antenna and display. With the Integrated System Architecture (ISA) project, PostBus is investing specifically in the standardization of its IT systems.

At the end of 2016, Swiss Post took its last petrol-powered scooter off the road. This means all of Swiss Post's fleet of approximately 6,300 two- and three-wheeled delivery vehicles are now electrically powered, and exclusively with "naturemade star"-certified green power from Switzerland.



1 - By improving the performance of its sorting systems, Swiss Post can manage increasing parcel volumes while maintaining the same level of quality.

2 - Since the end of 2016, Swiss Post has delivered all letters exclusively with electric scooters powered by eco-electricity.

Customer satisfaction

## Swiss Post receives good scores

Approximately 23,000 business and private customers surveyed are satisfied with Swiss Post's services, as shown by the latest results of the annual customer satisfaction surveys: the Group-wide customer satisfaction index once again achieved 80 out of a possible 100 points. More than half of the customers surveyed state that they are very satisfied with the range of products and services offered by Swiss Post. Swiss Post staff receive the best scores thanks to their friendliness and personal advice. Delivery quality was also rated very highly, scoring over 90 points for the tenth time in a row. Potential for improvement is seen mainly in pricing, and more generally in problem-solving.

Letter and parcel delivery quality

## Delivered on time

Last year, Swiss Post processed almost 2.1 billion addressed letters. 98.0 percent of all A Mail letters were delivered on time, while 98.9 percent of all B Mail letters arrived on schedule. In 2016, Swiss Post delivered more parcels than ever before: around 122 million. Nevertheless, the quality of previous years remains constant: in 2016, 98.1 percent of all PostPac Priority parcels arrived on time. For PostPac Economy parcels, Swiss Post delivered 97.2 percent on time.

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

**98.0 percent**  
of all **A Mail letters** were delivered on time.

**98.1 percent**  
of all **PostPac Priority parcels** reached their recipient on time.



# Communication and logistics market

Swiss Post is committed to a dense network with a wide range of physical and digital access points. Whether letters, small goods, promotional mailings, newspapers or confidential documents – Swiss Post transports consignments reliably and securely. For companies, Swiss Post handles entire business processes in document solutions. As a leading logistics provider, Swiss Post offers everything from simple parcel through to small consignment transport and complex logistics solutions within Switzerland and abroad. And for mail order companies, Swiss Post designs online shops, processes orders, packs and sends parcels, handles returns and provides support in marketing. Swiss Post is the only provider in Switzerland with a complete portfolio of services in e-commerce.

## Communication market

Operating income CHF million	Operating profit CHF million	Addressed letters In millions
4,359	144	2,089

## Logistics market

Operating income CHF million	Operating profit CHF million	Parcels In millions
1,572	117	122



Manage consignments individually

## Smart recipients know when a parcel is coming

“My consignments” notifies Swiss Post customers of parcels and registered letters that are on their way to them, allowing recipients to specify their preferred delivery option or respond conveniently to missed delivery attempts.

Sabrina knows that she is receiving a parcel tomorrow. She's expecting the parcel because she is registered on the Swiss Post Customer Center, so she receives an SMS before a parcel is delivered, and can see the delivery dates for all parcels and registered letters on their way to her in “My consignments”. The overview also shows Sabrina the sender, place of posting and whether the parcel will fit into the storage compartment of her mailbox. The Customer Center tells her whether receipt of the parcel requires a signature, and how much the COD charge will be, if applicable. And thanks to the SMS service, Sabrina does not have to log in to the Customer Center every day to stay informed.

### Manage delivery

If Sabrina is not at home on the day of delivery, she can even use “My consignments” to choose when and where Swiss Post delivers her parcel. Sabrina can choose the day she prefers, select a time window or agree to the delivery of registered parcels online. She can choose these delivery options either for each consignment or as a permanent setting. And if she does happen to miss a consignment, she can specify what

should be done with it: she can specify a date for a second attempted delivery, authorize someone to collect the parcel at the post office, or have it forwarded to another address – for example to a My Post 24 terminal. When she's on holiday, she can simply extend the collection period.

→ [www.swisspost.ch/my-consignments](http://www.swisspost.ch/my-consignments)

Offers on request

## Say yes (and no) to advertising

Many Swiss letter boxes have a “No advertising” sticker. Their owners want to protect themselves against unaddressed promotional mail whose contents do not interest them. But this means that they also miss relevant campaigns by their favourite shops.

### Choose offers easily

This is where “Offers on request” comes in. In the Swiss Post Customer Center, recipients can choose from a range of participating providers whose promotional mail they actually want to receive: for example, the weekly offers from their favourite supermarket or a specific retailer's catalogue. They will then receive the requested brochures as addressed items.

### The companies also profit

The recipient addresses remain with Swiss Post and are not passed on to the advertising companies. Nevertheless, the senders also benefit from this new service. Thanks to “Offers on request” they can serve a high-quality and valuable target group: people who explicitly ask for their offers.

→ [www.swisspost.ch/offers-on-request](http://www.swisspost.ch/offers-on-request)

” —

With “My consignments”, we give our customers control over their mail.

**Dieter Bambauer**  
Head of PostLogistics,  
Member of Executive Management

” —  
Our customers know that Swiss Post treats sensitive data confidentially.

**Andi Heller**  
Director of SafeRec AG

Integrated e-commerce solution

## The shredder for sensitive data

Shredders are available not only for paper, but also for electronic devices. SafeRec, the specialist in data destruction, has developed a powerful solution for SMEs and private customers in conjunction with Swiss Post.

When a computer gives up the ghost, it should be disposed of properly. Private individuals can simply take their old devices to the nearest electronics dealer, although they may sometimes be putting sensitive data in unauthorized hands.

### Data misuse ruled out

But when Swiss Post has a hand in it, the disposal of electrical waste is confidential, secure and environmentally friendly: we accept the packaged devices at the post office counter and forward them to our Pratteln logistics center, where SafeRec destroys the equipment with a shredder and recycles the raw materials. The scrap products leave Swiss Post only for recycling.

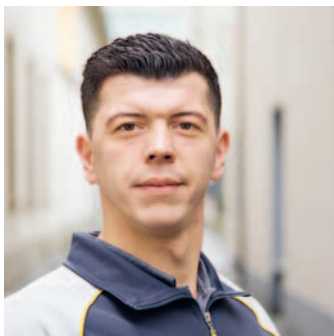
### The yellow trust bonus

SafeRec offers secure and permanent destruction for private individuals, SMEs and municipalities. After all, companies also produce electronic waste which should be disposed of

professionally. “Our customers want a guarantee that nobody can tamper with the data on their devices,” says Andi Heller, Director of SafeRec AG. “Thanks to Swiss Post, we can offer that certainty.”

### Close to customers

The disposal of an electrical device begins in SafeRec’s online shop, which was developed under Swiss Post’s direction. This is also where the disposal cost is paid. E-payment is provided by Swiss Post. Where needed, SafeRec customers also receive packaging materials for shipping from the fully automated YellowCube warehouse. The parcel then goes to the nearest post office along with the order confirmation. “No other logistics provider has such a dense network of acceptance points,” says Andi Heller. “This is crucial to the success of our business model. And with Swiss Post, I get all services from a single source.”



**Admir Merdzic**  
Parcel Carrier in Basel

Service quality during parcel delivery

## Thinking for yourself is the key

### Mr Merdzic, you’ve been working in parcel delivery for years. What does service quality mean for you?

Well, first of all of course that the right parcel gets to the right person on time. You need a good memory for that: I know every house number, every letter box and many of our customers personally by name. I know exactly who’s at home and which neighbours I can deliver something to. This is one of the things that explains the very good first-time delivery rate of 90 per cent for parcels.

### That calls for a good deal of knowledge and experience.

Yes, definitely! And it’s just as important to know all the services, provide information competently and remain friendly at all times: for example, if someone gets annoyed because I won’t hand over a parcel with the “Personal delivery” value-added service to a different person.

### What else is part of good service?

A well-groomed appearance goes without saying. For me, the friendly smile happens all by itself when someone opens the door and starts beaming because their new smartphone or some other exciting parcel has arrived. Making other people happy makes me happy.

## New delivery services

## Parcel delivery on the same day or on Sunday

As e-commerce grows in importance, customers increasingly want to receive consignments as quickly as possible: on the same day and also on Sunday. With the new SameDay and Sunday delivery options, Swiss Post provides online suppliers with significant competitive advantages.

” —  
In e-commerce, Sunday delivery and SameDay services provide competitive advantages.

**Marc Hasler**  
Head of Products & Market  
Development at PostLogistics

Hannah almost found herself turning up without a present at her tennis partner's spontaneous birthday party. But while surfing the net in the morning, she discovered that her mail order company also delivers goods with "SameDay afternoon" or "SameDay evening". And so she was able to choose something original, go to work, have the parcel delivered in the evening and go to the party relaxed. With the new delivery service, consignments arrive on the same day as they are posted. Swiss Post has been offering the service since autumn 2016 along the main Swiss business routes from Geneva to St. Gallen. Consignments are accepted at 59 post offices and 25 counters for business customers, and delivered on the same day regardless of where they are posted.

### Requirement for higher delivery speed

For business customers in Zurich, Basel, Lausanne and Geneva, Swiss Post also introduced Sunday delivery of parcels to private households in autumn 2016. The service was launched after a one-year pilot project with Nespresso and

coop@home in the four cities proved to be promising. "With Sunday delivery, we meet the needs of many online retailers," says Marc Hasler, Head of Products & Market Development at PostLogistics. "And Swiss Post occupies an important niche to help it remain competitive against growing international competition in the parcel business."

## Delivery robots and drones

## Swiss Post tests alternative delivery solutions

A blood test to be sent to the lab or a hot meal for an elderly person: autonomous delivery robots may in future be capable of setting off at any time of day when someone is in need of an urgent delivery. Since autumn 2016, they have been on the road for testing, accompanied for now, in Berne, Köniz and Biberist. As is the case with drones, the robots could in the future supplement Swiss Post's delivery logistics.

Moving at walking speed, the delivery robots navigate safely to their destination using a range of different sensors. They should be ready for commercial use in three years at the earliest. Robot traffic jams on the pavement are not something to worry about: the majority of parcels will continue to be delivered by people.

### Combination of both technologies

While the delivery robots are to be used for fast consignments in urban areas, drones may one day be delivering high-priority special consignments to remote locations. The recently tested drones can carry loads of up to 5 kg and have a range of 20 km. Together, the individual benefits of each technology will offer an outstanding combination.

1 —  
Local, flexible, fast and inexpensive delivery? In future by a self-driving delivery robot.







**Jan Nyffenegger**

Management Assistant at La Cucina

### What has been your experience of kaloka.ch?

We very much like the well-thought-out and modern concept. Same-day delivery and the lovingly and clearly designed website are a big gain for our rather small company.

### How exactly does the platform benefit you?

We benefit from Swiss Post's extensive experience in e-commerce, as do our customers, who are mostly professionals who have little time but attach great importance to high-quality products. We receive quite a few orders via kaloka.ch – mostly for smaller amounts. People order one or two spices and have them delivered to their home.

### What is the response from your regular customers?

Some of our regular customers already use kaloka.ch. But they still very much like to come into the shop, to smell the spices and the tea. For us, it's important to offer our customers a pleasant shopping experience and good service, both online and in the real world.

<sup>1</sup> Mario Stranges, Managing Director of "Ingredientia Der Laden", with a basket full of Italian specialties.

