



Report on  
non-financial  
matters  
2023 financial year

Published: March 2024

**PostFinance** 

# Foreword

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Dear Reader

This is PostFinance's very first report on non-financial matters. We would like to take this opportunity to reflect on the importance of sustainability to PostFinance. Where are we performing well – where could we do better? What's our long-term vision? However, the publication of the report also meets an obligation, a legal requirement, that came from the counterproposal on the Responsible Business Initiative.

Let's be clear: sustainability is hugely important to PostFinance. PostFinance wants to contribute and help shape a future where quality of life is good for people, the environment and society. And also because the financial sector has evolved dynamically over recent years and is addressing the relevant challenges. Customers and investors don't just expect successful financial performance from us, but responsible corporate management and a contribution to the sustainable development of our planet.

We want to assume this responsibility, and have stepped up our efforts on environmental protection and social responsibility. We adopt a highly responsible approach to our use of resources and investments – and weigh up opportunities and risks carefully. We have extended our range of responsible products over the past two years. It's important to us that our employees and customers understand and support our view of sustainability.

This report provides an insight into the current situation in 2023. You may be surprised at how wide-ranging PostFinance's interpretation of sustainability is and where we, as a financial institution operating nationwide in Switzerland, support initiatives and projects, including in the areas of society, the economy and education. We've made great progress over recent years. However, we're also aware that we still need to take action in various areas, and that time is an increasingly critical factor. Over the upcoming strategy period (2025 to 2028), we will step up our efforts, particularly in terms of sustainability governance and reporting and making an impact. We are determined to drive forward sustainability in all aspects of our business, to constantly learn and to pursue and implement our vision of a sustainable future.

Finally, we want to thank our employees, valued customers and stakeholders, who are accompanying and supporting us on this path. Together, we can shape a more responsible and sustainable future and make a positive contribution to Switzerland's society and economy.

A handwritten signature in black ink, appearing to read 'Dr. Troyanov'.

**Dr Michaela Troyanov**  
Member of the Board of Directors  
Chair of BoD  
Audit & Compliance Committee

A handwritten signature in black ink, appearing to read 'Hansruedi Köng'.

**Hansruedi Köng**  
CEO

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# Key events

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“As a leading Swiss financial institution and an attractive employer, PostFinance wants to remain fit for the future. We see sustainability as an opportunity to become even more innovative and diversified.”