Kaloka online platform

## Take a pleasant stroll through the capital from your armchair

On the Kaloka platform, customers can surf through more than 50 regional shops without having to leave the website. And if they want, they can have their purchases delivered to the doorstep on the same day.

Marianne is sitting in front of her screen scrolling through her electronic agenda. The day is full of appointments – one more important than the other. But the marketing specialist really has to find the time to buy a present for her date in the evening. Fortunately, her colleague Laura has an idea: "Take a look at kaloka.ch. They have excellent products from the region and deliver on the same day."

Since 2016, Swiss Post has been offering local Berne shops an online sales platform with kaloka.ch. This gives the shops, most of them small, an additional channel for reaching new customers. And the aces up their sleeves are SameDay delivery and the ability to shop by SMS. If you order by 1 p.m., the goods are delivered by 4 p.m., and orders placed by 5 p.m. are delivered by 8 p.m.

### Counting on Swiss Post's experience

There are more than 50 local traders on kaloka.ch. They don't have to build their own webshop because they can rely on the expertise of Swiss

Post, which with kaloka.ch combines its core competencies in delivery and e-commerce, where it has had an important position on the market for many years. Swiss Post plans to implement the pilot project in other Swiss regions.

### Quality from the region

kaloka.ch is ideal for discerning people with little time to spare. They can find high-quality regional products that they can buy online – quickly and easily. Take Marianne: she can visit more than 50 different local shops without having to leave the website or log in to different virtual shopping baskets. She can find product ranges and specialities from local shops, presented in a clear and appealing way.

After ordering, Marianne hurries to her next meeting. Later that afternoon, she sees an SMS on her mobile: the courier has arrived and left the present at the reception desk.

→ [www.kaloka.ch](http://www.kaloka.ch)



Services over the last mile

## Delivering letters and much more besides

Delivering, collecting, making enquiries: every day, Swiss Post is out and about among the people, where it can handle additional tasks efficiently.

Leonora puts the full bag of sorted clothes out beside her letter box. It will be gone by noon, because the Swiss Post postal carrier will take it with her on her rounds before handing it over to a donation organization.

There are many things today that can be automated or remotely controlled, but for some things, somebody still has to be out and about among the people. But this is relatively expensive, particularly for things that don't take long. In this respect, Swiss Post has a decisive advantage: it is the only company whose employees actually visit virtually every doorstep in Switzerland six days a week.

### Regional product subscriptions

The example of the collection of clothing mentioned at the outset is a pilot project – and it could soon become a standard service. Swiss Post is now developing the on-site services of the future, both on its own and in cooperation with partners.

These services can also be close to our core business, as shown by an example that has already

been implemented: Swiss Post delivers seasonal products from farmers. This allows innovative farmers with farm shops to offer their customers in the region food subscriptions with attractive delivery terms. These and new future Swiss Post services over the last mile are also very positive from an environmental perspective, because they do not require any additional journeys.



“ —  
Swiss Post is the only company that is on almost every doorstep on a daily basis.

**Florian Fertl**  
Head of Last Mile & Business Solutions  
at PostMail

1 –  
Many things can be controlled remotely nowadays, but for some activities, it is still necessary to have people on-site.

Meter reading

## When the mail carrier reads the electricity meter

Equipped with an app on their scanner, delivery staff will in future read meters on behalf of regional electricity, water and gas suppliers. Swiss Post is offering this new service in cooperation with IT service provider Avectris, who developed the app and process the data collected.

The power company EKS (Elektrizitätswerk des Kantons Schaffhausen AG) is the first client for Avectris and Swiss Post: delivery staff have been

reading the electricity meters of EKS customers in specific regions since autumn 2016, and since the beginning of 2017 in the entire supply area.

Pilot projects for the reading of electricity meters were undertaken in 2015 with several energy suppliers, although at the time using the suppliers' own reading devices and not an app on the Swiss Post scanners. Nevertheless, the results were already promising: the procedures worked well, and letter deliveries remained at their usual high level. This is a key finding for Swiss Post, because the new services over the last mile are designed not to jeopardize the core business, but rather to complement it sensibly.

Effective donation mailings

## Successful in the fight against time and adversity

When a disaster happens, organizations call for help. Donation letters sent promptly and personally addressed are particularly successful – which is why the Swiss Post emergency direct mailing, developed as a customer solution, requires less than two working days from go-ahead to delivery.



1 – Employees from aid organizations are urgently required in the field in the wake of catastrophes.

” —  
Aid organizations can react faster with a mailing template.

**Andreas Lang**  
Head of Direct Marketing Services at Swiss Post

Earthquakes, flood disasters, typhoons: images of destruction and suffering are moving. Many people want to donate spontaneously. The experience of many aid organizations has shown that willingness to donate is at its highest immediately after an event. And that letters that are personally addressed are particularly effective. It is therefore important to send a personalized mailing as soon as possible after disasters, without losing the time required to create and produce it. Because every additional day means fewer donations.

### Record donations for SOS-Kinderdorf

For this reason, Swiss Post has developed a donation mailing for aid organizations that works with predefined image and text modules and can be implemented quickly after an emergency. The relevant, personalized content is entered, while the paper, envelopes and addresses

are ready for printing, letter shop and mailing. The letter can be in the recipient's letter box as little as 35 hours after the client's go-ahead. "We are pleased to serve a good cause with an intelligent solution," says Andreas Lang, Head of Direct Marketing Services at Swiss Post. "The direct mailing after the earthquake disaster in Nepal, for example, was one of the most successful SOS-Kinderdorf mailings in terms of response and above all in terms of the amount donated."

International promotional mailings

## Send a fragrance around the globe

When did you last get a perfumed love letter? Probably quite a while ago. That might be about to change, because perfume manufacturers are offering scented postcards, and while they may not contain a declaration of love, they do offer beguiling fragrances. Potential customers no longer have to go to a cosmetics store; the fragrance lands in their letter boxes directly from the manufacturer.

Behind all of this is an idea from Asendia Switzerland, the Swiss Post unit responsible for international letters and goods consignments. The model is simple: the customer is interested in a new perfume and orders a sample of the fragrance online. Swiss Post partner Funke Lettershop checks the order and address and prints the scented card. Asendia Switzerland sends it – anywhere in the world. In the past three years, 880,000 scented postcards were delivered in nine countries.

For the perfume supplier, this is a practical solution: with no effort required, they can send fragrances and reach potential customers all over the world.





**1** – “Do you remember, Mummy?” A daughter says thank you for her sweet childhood memories with a postcard featuring the iconic Migros ice cream.

PostCard API: A programming interface for postcards

## How Migros is turning customers into ambassadors

The iconic Migros ice cream on the front, a personal reminder in the text – and all sent as a free postcard. This is made possible by a digital postcard interface for business customers.

“Do you remember, Mummy? I always wanted a seal!” In the summer of 2016, this and similar ideas appeared on postcards whose front sides for once didn’t feature mountains or the beach, but cult products from Migros: the ice tea from the ‘90s, the orange washing-up liquid named Handy or the classic, the ice cream with the seal. Migros customers noted their favourite moments with their favourite products on postcards, bringing back each other’s memories. A big success: in the first three weeks of the campaign, 52,000 cards were created digitally on the Migros website or with the app, and printed and sent physically by Swiss Post. “The postcard is the perfect medium for us to rekindle something emotional like our collective memory of a Migros moment among our customers,” says

Philipp Kuonen, Umbrella Campaign Project Manager at the Federation of Migros Cooperatives. This project was made possible by the new and innovative digital postcard interface.

For quite some time now, Swiss Post has offered business customers the ability to create postcards for mailings with PostCard Creator. The PostCard API goes a step further: companies such as Migros can use it to let their customers create and send postcards themselves. Thanks to a programming interface – known as an application programming interface or API – companies can integrate the functions into their digital touchpoints. For companies and organizations, the possible applications of this hybrid card are very versatile.

Philately

## New generation of postage stamps

With the stamps launched in 2016, customers can immerse themselves in new sensory worlds. The “Gottardo 2016” special stamp brings the smell and feel of the Saint-Gotthard Massif to

life – for the opening of the Gotthard Base Tunnel, with a route length of 57 kilometres connecting the north with the south of the country, Swiss Post came up with something special. Of the 28.2 million tonnes of rock removed from the mountain, a fraction was ground to a fine powder and applied to the stamp with special lacquer.



Of equally high quality and also unique are the 2016 Christmas stamps. The four stamps with the motifs of a Christmas tree, snowman, angel and sledge bring a white Christmas to Switzerland, whatever other ideas the weather gods may have again this year: anyone who scans the Christmas stamps with the Post-App is in for a Christmassy surprise.



Credit Suisse

## Document scanning with advantages for the customer and Swiss Post

Swiss Post Solutions is cooperating with Credit Suisse and taking over its scanning center in Switzerland in February 2017. Swiss Post Solutions will automatically read the incoming documents and make them available to the bank in an optimized form. A big change, and one with many advantages.

Step by step, Credit Suisse is evolving into a digital bank. It wants banking services to be available to customers digitally and to create a unique customer experience. The benefits of this digitization are reduced processing times, simplified work processes and lower costs.

The collaboration with Swiss Post Solutions in document scanning is a major step for Credit Suisse: employees no longer have to physically forward documents, and instead have access to the data they need immediately and everywhere. At the same time, the bank can more easily track the path of an electronic document, respond more quickly and flexibly to customer requests and automate numerous internal processes. Swiss Post Solutions for its part can provide the services cost-efficiently thanks to its

experience from existing service centers. The collaboration between Credit Suisse and Swiss Post Solutions is very important for both partners – together, they are developing forward-looking and innovative solutions and implementing them for customers.

---

The paperless office

### Digital postal delivery at headquarters

The paperless office often falls down at the hurdle of incoming mail. Companies receive thousands of physical letters, newspapers and parcels: at Swiss Post headquarters, the figure is almost 300,000 consignments per year. Swiss Post Solutions is now digitizing most of this mail and making it available electronically: around 80 percent of consignments can be digitized.

#### Receive letters at a telework station

With digital delivery, Swiss Post supports the paperless office internally. Employees no longer have to scan incoming letters individually to file them electronically. Mail is available to them directly in Outlook on the day of delivery. This saves time and simplifies location-independent work practices – for example, from home or on the road. But the senders of letters also benefit from digitization: more efficient processes mean that their requests are handled faster.

Swiss Post Solutions also offers this solution to third parties. Pilot projects with external customers have already begun, and others are in the planning stage.



**300,000**  
consignments per year arrive at Swiss Post headquarters.

**80** percent  
of incoming consignments are suitable for **digitization**.



Swiss Post Solutions

## Efficient robots for PostFinance payment collections

Since autumn 2016, PostFinance and Swiss Post Solutions (SPS) have been testing how software robots can support the PostFinance payment collection process in a joint project.

If Mr Smith or Ms Jones had forgotten to pay their credit card bills, a complex process used to be triggered at PostFinance: a list of the details of defaulting customers was processed manually at regular intervals by a back office team at the bank. There was a multistage process to be considered and various systems had to be maintained.

### Process automation with robotics

Swiss Post Solutions developed a solution for PostFinance using robotic process automation (RPA). A robot goes through the accounts of the customers in question at regular intervals – including outside office hours – to enable the efficient processing of payment collections. It recognizes data such as the IBAN number or credit card type and launches various back office applications to analyse available assets and check when previous credit card bills were settled. In the next step, the robot notifies

employees of accounts with billable amounts. The robot therefore supports the process, almost in real time and taking all necessary business rules into account.

### Better quality and compliance

“RPA is a key technology that enables companies in times of digital change to improve processing quality and reduce manual processing time,” says Jörg Vollmer, Head of Swiss Post Solutions. “Another advantage is that the old systems do not have to be reconfigured because the robot works on existing systems. “There is also a guarantee that each step is fully traceable and documented and that the data concerned remains in the company.”



1 – Swiss Post Solutions handles physical mail for business customers.

2 – A Swiss Post Solutions employee scans consignments on-site.



### Intelligent automation

Artificial intelligence can automatically process unstructured documents such as e-mail enquiries. First it determines the content of the message: for example, is the message a request for a quotation? The system then looks for key information such as the name of the sender and their customer number and combines it with existing internal customer data. Depending on the data available and the rules defined, the system can now continue working completely independently and send the requested quotation. If the system cannot manage without help, it forwards the request to an administrative assistant. If the same situation arises again, the system will recognize the case and deal with it independently. It is therefore learning continually.

E-voting

## Elections and referendums at the click of a mouse

With e-voting, Swiss Post allows voters to cast their votes electronically in elections and referendums. The solution was introduced in the canton of Fribourg in autumn 2016, with Neuchâtel to follow in 2017.

” —  
With e-voting, Swiss Post has shown that it is also possible to transport ballots securely and confidentially via digital channels.

**Denis Morel**  
Head of E-voting

Voting in the future will no longer be only at the ballot box or by post, but increasingly online – with the Swiss Post e-voting solution. Incorrectly completed forms, illegible handwriting or omitted signatures are a thing of the past – they are simply not possible on the e-voting platform. Swiss nationals resident abroad no longer have to worry about their reply envelopes getting lost or arriving too late.

### End-to-end encryption

“Swiss Post already enables postal voting. Now we are also working to ensure the secure electronic transport of ballots,” says Denis Morel, Head of E-voting. To guarantee data security and protection, Swiss Post uses the latest cryptographic technologies, such as end-to-end encryption. The solution was developed in collaboration with Scytel, the world’s leading

e-voting solution provider. The company is the world market leader in verification and encryption technologies for e-voting. The solution is installed, operated and controlled by Swiss Post at its own ISO- and TÜV-certified data centers. And only the cantonal electoral commission can open the ballot boxes to decrypt and count the votes.

### The solution in use

The Swiss Post solution was used for the first time by the Canton of Fribourg on election day in November 2016. The Canton of Neuchâtel used the system for the first time for the federal votes in February 2017. By 2018, the solution will have been developed to the extent that all eligible voters will in principle be able to vote and take part in elections online.



1 –  
**Danièle Gagnaux-Morel**  
State Chancellor of the Canton  
of Fribourg



2 –  
**Séverine Despland**  
State Chancellor of the Canton  
of Neuchâtel

Interview with state chancellors

## One-stop solution for cantons

### Ms Despland, why did the Canton of Neuchâtel choose Swiss Post’s e-voting solution?

A canton cannot operate an e-voting solution on its own, so we looked for a trustworthy partner. The decisive factor for us was the ability to further shape e-voting in Switzerland and build on the experience of the past ten years. The partnership with Swiss Post makes this possible. We are in continuous dialogue and can contribute our requirements and experience.

### So the roles in this process are clearly defined?

Yes. Swiss Post provides the infrastructure for the electronic contest and supports us with preparation and configuration. The canton of course retains control over the entire process and the content of the contest.

### Ms Gagnaux, how long has the Canton of Fribourg been working with e-voting?

We used e-voting for the first time for the federal votes and for the second round of voting in the cantonal elections on 27 November 2016. For the time being, online voting is available only to the 5,000 citizens of the canton who are resident abroad. However, we are working to make e-voting possible for the entire population in the long term.

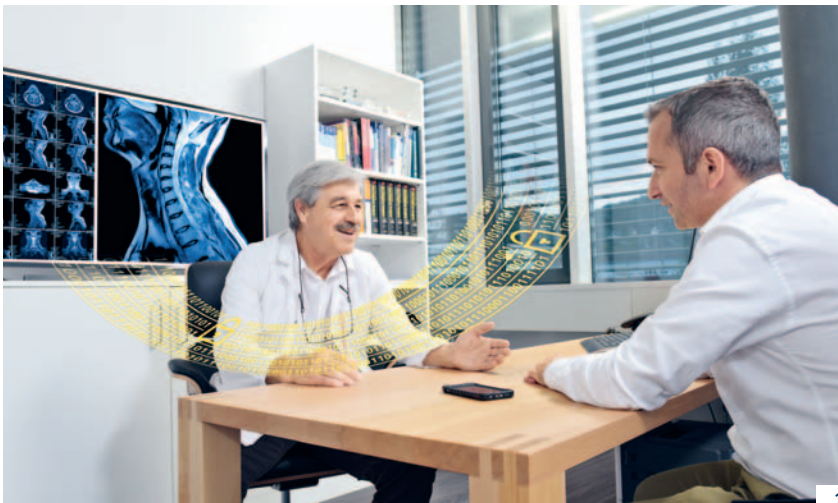
### What are the factors in favour of Swiss Post’s e-voting solution?

It was important to us that all data remains in Switzerland, is encrypted and anonymous, and that no third parties have access to it. As a canton, we cannot take risks with respect to security. We chose Swiss Post because it provides a secure solution with full end-to-end encryption.

eHealth

## Connecting health securely

At the interface between treatment and logistics processes, Swiss Post is positioning itself as a service provider that combines physical and digital expertise, creating added value for all stakeholders in the health sector.



1 – The relevant health data at a glance, anytime.

” —  
Swiss Post supports logistics in the healthcare sector with digital solutions.

**Martin Fuchs**  
Head of eHealth

sterilized for the next use. The digital transformation now offers the opportunity to develop services like these into marketable eHealth solutions, thanks to the possibilities opened up by the digital world.

With its eHealth platform, Swiss Post networks all stakeholders in the healthcare sector. “With new digital services, we can simplify and accelerate processes, eliminate sources of error and ensure a continuous flow of data,” says Martin Fuchs. Swiss Post is therefore helping to save costs and improve quality in the sector.

1

E-Post Office

### The digital office for payments, archiving and correspondence

Hannes has configured E-Post Office so that he receives letters from his insurance company electronically. To pay his premiums, he used to have to switch to e-banking. Today, it’s more convenient: since autumn 2016, he has been able to transfer the invoice directly from his intelligent online letter box as a payment order to his bank.

#### For paper invoices too

Hannes receives mail from other senders in his physical letter box. He photographs these documents with the E-Post Office App on his mobile phone. This archives them automatically as PDF files in E-Post Office. E-Post Office reads the text in the documents with character recognition software. Typing in IBAN numbers is therefore a thing of the past for Hannes. He can also instigate the payment of these invoices conveniently with the click of a mouse.

Kurt visits his family doctor on a regular basis. His doctor notes that his blood pressure is high again and prescribes a 24-hour blood pressure measurement. Kurt receives the blood pressure gauge in the post, and because he has an electronic patient record, he can quickly and easily send the collected data back to his doctor for analysis. Later, Swiss Post collects the device, has it cleaned and places it back into storage.

#### eHealth platform as basis

“This case is a good example of how we see Swiss Post’s future role,” says Martin Fuchs, Head of eHealth at Swiss Post. “We plan to dovetail the treatment and logistics processes – thanks to our eHealth platform.” Postal secrecy is guaranteed for both the transfer of sensitive information and the physical transport of medical products.

Swiss Post has been a successful logistics provider in the healthcare sector for quite some time now. It offers services such as delivering artificial joints and the associated instruments to operating theatres, collecting the instruments after they have been used and having them



## Financial services market

PostFinance wants to remain the market leader in Swiss payment transactions, push ahead with the digitization of its business and grow along the business customer value chain. It has therefore developed mobile payment through its subsidiary TWINT and merged TWINT with the competing product Paymit. E-trading now also allows stock market transactions on mobile devices, and the "Investments" area has been strengthened. To ensure that it is close to the dynamic developments in the financial market, PostFinance acquires interests in young fintech companies, allowing it to identify promising products, technologies or business models at an early stage and remain successful in a difficult interest rate environment.

Operating income CHF million	Operating profit CHF million	Customer accounts In thousands	Inflow of new money CHF million	Average customer assets CHF billion
2,155	542	4,845	4,479	119



TWINT

## The Swiss solution for mobile payment

Paying with your smartphone at the checkout, shopping online, redeeming a coupon or paying your girlfriend back for a cinema ticket: all these things are possible with TWINT, the digital wallet. The merger of TWINT and Paymit now offers Switzerland a powerful mobile payment solution.

” —  
The two systems were combined into a single solution that pools their strengths.

**Thierry Kneissler**  
CEO of TWINT Ltd

Rebecca sets down her purchases at the checkout. The man in front of her is picking coins out of his wallet. For Rebecca, this has not been an issue since TWINT came along: she holds her smartphone up to the so-called beacon and that's it – the purchase amount has already been debited from her account. Rebecca doesn't have to show her customer card, because it's already stored in the TWINT App. And thanks to the coupon in her digital wallet, Rebecca automatically gets her strawberry yoghurt at half price.

### Pooling strengths

From spring 2017, the TWINT App will be able to do even more: the tried-and-tested functions will be supplemented with direct account debiting when paying with TWINT. This became possible thanks to the merger of TWINT with Paymit, the mobile payment solution from SIX and Swiss banks. "The two systems with their different focuses were combined into a single solution that pools their strengths. This makes TWINT even better," says Thierry Kneissler, CEO of TWINT Ltd.

### The six biggest banks on board

The new TWINT Ltd was launched following the positive decision of the Competition Commission. Once the Commission gave the green light in September 2016, development of the system and negotiations with partners proceeded at full throttle. "We can say with some pride that the six biggest Swiss banks and SIX are involved in TWINT," says Thierry Kneissler. Even before the merger, TWINT and Paymit together had more than 500,000 customers.

### From cash to mobile payment

The CEO regards the biggest challenge not as other payment solutions such as Apple Pay, but as deeply ingrained habits: "Many people still prefer to pay with cash. Convincing them that mobile payment is for them is our most important and at the same time most difficult task."

→ [www.twint.ch](http://www.twint.ch)



### What is TWINT?

TWINT is the Swiss solution for mobile payment that works with all bank accounts and all smartphones. With TWINT, you can do more than just pay: the app provides additional features such as sending and receiving money, storing customer cards, benefiting from coupons and loyalty cards, and making donations.

E-trading

## Carry out stock market transactions anywhere in real time

Thanks to the new e-trading platform and the PostFinance App, traders can now easily carry out their stock market transactions and get live information on every market trend. The partnership with Swissquote is an important part of this development.

” —  
We want our customers to be able to carry out their stock market transactions any-time and any-where.

**Patrick Beyeler**  
Head of Investment Products

Trade independently in shares, bonds, funds, ETFs and derivatives in real time on the most important stock exchanges in Switzerland, Europe and North America, view all securities and read comprehensive analyses: you can get all this and much more from PostFinance's new e-trading platform. "Visually, the design of the platform is now clearer. This allows users to set up the interface themselves – according to their personal preferences," says Roland Flütsch, e-trading Product Manager. This makes securities trading even easier for our 60,000 or so e-trading customers.