Hansruedi Köng, CEO

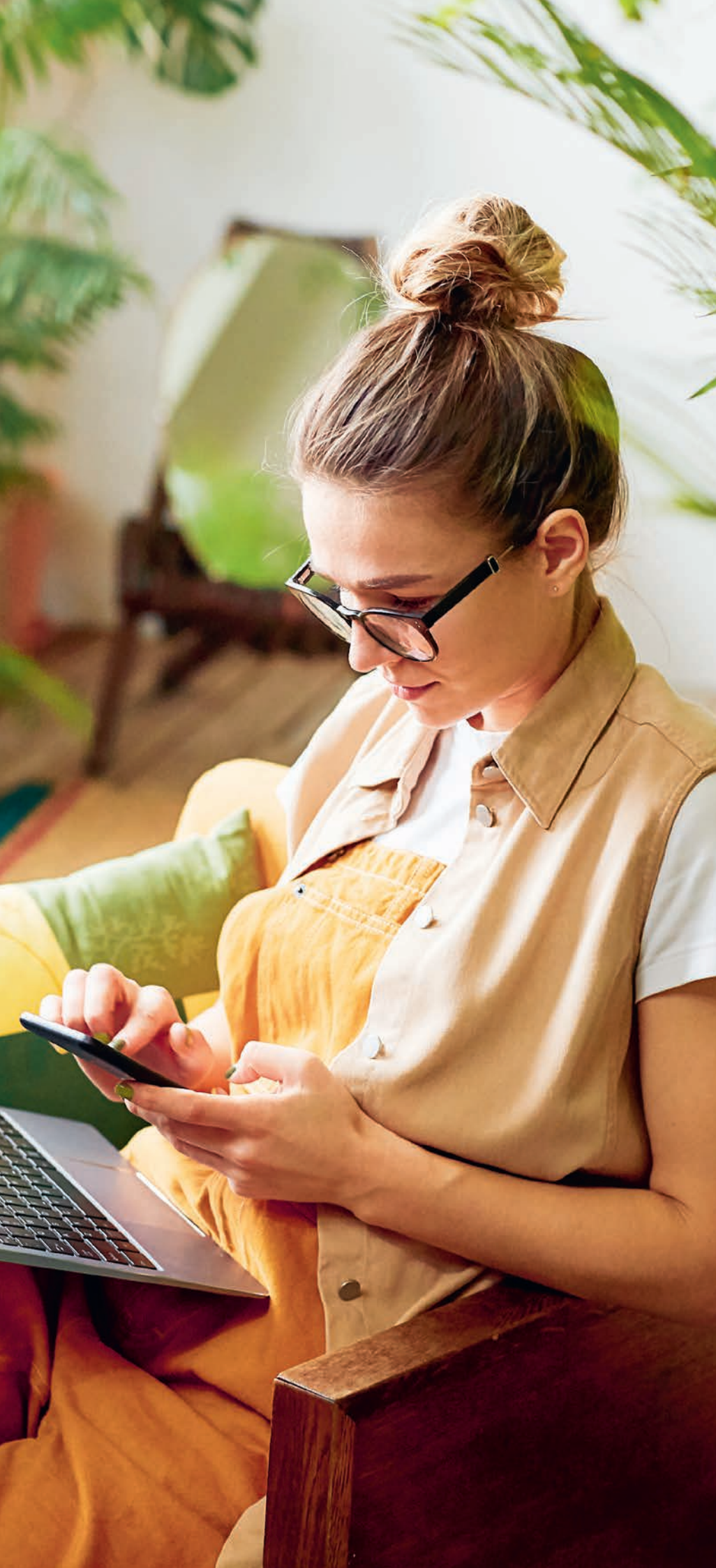


Climate protection and resilience

PostFinance's climate target was validated by the Science Based Targets initiative (SBTi) in 2023.







#### **Digitization and innovation**

PostFinance is using data, data-driven solutions and artificial intelligence to optimize the customer experience.



#### **Responsibility to customers**

PostFinance integrates ESG approaches into its investment strategy for the majority of funds it offers.







**Energy efficiency and  
renewable energy**

From 1 January 2023,  
PostFinance only procures  
battery electric vehicles for  
its fleet and is expanding  
the charging infrastructure  
at PostFinance sites.



**Data protection**

PostFinance takes effective measures  
to protect the privacy and personal rights  
of its stakeholders.





#### Anti-corruption and compliance

2,765 employees passed the test on basic compliance training in 2023.



#### Attractive and responsible employer

PostFinance is the first Swiss financial institution to communicate the salary range in the majority of job adverts.



#### Respect for human rights

PostFinance obliges its suppliers to comply with the Code of Conduct and Code of Ethics and Social Responsibility.



Management summary

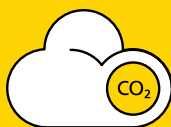
# Material topics in brief

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## Climate protection and resilience

Swiss Post has set itself the goal of cutting CO<sub>2</sub> emissions from its own operations by 42 percent and in the value chain by 25 percent by 2030 (base year 2021). In line with the Group's ambitious goals, PostFinance aims to make its own operations carbon neutral by 2030 and to achieve the net zero target from 2040. This is why PostFinance needs to cut its own direct emissions as well as indirect ones. In view of PostFinance's activity on the global capital market, indirect emissions also include those financed by its own investments.



## Energy efficiency and renewable energy

PostFinance is reducing its emissions by promoting renewable energy and energy efficiency in its own infrastructure and mobility. It aims to meet the targets of the Confederation's "Exemplary Energy and Climate" initiative and has pledged to increase energy efficiency and achieve a renewable energy share of at least 85 percent by 2030. Since 1 January 2023, PostFinance has only procured battery electric vehicles.