### When the moment counts

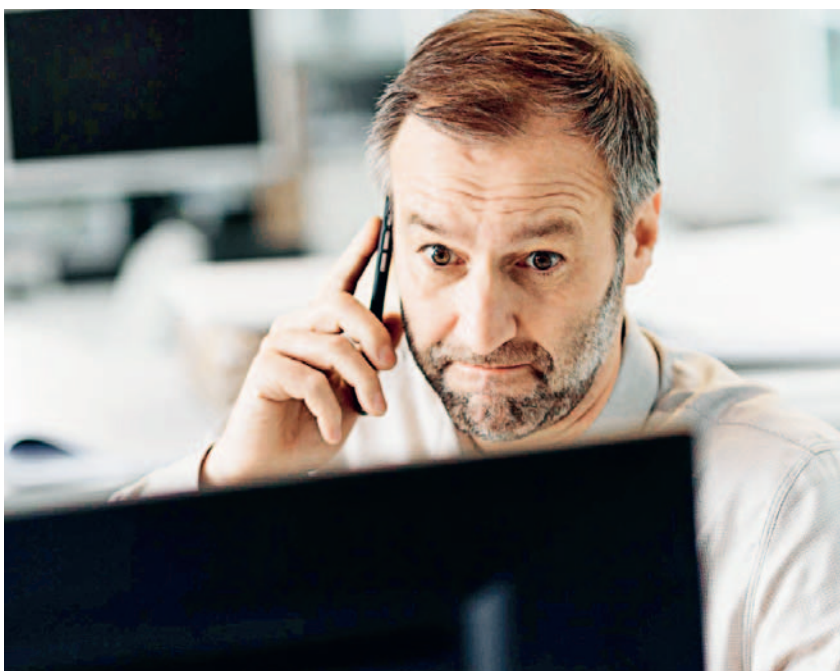
To keep on top of things when you're on the go, you can get notifications about completed trades by SMS or e-mail, define price alerts and carry out all transactions directly in the PostFinance App. "In the world of stocks and markets, momentum plays a particularly important role. That's why it's important to us to provide our customers with a platform they can visit at

any time, wherever they are, to carry out their stock market transactions," says Luca Ritucci from 3rd Level Support at the e-trading Contact Center.

The new platform was developed by Swissquote, PostFinance's strategic trading partner. Since 2014, PostFinance has held a 5 percent equity interest in Swissquote Group Holding AG.

New customers have been able to register on the new platform since March 2016, and existing customers were migrated to it in May. Since acquiring its securities dealer and banking licence, PostFinance has been acting as a client dealer and custodian bank. Swissquote is responsible for custody account management on behalf of PostFinance.

→ [www.postfinance.ch/e-trading](http://www.postfinance.ch/e-trading)



### For those willing to take a risk: funds with a high equity component

"Why do I need to think about my retirement now?" young people wonder, while their elders ask themselves: "How can I still invest my money profitably when it's virtually impossible to earn any interest income?" Whatever the case, thinking about your retirement planning is always worthwhile for PostFinance customers: you decide for yourself whether you want to invest your long-term retirement assets cautiously or are willing to take a risk. Since June 2016, investors with the appropriate investor profile have been able to benefit more from the potential of the equity market: PostFinance was the first financial institution to offer a passively managed fund for pillar 3a with an equity component of 75%.

→ [www.postfinance.ch/retirement-planning](http://www.postfinance.ch/retirement-planning)



Corporate venturing

## PostFinance invests in the future

PostFinance invests in start-ups to further expand its expertise. Jens Schulte, Head of Corporate Venturing, explains how this came about and the plans PostFinance intends to pursue in the future.

### Jens Schulte, what does corporate venturing mean for PostFinance?

Corporate venturing means financial equity investment in younger, innovative growth companies – start-ups with a correspondingly high risk potential.

### Why does PostFinance invest in these start-ups?

PostFinance currently generates around two thirds of its income from the interest differential business. In the current market environment with low and in some cases negative interest rates, it is essential for us to tap into new sources of income that do not depend on interest rate levels. With its investments and partnerships, PostFinance also establishes a strong and attractive position in the market.

### What are PostFinance's criteria for choosing suitable companies?

Our corporate venturing commitments must fit into our overall strategy. We do of course look into whether and how a potential investment complements our product and service portfolio, and we pay particular attention to aspects such as business model, market, product image, team and technology.

### What is crowdlending, and how does the Lendico joint venture fit into the strategy?

Crowdlending is when multiple investors make money available to a borrower in return for inte-

rest income. Working with Lendico, we provide Swiss SMEs with a modern alternative to traditional bank financing.

### And why is PostFinance investing in moneymeets?

This is a start-up that creates complete transparency across banking and insurance services, providing a simple overview in a market noted for its lack of transparency. And regardless of which bank or insurance company you are with, PostFinance benefits from the experience that moneymeets has in areas such as sales, the technology used or the customer approach.

### With the Finform joint venture, PostFinance is trying to control the mounting deluge of forms. How does it work?

Finform automatically reviews the details provided by customers who, for example, conclude contracts online or want to open their account from their PC. The application, the experts and the high level of automation enable savings of over 30 percent of previous process costs.

### Around 2.8 million debt collection proceedings are initiated each year in Switzerland. How does the start-up tilbago make this easier?

Until now, creditors mainly processed their debt collection proceedings manually. With tilbago, debt collection proceedings are fast, inexpensive and secure. PostFinance focuses investments on know-how and new technologies in order to provide its customers with even better and even simpler services.

### Will PostFinance be investing in other companies?

We will be examining further investments in other companies in Switzerland and abroad. It is important to ensure that they are a good match for us. We therefore scrutinize potential companies intensely and choose them only if they are able to win us over.



Jens Schulte  
Head of Corporate Venturing



### Lendico

A crowdlending platform for corporate loans that brings borrowers and investors into direct contact.

### moneymeets

A marketplace for private customers who are interested in improving their own finances through financial investments, securities and insurance companies.

### Finform

Will reshape the industrialization of banking processes, helping to control the mounting deluge of forms.

### tilbago

Offers software of the same name for fast and cost-efficient processing of debt collection proceedings.



Venture capital is risk capital. We therefore examine our investments extremely carefully.

Jens Schulte  
Head of Corporate Venturing



# Passenger transport market

Mobility requirements in 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.

Operating income CHF million	Operating profit CHF million	Domestic passengers In millions	Domestic vehicle kilometres In millions of km	Vehicles Number
923	36	152	153	2,242





**Daniel Landolf**  
Head of PostBus, Member  
of Executive Management



### Mobility Lab: Innovation made by PostBus

A self-driving Postbus, a car sharing platform and a CIBO ticket system: all ideas that originated in the Mobility Lab think tank. This is the platform for forward-looking mobility solutions run jointly by PostBus, the Canton of Valais, ETH Lausanne and HES-SO Valais-Wallis, with specialists working on alternatives to the private car, studies on the use of bike and car sharing or the development of innovative services such as digital ticket solutions. In 2016, the Mobility Lab tested CIBO with volunteers from Sion, who used the smartphone ticket system until the end of the year and participated in surveys, providing valuable input for the improvement of CIBO.

Interview

## On the road to becoming an integrated mobility provider

PostBus today is already an important and indeed by now indispensable mobility provider. In this interview, Head of PostBus Daniel Landolf explains how the bus company plans to meet the challenges of the future.

### PostBus wants to transform itself from a bus company into an integrated mobility provider. Where does your company stand today?

We have expanded our services along the mobility chain and are working continually to further professionalize and pool our technical expertise. System services and combined mobility are developing rapidly all over the world. With our SmartShuttle and Integrated System Architecture projects, we are among the front runners in this area, and are taking on a pioneering role – far beyond our national borders.

### Competition is growing – how does PostBus meet this challenge?

There has indeed been no decrease in the pressure on costs from customers. We want to tackle this challenge proactively. Any improvement in competitiveness requires both an increase in revenues and a further increase in productivity. However, we will also not be able to avoid making targeted savings.

### What do you do for your passengers?

We do a great deal to ensure that the customer of tomorrow will be satisfied with us, and we have a range of pilot projects aimed at achieving just that: electronic ticketing, tailor-made mobility sharing services such as PubliRide, large bike sharing networks such as PubliBike,

self-driving Postbuses, our so-called SmartShuttles, and so on. Our future passengers are the digital natives, and their access to the real world is through their smartphones. A service provider with no presence in the digital marketplace does not exist in their world. This is something we are very conscious of.

### What do the passengers of the future look like?

The passengers of the future are used to having access to a suitable means of transport anytime and anywhere. They plan journeys within seconds by selecting whichever app gives them direct and reliable access to the biggest choice of means of transport. Ticket machines are a thing of the past for them. Each means of transport becomes a digital booking object, just as it is for us with today's hotel booking platforms. We are using the term "means of transport" consciously here, rather than just talking about buses, trams or trains, because the boundaries between public transport and private transport have become blurred. In the future, I might cover part of my journey with a PubliBike bicycle or a car from a car sharing provider. Or as a passenger in a private car with a free seat. The app shows me the best way to get where I'm going.

### How do you see PostBus's role in future?

PostBus is the biggest bus company in Switzerland and intends to continue to play an important role in the mobility market. Mobility is our core business. With the projects I mentioned earlier, we are moving in the right direction along with our partners. We have ambitious goals, but I am convinced that we will achieve them.



We are simplifying mobility and in doing so making a contribution towards quality of life.

**Daniel Landolf**  
Head of PostBus,  
Member of Executive Management

## Mobility platform

## Full overview with NordwestMobil

In 2016, PostBus launched the regional mobility platform NordwestMobil. The app is designed to make travel easier for residents within the Northwestern Switzerland fare network.

” —  
With the mobility platform, we are also building a digital distribution channel.

**Martina Mügler**  
Head of Mobility Development

Whether it's a Postbus, the trams operated by the Basel transport companies, a Mobility car or a ride with a taxi or Uber – the new NordwestMobil mobility platform connects them all. If you're planning a journey in the greater Basel area, you can not only find information about it with the app, you can also book and pay for it. Once you're on the road, NordwestMobil then provides information on delays and disruptions in real time, displays alternative routes where necessary and suggests special offers from partners along your route.

### Promising pilot project

Not all features are active as yet, and the app will soon be supplemented with a website. PostBus also plans to bring additional partners on board. The project is in the pilot phase: inter-

ested test customers can register and suggest improvements to NordwestMobil. If the experience proves positive, PostBus will develop similar services for other regions.

### A platform that creates convenience

There is currently no other comparable mobility platform in Switzerland. But given the increasing number of transport options, there is no doubt among experts that these will be relevant in the future: many travellers are not aware of all the options available and find it difficult to compare the services on offer. An intelligent platform that includes all providers creates transparency and convenience because all of the different provider apps are replaced by a single app. Working together with its partners, PostBus wants to be at the forefront in helping to shape the development of mobility platforms before international providers dominate the market.

### Easy access to public transport

## Travel first, pay later

For users of public transport, the number of options for travelling without a conventional ticket is growing. Several companies are developing and testing mobile ticketing solutions in which a smartphone app records the distance travelled and charges the passenger when the journey is complete. PostBus has already launched its electronic ticket solution CIBO (Check In, Be Out) in a pilot project in the Canton of Valais. In collaboration with BLS and SBB, PostBus plans to create a standard for the public transport sector that will in future allow passengers to travel without a ticket on the entire public transport network.



1 – Train, tram, Postbus, taxi, Uber or Mobility car: the app always shows the best option for the selected destination.



Alternative drive technologies for Postbuses

## With the power from a wall socket

With its drive technologies, PostBus is exploring innovative ways of reducing CO<sub>2</sub> emissions. Its first articulated bus with a hybrid engine and two electric buses are now operating on scheduled routes.

Passengers travelling in PostBus vehicles are increasingly environmentally friendly. The fleet has a total of 36 hybrid Postbuses – now also including its first articulated bus. “Compared to an articulated bus with a conventional diesel drive, this vehicle saves about 20 to 25 percent fuel,” says Urs Schläpfer, Head of Fleet Management. At over 18 metres long and with comfortable low-floor access, the vehicle is in operation in the Canton of Ticino.

### Long-term testing of electric buses

More stringent pollution and noise protection requirements are driving development in the vehicle market. “The future belongs to electric mobility, I’m convinced of that,” says Silvio Gely, Head of Production at PostBus. As part of its efforts to further increase CO<sub>2</sub> efficiency, PostBus is testing two vehicles with purely electric drives on scheduled routes – and these of course run on eco-electricity. This is a long-term test over a period of three years in the cantons of Obwalden and Berne. “We deliberately

chose two completely different regions, to allow us to understand driving behaviour on topographically different routes,” explains Silvio Gely. The test phase is designed in particular to provide information on the range of the battery and the maintenance of the vehicles.

” —  
The Postbus of the future will be powered by electricity.

**Silvio Gely**  
Head of Production and Member of the Management Board at PostBus

1 –  
An articulated bus with a hybrid engine requires 20 to 25 percent less fuel.



Integrated system architecture

## On-board vehicle systems unified

One device for passenger information, another for passenger counting, a third for ticket sales and yet another for operations support: there's a lot of technology on board a Postbus to make the journey more comfortable and operation more efficient. These systems are still installed separately in the Postbus and operate independently of each other. This requires a lot of space

for cables and boxes, and involves a lot of maintenance. PostBus has simplified this system landscape: it is now equipping its vehicles with a single computer, communication system, GPS module, antenna and control panel. PostBus also offers this complete solution to third parties: “Other companies are also struggling with the same challenges. From us, they get a proven, modular solution with low operating costs,” says Santiago Garcia, Head of PubliTransport Systems. A solution from a public transport provider for public transport providers.



Self-driving Postbus

## Safe and smart on the streets of Sion

Autonomous vehicles are no longer just a vision of the future: driverless Postbuses can be seen on the streets of Sion as part of a pilot project. An eye-catcher certainly – but there's a lot more to it than that.

Picture it: you're sitting in a self-driving Postbus – with no steering wheel or accelerator. And the bus takes you safely to your destination, as if guided by an invisible hand. Sounds like science fiction. But in Sion, self-driving Postbuses are no longer a fantasy, they're a reality. Since June 2016, the small electric buses with eleven seats have been operating in the old town as part of a pilot project. They let people cross at pedestrian crossings, negotiate roundabouts skilfully and stop at bus stops to let passengers on and off. Passengers can use an app to find out the current location of the buses in real time.

Roman Cueni, Head of Mobility Solutions at PostBus, says: "Passenger safety must be guaranteed at all times, so each self-driving bus is accompanied by specialized staff who can intervene immediately at critical moments." In addition to guaranteeing safety, PostBus also maintains the vehicles and ensures that they run smoothly.

The pilot project in Sion is not just about playing around with futuristic ideas, emphasizes Roman Cueni: "One of our main long-term aims

in testing the buses is to offer access to remote regions of Switzerland that are not currently linked to the public transport network." In future, they could also be used on company premises or in car-free zones.



” —  
Passenger safety is guaranteed at all times.

**Roman Cueni**  
Head of Mobility Solutions

1 – Suitable for company premises, car-free zones or remote regions: the self-driving Postbus.

PubliBike

## A journey of discovery with a rented bike

Rob and Silvie are at Lugano train station. For the first time in their lives. They're American tourists on a European tour and have given themselves 24 hours to explore Lugano. But how to visit all the sights in such a short time? "No problem," a PostBus driver at the train station tells them. "You can rent a PubliBike for a day for only 10 francs," he explains, before showing

them the rental station. And there are quite a few in Lugano: the network will be expanded continuously until summer 2017. The goal is 46 stations with a total of 560 bikes, half of them e-bikes. The networks in Berne and Zurich will also soon be expanded.

PubliBike is the ideal complement to private and public transport. Subscribers and spontaneous users can rent bicycles all over Switzerland, and it is easy to find available bikes with the PubliBike App or on the Internet.

# 1,100 bikes

Always a bike to hand, whether with traditional pedal power or an electric drive.

# 118 stations

Rental and return made easy: the PubliBike network is growing and growing.

# SUSTAINABILITY AND COMMITMENT

Target exceeded: Swiss Post has improved its CO<sub>2</sub> efficiency significantly within the last six years → [Page 44](#). In 2016, Swiss Post took its last petrol scooter out of service and now operates Europe’s largest fleet of electric scooters → [Page 45](#). Swiss Post is committed to clean energy and does not use fossil fuels in new buildings → [Page 46](#). Thanks to intelligent building technology, heating, cooling and ventilation are kept to the minimum required → [Page 46](#). As a member of the Fair Wear Foundation, Swiss Post implements high social standards in the procurement of clothing → [Page 48](#).



434,868 t

of CO<sub>2</sub> emissions were generated by Swiss Post in 2016.



16%

is the CO<sub>2</sub> efficiency improvement over 2010 achieved by Swiss Post by the end of 2016.



2,099 million

is the number of times the “pro clima – Shipment” service 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.



66,000

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

” —  
 Commitment to sustainability is part of Swiss Post’s vital corporate culture.

**Marco Imboden**  
 Head of Communication

Sustainability strategy

## Assuming responsibility for the future

The goal of the 2014–2016 sustainability strategy – to increase Swiss Post’s CO<sub>2</sub> efficiency by 10 percent (base year 2010) – was exceeded: the figure achieved was 16 percent. Starting in 2017, the areas of action will be expanded into a corporate responsibility strategy.

Within a period of six years, Swiss Post has increased its CO<sub>2</sub> efficiency by 16 percent, reducing its greenhouse gas emissions for every consignment transported, every passenger carried, every transaction and every heated square metre in its buildings. This means that the goal of the 2014–2016 sustainability strategy has been exceeded. Numerous measures contributed to this success, from more efficient building services and the use of renewable energy to continuing investment in an increasingly environmentally-friendly fleet.

- Climate and energy, air pollutants and noise emissions, green products
- Terms of employment and working conditions, diversity and demography, health promotion and workplace safety
- Data and information protection
- Economic performance and company value, value distribution
- Corporate citizenship
- Responsible leadership
- Circular economy
- Responsible procurement

i —

### Redistribution of CO<sub>2</sub> tax

Every year, Swiss Post receives funds from the redistribution of CO<sub>2</sub> tax on fuels. In 2010, Swiss Post decided to use these funds for climate protection as part of its “pro clima – We’re acting now” sustainability programme. In the 2014–2016 strategy period, 3.3 million francs were invested in measures such as hybrid buses, LED lighting, electric charging stations and many other initiatives.

The new Group target from 2017 is to increase CO<sub>2</sub> efficiency by at least 25 percent by 2020 (base year 2010). This climate goal is based on the recommendations of the climate science community and the Paris climate conference agreement of 2015.

### 2017–2020 areas of action defined

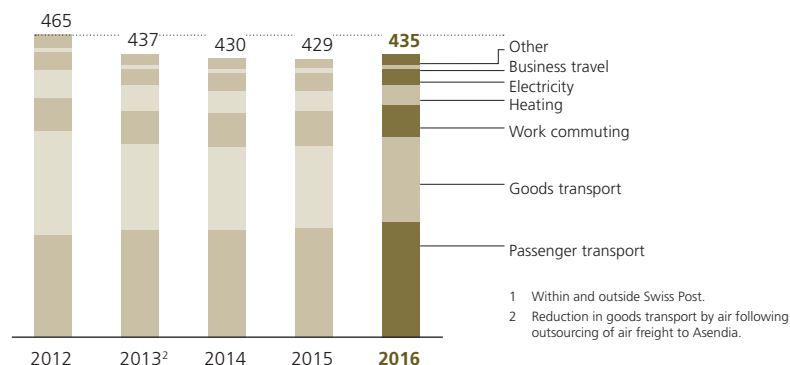
In the year under review, the 2017–2020 corporate responsibility strategy (CR strategy) was drafted and adopted. The following areas of action were identified based on a stakeholder analysis:

The focus is on topics that have been classified as highly relevant by stakeholders and that strongly influence Swiss Post’s entrepreneurial freedom. Responsible procurement, climate and energy, circular economy and corporate citizenship are defined in the 2017–2020 CR strategy as areas of action with goals and strategic measures. For more detailed information on corporate responsibility and sustainability, please refer to the comprehensive GRI report.

→ [www.swisspost.ch/gri16](http://www.swisspost.ch/gri16)

Swiss Post’s greenhouse gas performance is stable

**Group | Greenhouse gas emissions by process**<sup>1</sup> in 1,000 t of CO<sub>2</sub> equivalents  
 2012 to 2016, 2012 = 100%



” —

We want to increase our CO<sub>2</sub> efficiency by 25 percent in just ten years.

**Anne Wolf**  
 Head of Corporate Responsibility

## Sustainable mobility

## Last petrol scooter taken out of service

At the end of 2016, Swiss Post took its last petrol-powered scooter out of service. This means that all of the roughly 6,300 scooters used by Swiss Post's mail carriers are now electrically powered, and exclusively with "naturemade star"-certified green power from Switzerland.

On 7 December 2016, the last petrol scooter was taken out of service in Stein am Rhein. The conversion of the Swiss Post scooter fleet from petrol to electricity is now complete. Good news for the environment: this reduces Swiss Post's CO<sub>2</sub> emissions by around 4,600 tonnes per year, or 733 kilograms of CO<sub>2</sub> per vehicle – a significant step. Around 6,300 yellow electrical two- and three-wheeled vehicles are now used to deliver letters and parcels in Switzerland. Swiss Post therefore operates the largest fleet of its kind in Europe.

### Environmentally friendly, efficient, quiet

In 2016, Swiss Post still had around 70 petrol scooters on the road. Since the start of 2017, all scooters at Swiss Post are now battery powered. That makes a big difference: an electric scooter requires around six times less energy than a petrol scooter. The fleet of Swiss Post scooters now consists largely of the well-known model Kyburz DXP (around 5,770 scooters), which weighs about 320 kilograms and covers an average of 5,000 kilometres per year. With

a trailer attached, the three-wheeler can transport up to three times more than a two-wheeled vehicle, which means that the mail carriers can serve more households on their – environmentally friendly and quiet – rounds.

1\_ With around 6,300 vehicles, Swiss Post operates Europe's largest fleet of electric scooters.



## Employee mobility

## On the road with eCargo bikes

To continue their promotion of sustainable mobility for their employees, Swiss Post and Post-Bus are supporting the "carvelo2go" pilot project as part of the "pro clima – We're acting now" sustainability programme. The project offers rental of eCargo bikes, electric cargo bicycles that can carry loads of up to 100 kilograms. With their bench seats and safety belts, they can also be used to transport two children. The 14 bikes are stationed around Basel and Berne at small businesses – and at six post offices. Others are planned.

→ [www.nordwestmobil.ch](http://www.nordwestmobil.ch)  
→ [www.carvelo2go.ch](http://www.carvelo2go.ch)

## A second lease of life for Swiss Post scooter batteries

## First mobile, then stationary

After their initial use, batteries from electric scooters have not yet necessarily outlived their usefulness. The pilot project "A second lease of life for Swiss Post scooter batteries" is examining how they can be used for stationary energy storage – such as storing solar power directly on-site. After seven years of use by Swiss Post, the batteries have a storage capacity of 80 percent, which can still be made use of. A pilot storage unit is currently installed at the Umwelt Arena in Spreitenbach, with another to follow in the post office building at Neuchâtel train station.