## Responsibility to customers

Customer satisfaction is the bedrock of PostFinance's commercial success. This is why PostFinance places such great emphasis on a positive customer experience, requirements-led advisory services, transparent communication and a responsible policy on the design of products and services. Most PostFinance Fonds and retirement planning funds apply ESG criteria. To improve the knowledge of customers and society about financial products and services, PostFinance implements financial education initiatives.



## Digitization and innovation

By deploying digital technologies, PostFinance improves its agility and efficiency and can react in good time to fast-moving developments in the financial sector. Through the structured implementation of the innovation types based on the three-horizon model and data strategy, PostFinance ensures existing business models are optimized and new future-oriented ones can be set up. PostFinance is using data, data-driven solutions and artificial intelligence to improve the customer experience and its corporate success. By doing so, PostFinance aims to gain a competitive edge and to specifically explore future topics. The data strategy focuses on improving the customer experience and providing innovative solutions for customers.





### Data protection

PostFinance collects and processes personal data so that its products, services and digital channels can be used securely by all stakeholders. To comply with data protection requirements, PostFinance has produced internal specification documents containing extensive provisions. PostFinance carries out data protection impact assessments, and reports security breaches to the Federal Data Protection and Information Commissioner, as well as to the Executive Board and Board of Directors. Staff receive appropriate training and their knowledge is assessed regularly. PostFinance has established a data protection organization with risk-adequate structures and processes with clear roles, responsibilities and regulations, which it constantly develops.



### Attractive and responsible employer

At the end of 2023, PostFinance employed 3,818 staff, making it an important Swiss employer. PostFinance is committed to offering attractive employment conditions and fair pay. Its corporate culture is based on mutual respect and fairness. PostFinance supports the work-life balance of its employees and promotes equal opportunity and diversity. Employees assume individual responsibility for performing their tasks and are given sufficient freedom of action. To ensure the employability of its staff, PostFinance provides various specific training and development opportunities.



### Respect for human rights

As a responsible employer and in its own investments, PostFinance is unconditionally committed to human rights, which it ensures are respected in its business activities. PostFinance complies with legal requirements and high standards within its own organization. There is a zero-tolerance policy on any human rights violations in the Code of Conduct. PostFinance expects its employees and business partners to comply with the Code of Conduct. Suppliers are selected based on an ESG rating, monitored and given development opportunities, where necessary. PostFinance has also set up a unit to which malpractices and violations of external and internal provisions can be reported (whistleblowing).



### Anti-corruption and compliance

PostFinance's business model is geared towards Switzerland and subject to rigorous legal and regulatory requirements. The Code of Conduct provides the overarching basis for day-to-day activities. Through effective processes and regular monitoring, PostFinance endeavours to counteract violations of the Code of Conduct and other internal provisions. PostFinance continually monitors legal and regulatory developments, and its employees are represented on various external expert and industry bodies. PostFinance's membership of Transparency International Switzerland highlights its commitment to combating corruption. Employees and stakeholders can report violations anonymously to a confidential unit, which ensures comprehensive investigations and measures are then carried out.

Interview

# We want to make an impact

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**Thomas Jakob**  
Head of Corporate Responsibility



### **What does sustainability mean to PostFinance?**

As a leading Swiss financial institution and an attractive employer, we want to remain fit for the future. We've incorporated sustainability into our overall strategy and aim to achieve environmentally, socially and economically sustainable development. We're prepared to bear the expenses involved. We also want to embed our view of sustainability into how our employees think and act. We regularly hold Impact Days, where employees can make suggestions on how to improve sustainability.

### **Where can PostFinance make an impact in terms of sustainability?**

At PostFinance, we have a broad range of options for making an impact – they include CO<sub>2</sub> reduction, structuring the product range, innovations and social commitment. We always aim to consider where we can operate more sustainably in the various areas, from product management and HR through to processes. A few examples: in June 2023, our climate targets were validated by the Science Based Targets initiative (SBTi). Our innovative CO<sub>2</sub> calculator, which is available on our website, helps to make customers aware of their ecological footprint. Most PostFinance Fonds and retirement planning funds are aligned with ESG criteria.