## 200 energy storage units

with ten kilowatt hours of storage capacity could potentially be built each year with discarded Swiss Post scooter batteries.





” —  
Low-sulphur  
eco-oil protects  
the environment  
and simplifies the  
maintenance of  
heating systems.

**Stefan Dürig**  
Head of Post Real Estate  
Management and Services Ltd



1\_ Certified green power is available at Swiss Post's electric charging stations.

Renewable and environmentally friendly

## Clean energy – efficiently used

Self-generated solar electricity, biogas, biodiesel, 100% electricity from renewable energy, 10% green electricity: Swiss Post is steadily expanding its commitment to clean and renewable energy. It is also replacing heating oil completely with eco-oil.

In the environmental ranking of the International Post Corporation (IPC), Swiss Post achieved sixth place in 2016, with the label “Gold” for its climate protection activities: a further incentive to expand its own commitment, whether in mobility solutions, the fleet or Swiss Post buildings. Or in procurement: the share of “naturemade star”-certified green power was increased to 10 percent. And since 2016, Swiss Post has used only eco-oil for its properties in Switzerland, a fuel which contains much less sulphur than conventional heating oil.

Swiss Post generated 4.9 gigawatt hours of solar electricity on ten buildings in 2016. It runs

its gas-powered vehicles with 100 percent biogas. Buildings in Switzerland under the sole ownership of Swiss Post are heated with 10 percent biogas. 14 Mobility Solutions Ltd petrol stations offer 7 percent biodiesel.

### Leaving fossil fuels behind

Starting in 2017, Swiss Post will dispense with the use of fossil fuels in all new buildings and replacement heating systems. As part of a target agreement with the Swiss Federal Office of Energy, it has also undertaken to increase the energy efficiency of its 32 largest locations by a further 16 percent by 2025 and reduce emissions by 1,620 tonnes of CO<sub>2</sub>.

Electric charging stations

## Charging station pilot project

At Swiss Post's headquarters and Härkingen letter center, electric cars, electric motorcycles and e-bikes can be charged with “naturemade star”-certified green power from Switzerland. In the first half of 2016, Swiss Post also conducted a pilot project to test the concept of free charging stations in the garage at Härkingen letter center. Charging stations for electric motorcycles and bicycles were installed at the Zurich-Mülligen and Eclépens letter centers at the beginning of 2016.

Since August 2016, a public quick charging station for electric cars has also been in place at the short-stay car park in the PostParc center in Berne.

MeteoViva Climate

## Better indoor climate

Since spring 2016, the roughly 380 employees at the PostFinance data center in Zofingen have been particularly satisfied with the indoor climate, which is now controlled by intelligent building technology: the MeteoViva Climate optimization system now uses the weather forecast, the so-called internal loads – which includes both devices and employees – and the building structure to calculate what the room temperature is likely to be one or two days in advance. This ensures that heating, cooling and ventilation are kept to the minimum required. MeteoViva Climate controls energy consumption gently with less output over a longer time interval, reducing the peak load of the power generators. The result: energy and cost savings with improved room comfort.

” —  
 With the “pro clima” – Shipment service, customers demonstrate their commitment to protecting the climate for the future.

**Marc Amstutz**  
 Head of Corporate Environmental Responsibility



“pro clima” – Shipment

## First Swiss Post climate protection project with Gold Standard

For “pro clima” – shipment, Swiss Post is now focusing on its own climate protection project “Eco-electricity from biogas plants on Swiss farms”. This was successfully validated by the Gold Standard Foundation in 2016.

The climate protection project “Eco-electricity from biogas plants on Swiss farms” was developed and funded by Swiss Post in collaboration with Genossenschaft Ökostrom-Schweiz and South Pole Group. Methane, a greenhouse gas produced by the storage of liquid manure and dung, is collected in small and medium-sized family-run biogas plants and used to generate eco-electricity and heat. This takes place in all regions of Switzerland to allow for decentralization and added value in rural areas.

In 2016, the Geneva-based Gold Standard Foundation, an internationally recognized certifica-

### How does Swiss Post’s carbon-neutral “pro clima – Shipment” service work?

Independent external auditors calculate the CO<sub>2</sub> saved by the biogas plants. For each tonne saved, CO<sub>2</sub> emission reduction units are certified, which are bought by Swiss Post. These are then given up to the international registry and thus withdrawn from the market. Because these projects save the same amount of CO<sub>2</sub> as is generated by the mailing of letters, parcels and goods, “pro clima” – Shipment consignments are carbon neutral. Thanks to very energy-efficient logistics, this is possible for Swiss Post customers with a “pro clima” surcharge of as little as five centimes per parcel. In addition, all addressed letters in Switzerland are carbon neutral, with Swiss Post assuming the “pro clima” surcharges.

→ [www.swisspost.ch/carbon-neutral](http://www.swisspost.ch/carbon-neutral)



1\_ Eco-electricity is generated in biogas plants on Swiss farms – supported and co-financed by Swiss Post.

tion organization, validated this Swiss Post climate protection project – the first in Switzerland. The Gold Standard is awarded only to projects that have been proven to reduce greenhouse gases while also benefiting the local environment and social interests of the population.

Ecologically optimized

## PostPac cardboard is 100 percent recycled

A sensible contribution to environmental protection: since 2016, all PostPacs have been PostPac Eco. All sizes of the practical and reusable shipping packaging are now produced from 100 percent recycled cardboard – in Switzerland. The CO<sub>2</sub> emissions generated during production are offset.

**1.0 million**

PostPac Ecos sold annually:  
 made from recycled cardboard.

## Supplier development

## Double-deckers: a sustainable investment

“There’s still some unused freight capacity in the truck!” This was something that Swiss Post noticed in 2005 about transport partner Dreier AG. After input from Swiss Post, a joint assessment of new articulated trailers was undertaken – and in June 2006 the first double-decker trucks were purchased. The expected savings were not long coming: while a truck with a total weight of 40 tonnes requires 10 percent more fuel, it can transport 36 wheeled containers full of parcels instead of 24. Another consequence: around 35 tonnes of CO<sub>2</sub> are saved per truck and year. Given this successful development, Swiss Post again ordered 16 of the latest generation double-decker trucks in 2016. Today, there are a total of 38 of these vehicles on the road for Swiss Post, showing that Swiss Post’s strategy of long-term supplier development has proved successful – and pays off.

” —  
We are developing sustainably in partnership with our suppliers.

**Thomas J. Ernst**  
Head of National Transport & Procurement  
at PostLogistics



## Fair procurement of clothing

## Better pay for seamstresses

Globalized value chains with many subcontractors and different regional labour laws are a growing challenge for Swiss Post’s procurement unit, a challenge it has met since 2006 with its Code of Ethics and Social Responsibility, which sets out minimum requirements for suppliers for the protection of people and the environment. As a member of the Fair Wear Foundation (FWF), it has also undertaken to implement high social standards at the producers of the roughly 300,000 items of Swiss Post clothing procured each year. In summer 2016, it was awarded Leader status for the third time by the FWF, with the report praising in particular its supplier training and the manner in which Swiss Post ensures that human rights are respected.

To give an example: in 2016, Swiss Post audited a clothing supplier in Eastern Europe. In the course of the audit, the supplier disclosed the wages it paid. On this basis, the supplier and Swiss Post worked together to draw up a development plan with improvement measures. One of the consequences of this was that the supplier was able to improve capacity utilization based on a long-term contract award from Swiss Post. This commitment allowed the wages of the seamstresses to be increased – they are now around 30 percent above the statutory minimum wage.



**Axel Butterweck**  
Head of Corporate Procurement

### What does sustainable procurement mean for Swiss Post?

Wherever possible, we ensure that we use products and services with little impact on people and the environment: from production to recycling, along the entire supply chain.

### What does that mean in concrete terms?

For example that our clothing suppliers must be a member of the Fair Wear Foundation, which sets out particularly high requirements in terms of social sustainability, that all electricity must come from renewable energy sources, and that one third of our vehicles are already powered by alternative drives.

### What course has Swiss Post set for the future?

We have stipulated that from 2017, all service tenders must include sustainability criteria: this is our contribution towards achieving global sustainability.

**1** \_  
Double-decker trucks driven by Dreier AG for Swiss Post can save around 35 tonnes of CO<sub>2</sub> per year and vehicle.

# EMPLOYEES

Budget, timeframe and goals – the three factors used by Swiss Post for the agile implementation of HR projects → [Page 50](#). Every year, around 700 apprentices start their training at Swiss Post with a “jump-in”, as the introductory week is known → [Page 51](#). The number of accidents at Swiss Post is falling steadily thanks to experience sharing → [Page 52](#). How LED light ensures healthy and productive workplaces → [Page 52](#). Do Swiss Post employees have to be available during their leisure time? Head of Human Resources Yves-André Jeandupeux has the answer to this question → [Page 52](#).



61,265

**employees**, including 7,720 abroad, help to shape Swiss Post with their ideas.



143

**nationalities** ensure a diverse corporate culture at Swiss Post.



Over 100

**professions** can be practised at Swiss Post.



24%

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



2,118

**apprentices** complete their vocational training at Swiss Post. That represents 5.8 percent of the workforce as a whole.



1,596

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





**Marcel Reinhard**  
Project Coach at HR Projects

### Swiss Post is increasingly focusing on agility in its organization. Why?

Swiss Post is under great pressure in its markets. The complexity of its environment is growing. In this situation, agile approaches help us to remain flexible and achieve fast results, without losing the focus on the outcome: this also means cost and time savings. Many teams also want their work together to be closer, more networked and more transparent. Agile approaches were exactly what was needed here.

### How is Swiss Post achieving this change in culture?

Whether it's agile work practices, agile leadership or even an agile organization – it's a question of people's attitudes. Working in small teams in HR, we try to get the agile values across, such as self-organization and responsibility, movement and trust, and to implement them as specifically as possible. We want to inspire employees to be enthusiastic about the idea and enable them to pass on and practise the values in their teams.

HR recruitment project

## Achievement through agility

Efficient, flexible, short: a project team is agile in implementing a new image of Swiss Post as an attractive employer. The new approach at the HR unit has proved very successful, as the positive feedback shows.



How can Swiss Post position itself attractively on the labour market? How can employees be used as credible brand ambassadors? These were the questions at the beginning of the employer branding project, with which Swiss Post completely revised its image as an employer – whether on its own website, in image ads or on social media. The nature of the project cycle was also new for HR projects: “Instead of traditional project management with detailed concepts and documentation, we focused on agility,” says Project Coach and Manager Marcel Reinhard. Using this approach, the project team gradually worked on partial results, such as a new visual world and job videos for recruitment – in each case putting them straight on the table for discussion. “In addition to the time savings, an approach of this kind also provides transparency and shows continuously how the project is progressing. This is enormously conducive to the motivation, networking and cooperation of everyone involved,” adds Reinhard.

### Teamwork on equal terms

“One thing that is absolutely clear is that complex questions get faster and qualitatively better answers in mixed, intergenerational teams which span different units,” says Reinhard. In working out the new image for recruitment,

each team member was therefore able to contribute their opinions and ideas on equal terms – from members of management to interns. “This is enormously motivating and promotes team spirit and trust. When employees are motivated, efficiency also increases, and the good results ultimately benefit our customers.”



### What exactly is agility at work?

In contrast to traditional project management, the agile approach initially defines only the budget, the timeframe and the goals. Concepts and process documentation take a back seat to interaction and cooperation. Agile work focuses on high flexibility and fast adjustments. Instead of detailed planning at the outset, planning is in small steps and fast coordination within the team is supported. New requirements are added on an ongoing basis, and these can then be changed at any time – depending on need and priority. In various intermediate steps – so-called sprints – different aspects are addressed individually and discussed with the client.



### Vocational training

Of the roughly 61,000 people employed by Swiss Post, more than 2,000 are apprentices training in 15 professions in the fields of logistics, retail trade, commercial occupations and maintenance, and a practically-oriented Bachelor's degree in IT is also on offer. In summer 2016, 687 apprentices successfully completed their training, with 8.5 per cent of them attaining an overall mark of 5.3 or above.

#### Introductory week for apprentices

## Jump-in: getting started in yellow

In summer 2016, 687 apprentices successfully completed their training at Swiss Post. At the same time, things really got going for another 800 young people with Swiss Post's "jump-in" introductory week.

An apprentice is trying to do up his tie in front of the mirror, while two others are practising how to greet customers in a friendly and correct manner in a role-play. Next door, young Swiss Post employees are becoming acquainted with a company organization chart. This is a typical snapshot of the "jump-in" introductory week at Swiss Post, with which 800 young people started their training in the summer of 2016 at ten locations across Switzerland.

customer as for information about Swiss Post, an introduction to rights and obligations, learning and reading techniques, scheduling and budget planning, movement and much more. "Particularly valuable are the numerous contacts that are made – among each other and with the vocational trainers from the Group units that are present here," emphasizes Roland Scheidegger, who as Regional Manager for Vocational Training organized jump-ins for several years. The feedback he has received after the five intense days of each jump-in confirms that they are a hit: the apprentices find them either "cool" or "just brilliant".



1\_ The apprentices are enthusiastic about Swiss Post's "jump-in" introductory week.

"The young people 'jumping into' their working life together bring a very wide range of different experience with them," says Roland Scheidegger, Head of Basic Education at Logistics. "This interdisciplinary mix ensures a lively exchange and expands the horizon of all participants for our products and services and the way we work together at Swiss Post." During the five days together, there is as much time for basic topics such as communication with the

#### Preliminary apprenticeship for refugees

## Getting a foothold in the world of work

Completing a preliminary apprenticeship while improving your language skills and making friends as you go along? For refugees, an excellent opportunity – and possible at Swiss Post. In 2016, ten refugees started a preliminary apprenticeship in logistics, with a view to taking up the two-year EBA apprenticeship in 2017. The young people complete the apprenticeship in Härkingen or in Mülligen at the parcel and letter center. This gives them a glimpse into all areas of logistics at Swiss Post. "For many refugees, finding a job in Switzerland is a major challenge," says Maya Weber Hadorn, Vocational Training Project Manager at Swiss Post. "The preliminary apprenticeships allow at least a few people to get a foothold in the world of work." In addition to their work in the logistics center, the refugees attend vocational school, learn German and receive lessons in general education.

## Occupational safety

## Fewer accidents thanks to shared experience

The number of accidents at Swiss Post is falling. To achieve this, the Group has invested systematically in occupational safety in recent years.

“Safety awareness has increased significantly,” notes Rolf Piana. He is Head of Maintenance at PostMail: his team deals with problems in the letter centers – usually under time pressure. Their daily work involves reaching into mechanical systems, climbing on scaffolding and moving between machines. If you’re not careful, you can quickly squash a finger, bump your head or sprain your ankle.

### Accident risk down

To prevent these and worse accidents, Swiss Post maintains a safety organization with specialists and a so-called operating group solution – a management system for safety in the workplace. In 2016, this was successfully recertified by the Swiss Federal Coordination Commission for Occupational Safety (FCOS). And it is working: for each 100 employees, only just below six are now at risk of having an accident at work. In 2011, this figure was still above seven.

Rolf Piana and his team also have a role in implementing the requirements of the operating group solution. Some measures can be seen with the naked eye, such as the fixed working platforms between the machines, which are located where the maintenance crews used to have to climb ladders. Other measures are even simpler, but equally effective, says Piana: “We keep helmets directly in the places where they have to be worn.”

### Learning from incidents

Many measures are now suggested by employees themselves, because they know best what can be optimized in their daily work. For the same reason, another key factor is raising people’s awareness of hazards in the first place. One example of this is the courses held by the units together with the Swiss National Accident Insurance Fund (Suva). And employees are also encouraged to learn from each other: all incidents are recorded in a Group-wide database and made available to other employees – even if the incident reported is only a near miss.



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

### Do Swiss Post employees have to be available during their leisure time?

No. The principle at Swiss Post is: “Your leisure time belongs to you.” Outside working hours, we want our employees to be able to switch off and relax. In individual cases, however, it is possible that employees may have to be available or want to be available after work.

### Who determines this availability?

The employee in consultation with their line manager. We also encourage our teams to discuss the issue of availability. For example: what do my employer and other team members expect?

### Does this arrangement work?

Yes, our experience with the independent approach is positive, because it allows individual solutions. Allowance should be made for both professional and private needs.

## Light research project

## LED for healthy and productive workplaces

At the end of 2016, Swiss Post launched a research project at Härkingen letter center aimed at optimizing lighting conditions. Working with the Lucerne University of Applied Sciences, Suva and SECO, the aim is to improve research into the biological effects of LED light and improve employees’ general well-being, occupational safety, health and productivity. The findings from Härkingen will be adapted to all centers.

The environment will also benefit enormously from this measure: in the three letter centers, it will be possible to reduce energy consumption by 6.7 million kilowatt hours and CO<sub>2</sub> emissions by 900 tonnes per year.

**4,200** LED lights

mounted on 7 km of rails provide good light in Härkingen.

# CORPORATE GOVERNANCE

The Swiss Post Board of Directors is responsible for ensuring that Swiss Post Group complies with the relevant standards and provisions. To ensure that everyone knows how to behave, Swiss Post has a modern compliance system → [Page 54](#). Corporate risk is taken into account by the Board of Directors when determining the remuneration due to members of Executive Management → [Page 56](#). This is how much was paid to the Board of Directors and Executive Management for their services in 2016 → [Page 58](#).

For more information on corporate governance, see page 63 of the Financial Report.



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**.



Strategic corporate governance

## Compliance: appropriate guidelines for Swiss Post

The Swiss Post Board of Directors is responsible for ensuring that Swiss Post Group complies with the relevant standards and provisions. To ensure that everyone knows how to behave, Swiss Post has a modern compliance system.

Compliance, i.e. the observance of standards and provisions, must be designed in such a way that unauthorized conduct is avoided by means of preventive measures wherever possible. The Board of Directors is committed to a modern, effective compliance system that is tailored to Swiss Post. This commitment requires a company-wide system to prevent breaches of standards and ethics, as well as systematic checks to ensure that rules are obeyed.

### Simple and efficient organization

Executive Management creates the necessary framework for a simple and efficient organization. To do so, it has established the Compliance Technical Committee, on which all Group units are represented. The Technical Committee takes the steps required to address the themes assigned to it, issues the relevant technical directives and takes responsibility for communication, training and controls.

### Definition and appropriate consideration of themes

Given that Swiss Post carries out business activities in four different markets, a variety of legal themes must be taken into account, each with different requirements in terms of compliance. In addition, proper allowance must be made for the respective business and size of each unit. All legal themes relevant for Swiss Post are identified in Swiss Post's compliance framework. Central themes are determined on the basis of a risk analysis, and the compliance portfolio compiled.



### Programmes for central themes

Compliance programmes are developed for the central themes. The preventive measures required to minimize the risks of breaches of standards and regulations are defined for each theme. Measures are checked on a regular basis and adjusted if necessary. Swiss Post is currently addressing five central themes:

- Public procurement law
- Anti-corruption
- Data and information protection
- Antitrust law
- Postal law

” —  
 Good compliance must take into account the specific features of the company – it must be tailored to the company.

**Urs Schwaller**  
 Chairman of the Board of Directors

Key points of compliance

# Precondition for the company's success

Have the requirements been described in a clear, transparent way? Do employees understand the measures and behave accordingly? Do managers believe in the relationship between effective compliance and the company's success? 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. The procedure and requirements are identical for all the units.

**Communication and training**

Clear, tailored communication and training measures are basic requirements for the proper functioning of the compliance management system.

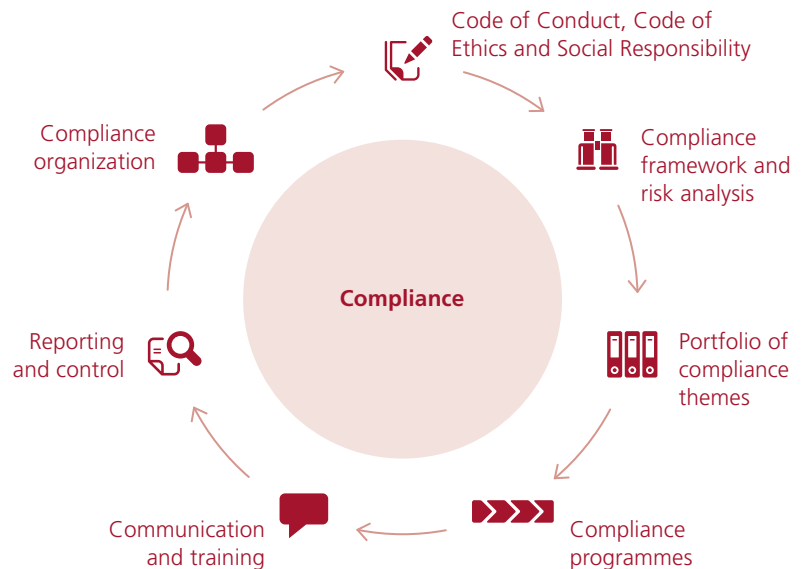
**Incentives and sanctions**

Labour organization and employee management encourage behaviour that complies optimally with compliance. If breaches of compliance directives are nonetheless identified, Swiss Post deals with them using disciplinary and labour law measures.

**Reporting and controls**

The effectiveness of the compliance management system and the observance of directives are verified on a regular basis. The Board of Directors requests a compliance report every six months. The Chairman of the Compliance Technical Committee can also contact the Chairman of the Board of Directors' Audit, Risk & Compliance Committee directly at any time.

Good compliance is based on a clear regulation of responsibilities.





Daniel  
Landolf

Hansruedi  
Köng

Dieter  
Bambauer

Jörg  
Vollmer

Susanne  
Ruoff

Alex  
Glanzmann

#### 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 Board of Directors has regulated the remuneration and fringe benefits for its members in the BoD remuneration regulations.

Remuneration for members of Executive Management is comprised of a fixed base salary and a variable performance-related component. This may be a maximum of 45 percent of the gross annual base salary (a maximum of 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.

A penalty system may also be applied for calculating the variable salary component at Group and unit levels depending on the degree of target achievement. The maximum penalty represents half the maximum variable component.

All three performance levels are taken into account (Group, Group unit and individual perfor-

mance) to determine whether the threshold for the variable component has been reached. The variable component is paid only on reaching this value. There is a penalty area below the threshold for the variable salary. If a penalty applies, the variable salary component is reduced accordingly. One third of the variable salary component that is actually awarded is booked to a special account for variable remuneration. One third of the balance of this account is paid out from the third year. The remaining two thirds of the variable salary component are paid out directly. If, as a result of the penalty system, a negative variable salary component is awarded, this negative amount is booked to the account for variable remuneration and the account balance is reduced accordingly.