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### **Where do you see particular challenges?**

Greenwashing is a big challenge, and we're fully committed to preventing it. We seek to understand exactly what sustainability means in various product areas before making promises and to make a real impact on sustainable development. That's why we're delighted we managed to improve our WWF retail banking rating.

### **Focusing on PostFinance as an attractive employer: what's been achieved in this respect?**

It's vital we're able to position ourselves as an attractive employer in Switzerland so we can attract and retain talent. Gender equality is a key priority for us here. PostFinance has set itself the target of ensuring each

gender makes up at least a third of management positions. It's important for us to set up diverse teams because they can be more innovative. The PostFinance holiday week initiative provides childcare support for staff with children over the summer break to help improve their work-life balance. Our recertification with the work-life balance label "Prädikat UND – Erwerbs- und Privatleben vereinbaren" shows we're on the right path as an employer in this respect.



Most PostFinance Fonds and retirement planning funds have been aligned with ESG criteria.

**Thomas Jakob**

# About this report

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In this report, PostFinance Ltd provides information on the following matters in accordance with art. 964a-c of the Swiss Code of Obligations:

- Environmental matters, particularly CO<sub>2</sub> targets
- Social matters
- Employee-related matters
- Respect for human rights
- Anti-corruption measures



→ **PostFinance  
Annual Report 2023**

→ **Disclosure of climate  
related financial risks**

The report and the figures and performance indicators it contains refer (unless otherwise stated) to the 2023 financial year (1 January to 31 December 2023). The report was approved by both the Executive Board and Board of Directors. It contains the information required to understand business performance, business results, the company's situation and the impact of its activities on these areas.

At the same time as its report on non-financial matters, PostFinance Ltd also publishes its Annual Report and disclosure on climate-related financial risks. These two reports contain further information on specific topics and general business performance.

The results of the annual audit on due diligence obligations and transparency over minerals and metals from conflict regions and child labour, in accordance with art. 964j Swiss Code of Obligations, are set out in the annex.





# Sustainability at PostFinance

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PostFinance wishes to assume its environmental, social and economic responsibility and is pursuing holistic sustainability management based on an explicit corporate responsibility strategy. The corporate responsibility strategy is embedded in the corporate strategy and was defined for the period 2021 to 2024.

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PostFinance views sustainability as an opportunity to become an even more innovative financial services provider.

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PostFinance is currently drawing up the new corporate responsibility strategy for the period 2025 to 2028.

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## Strategy

PostFinance has enshrined the following ambitions into its corporate responsibility strategy.

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### Acting responsibly as a company

As one of Switzerland's biggest financial institutions, PostFinance recognizes its joint responsibility for limiting global warming and supports measures for the transformation to a low-carbon, climate-resistant economy. As part of Swiss Post Ltd, PostFinance Ltd is pursuing ambitious climate and energy targets based on the current scientific consensus – namely, the Science Based Targets initiative (SBTi).

PostFinance positions itself as an attractive employer on the labour market. It promotes diversity and gender equality, supports flexible working models and provides attractive employment conditions.

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### Taking account of changing customer requirements

PostFinance embeds and establishes corporate responsibility in the industry-specific context. PostFinance is aware of the changing requirements of its customers, conducts surveys on them systematically and records the results. Based on the findings obtained, PostFinance generally incorporates ESG aspects, such as the environment, social affairs and responsible governance, into its retirement planning and investment solutions. PostFinance also attaches great importance to transparency, which is why it publishes ESG reports for its own investment solutions.

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### Bringing innovations to the market

PostFinance views sustainability as an opportunity to become an even more innovative financial services provider. To ensure it remains fit for the future, PostFinance brings innovative and responsible customer solutions to the market.

To actively contribute to sustainable development in Switzerland, PostFinance is also committed to various partnerships and memberships.