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



Ulrich Hurni  
Yves-André Jeandupeux  
Thomas Baur

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

the insurance premiums for a risk insurance policy. Individual bonuses may be paid to reward special personal contributions.

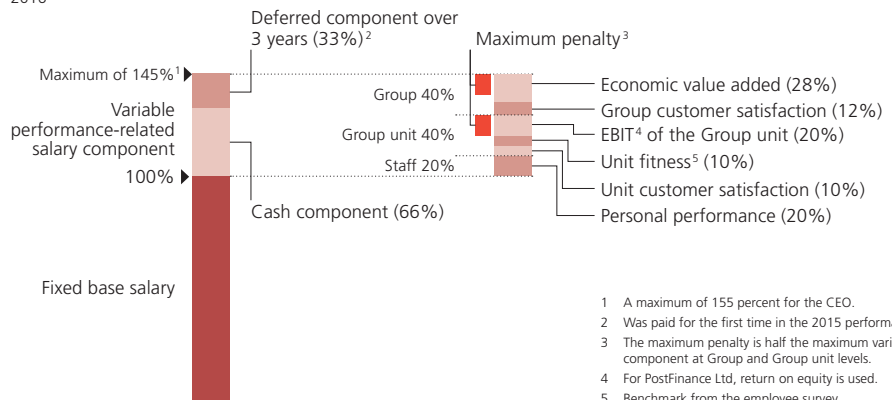
Neither the members of Executive Management nor persons closely linked to them received any additional fees, remuneration, guarantees, advances, credits, loans or benefits in kind during the financial year.

Both the base salary and the performance component are insured for members of Executive Management up to a maximum of 338,400 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 exist regarding possible severance payments.

Executive Management | Breakdown of remuneration

2016



1 A maximum of 155 percent for the CEO.  
2 Was paid for the first time in the 2015 performance period.  
3 The maximum penalty is half the maximum variable component at Group and Group unit levels.  
4 For PostFinance Ltd, return on equity is used.  
5 Benchmark from the employee survey.





Philippe  
Milliet

Marco  
Durrer

Myriam  
Meyer

Susanne  
Blank

Adriano P.  
Vassalli

Nadja  
Lang

Urs  
Schwaller

#### Remuneration 2016

## Remuneration to Board of Directors and Executive Management

In 2016, the ten members of the Board of Directors received remuneration (fees and fringe benefits) totalling 1,031,625 francs. The fringe benefits totalling 246,625 francs are shown in the total remuneration. In 2016, the Chairmen of the Board's fee totalled 225,000 francs. The fringe benefits amounted to 28,025 francs.

The paid members of Executive Management and the CEO received remuneration totalling 5,288,940 francs in 2016. The fringe benefits of 337,168 francs are shown in the total remuneration.

The performance-related component effectively payable to members of Executive Management in 2017, which is based on attainment of targets in 2015 and 2016, together with the deferred payments, amounts to 1,347,018 francs.

The base salary of the CEO totalled 610,000 francs. The additional performance-related component amounted to 316,838 francs, of which 104,355 francs were paid from the account for variable remuneration.



Andreas Schläpfer

Kerstin Büchel, General Secretary

Michel Gobet

Remuneration	
CHF	2016
<b>Chairman of the Board of Directors (2)</b>	
Fees	225,000
Fringe benefits	
Expenses and representation allowances	22,500
First-class GA travelcard	5,525
<b>Total remuneration</b>	<b>253,025</b>
<b>Other members of the Board of Directors (8)</b>	
Fees	560,000
Fringe benefits	
Expenses and representation allowances	72,200
Additional fringe benefits	146,400
<b>Total remuneration</b>	<b>778,600</b>
<b>Entire Board of Directors (10)</b>	
Fees	785,000
Fringe benefits	246,625
<b>Total remuneration</b>	<b>1,031,625</b>
<b>CEO</b>	
Fixed base salary	610,000
Performance-related component (payable 2016)	
Variable salary component	212,483
Outpayment from account for variable remuneration <sup>1</sup>	104,355
Fringe benefits	
Expenses and representation allowances	30,000
Additional fringe benefits <sup>2</sup>	17,340
Additional payments <sup>3</sup>	–
<b>Total remuneration</b>	<b>974,178</b>
<b>Other members of Executive Management (9)<sup>4</sup></b>	
Fixed base salary	2,677,916
Performance-related component (payable 2016)	
Variable salary component	893,405
Outpayment from account for variable remuneration <sup>1</sup>	453,613
Fringe benefits	
Expenses and representation allowances	140,800
Additional fringe benefits <sup>2</sup>	149,028
Additional payments <sup>3</sup>	–
<b>Total remuneration</b>	<b>4,314,762</b>
<b>All members of Executive Management (10)<sup>5</sup></b>	
Fixed base salary and performance-related component	4,951,772
Fringe benefits	337,168
<b>Total remuneration</b>	<b>5,288,940</b>

1 For the 2016 financial year, the CEO and six of the other Executive Management members receive an outpayment from their account for variable remuneration.

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

3 No agreements exist regarding possible severance payments.

4 Seven active members and two members who stepped down in 2016.

5 Including the members who stepped down in 2016. Due to these personnel changes, the total remuneration cannot be directly compared with the previous year.

## Reporting

## Annual reporting structure

The Swiss Post annual reporting documents for 2016 consist of:

- 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
- Annual Report key figures
- GRI report (report in accordance with the guidelines of the Global Reporting Initiative)

Electronic versions of these documents are available at [www.swisspost.ch/annualreport](http://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/annualreport](http://www.swisspost.ch/annualreport). Swiss Post employees may order copies through the usual channels.

## Publication details

**Publisher and point of contact**

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

Tel. +41 58 338 11 11  
Media relations +41 58 338 13 07  
[www.swisspost.ch](http://www.swisspost.ch)

**Concept and project management**

Muriel Baeriswyl, Swiss Post Communication, Berne  
Annick Chevillat, Swiss Post Communication, Berne  
Dr Andreas Sturm, Sturm Consulting, Riehen

**Text**

Swiss Post Finance, Berne  
Sandra Schindler, Mareike Fischer, Tobias Habegger,  
Andreas Schmidt, Markus Tschannen, Beat Büchler,  
Klarkom AG, Berne

**Diagrams**

Swiss Post Finance, Berne  
Dr Andreas Sturm, Sturm Consulting, Riehen

**Photographs**

Simon Opladen, Berne, Marc Wetli, Zurich,  
Zishaan Akbar Latif (page 28) and various sources

**Design and typesetting**

Walter Stähli and Franck Schirmer,  
phorbis Communications AG, Basel

**Proofreading and translations**

Swiss Post Language Services, Berne

**Printer**

Stämpfli AG, Berne

ISSN number 1661-9501

**About the paper:**

This Annual Report was produced carbon-neutrally on 100% FSC®-certified recycled paper without optical brightening agents. RecyStar Polar paper is certified with the Blue Angel eco-label for particularly environmentally friendly products ([www.blauer-engel.de](http://www.blauer-engel.de)). It also has the EU Ecolabel ([www.ecolabel.eu](http://www.ecolabel.eu)) and is FSC®-certified ([www.fsc.org](http://www.fsc.org)).

## Five-year overview of key figures

		2012	2013	2014	2015	2016
<b>Result</b>						
Operating income	CHF million	8,576	8,575	8,371	8,224	8,188
Generated in competition	% of operating income	84.1	85.6	85.7	85.1	85.8
Generated abroad	% of operating income	12.0	13.2	14.6	14.0	13.7
Operating profit	CHF million	860	911	803	823	704
Generated in competition <sup>1</sup>	% of operating profit	88.0	95.5	85.5	87.0	93.5
Generated abroad	% of operating profit	4.1	5.2	9.0	6.9	9.1
Group profit	CHF million	772	626	638	645	558
Equity	CHF million	3,145	5,637	5,010	4,385	4,881
<b>Value generation</b>						
Economic value added	CHF million	269	125	207	169	121
Added value generated	CHF million	5,314	5,328	5,220	5,193	5,145
to employees	CHF million	4,161	4,131	4,108	4,074	4,034
to creditors	CHF million	82	93	57	69	64
to public sector	CHF million	34	94	79	94	118
to owner	CHF million	200	180	200	200	200
to company	CHF million	837	830	776	756	729
<b>Jobs</b>						
Headcount (excluding trainees)	Full-time equivalents	44,605	44,105	44,681	44,131	43,485
Trainees in Switzerland	Persons	2,015	2,024	2,035	2,077	2,118
Jobs in peripheral regions	Persons	20,172	19,494	19,106	18,633	18,176
Turnover rate (voluntary departures)	As % of average headcount	3.7	3.6	4.1	3.8	4.0
Notice given by employer for economic reasons	Persons	315	180	168	78	84
<b>Employment conditions and remuneration</b>						
Employment in accordance with Swiss Post CEC	Full-time equivalents as %	62.7	62.8	61.1	61.5	53.8
Swiss Post CEC minimum salary	CHF per annum	45,047	45,047	47,620	47,620	47,620
Average salary for employees	CHF per annum	82,554	82,695	83,039	83,472	82,231
Average remuneration paid to members of Executive Management	CHF per annum	515,441	499,281	477,719	591,574	588,377
Salary bandwidth <sup>2</sup>	Factor	6.2	6.0	5.8	7.1	7.2
<b>Health management</b>						
Occupational accidents	Number per 100 FTEs	7.2	6.6	5.9	6.1	5.9
Days lost to illness and accidents	Days per employee	11.0	11.6	11.8	12.4	12.5
<b>Diversity</b>						
Women	% of employees	48.4	48.5	48.7	48.4	48.1
Nationalities represented	Number	140	144	142	142	143
Women on Board of Directors	%	22.2	22.2	33.3	33.3	33.3
Women in Executive Management	%	11.1	12.5	12.5	12.1	11.1
Women in senior management roles	%	8.0	9.3	11.0	12.3	12.3
Women in middle and lower management roles	%	23.0	23.7	23.6	23.4	24.2
<b>Demographics</b>						
Average age of workforce	Years	44.7	44.8	45.1	45.3	45.6
<b>Resource consumption</b>						
Energy consumption	Gigajoules	4,053,768	4,075,670	4,063,574	4,067,287	4,143,240
Energy consumption within Swiss Post	Gigajoules	3,232,405	3,205,634	3,223,276	3,210,571	3,261,864
Renewable share	%	20.0	19.0	21.0	21.0	21.0
Energy consumption outside Swiss Post	Gigajoules	821,363	870,035	840,297	856,716	881,376
<b>Carbon footprint (scope 1–3)</b>						
Carbon footprint	t CO <sub>2</sub> equivalent	466,169	437,043	429,703	428,807	434,868
CO <sub>2</sub> efficiency increase since 2010 <sup>3</sup>	%	2.6	9.8	12.0	13.4	16.0

<sup>1</sup> The figures from 2012 are not comparable with those from 2013 to 2016 (new postal legislation from 2013).

<sup>2</sup> Factor = average remuneration paid to Members of Executive Management vs. average employee salary.

<sup>3</sup> The rise in CO<sub>2</sub> efficiency is measured as the change in CO<sub>2</sub> 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.).



071.44 (238268) EN 04.2017

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

Tel. +41 58 338 11 11  
[www.swisspost.ch](http://www.swisspost.ch)

**SWISS POST** 