→ **More on partnerships for sustainability**

## Governance

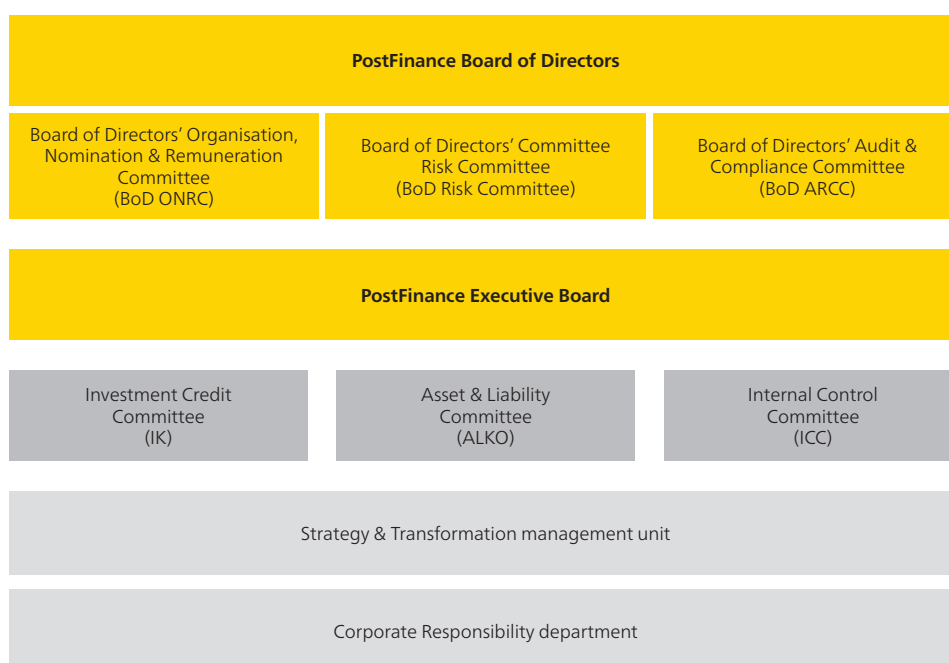


→ Find out more in the  
PostFinance Annual Report

### Basic principles and connections to Swiss Post

PostFinance is an independent subsidiary of Swiss Post and one of the largest retail financial institutions in Switzerland. The Confederation's strategic goals require Swiss Post and PostFinance, as a financial institution affiliated with the Confederation, to adopt a corporate strategy that is committed to sustainable and ethical principles within its operating confines.

### Corporate responsibility governance at PostFinance





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## Duties and role of the Board of Directors

Under the terms of the organization regulations, the PostFinance Ltd Board of Directors is responsible for defining the corporate responsibility strategy, which is drawn up in conjunction with the Executive Board, the Corporate Responsibility department and other relevant units. The Board of Directors sets targets and monitors the implementation of measures and target attainment. The Board of Directors' Organisation, Nomination & Remuneration Committee (BoD ONRC) is responsible for addressing and reviewing specific sustainability issues (social, economic and environmental) and for assessing the factor of ecological sustainability in terms of its influence on the variable remuneration for employees in management roles.

In relation to the aspects of PostFinance's risk policy that explicitly concern sustainability issues, the following areas of responsibility apply: the Board of Directors defines the risk policy and principles of risk management and is responsible for the regulation, establishment and monitoring of an effective risk management system.

In this respect, the Board of Directors is responsible for this report on non-financial matters. The Risk (BoD Risk) and Audit & Compliance (BoD ACC) Committees are responsible for monitoring and controlling.

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## Duties and role of the Executive Board

The Executive Board is responsible for the operational management of the company. In relation to corporate responsibility, it makes decisions of major impact on the institution as a whole. In conjunction with the Board of Directors, the Corporate Responsibility department and the units affected, it participates in the definition of the corporate responsibility strategy and ensures its implementation.

The Asset & Liability Committee (ALKO) decides on the management of financial risks in PostFinance's investment portfolio from a portfolio perspective, including relevant climate-related financial risks. The Investment Credit Committee (ICC) decides on the management of financial risks in PostFinance's investment portfolio at the level of individual counterparties. The Internal Control Committee (IK) monitors the bank's overall risk situation and, in particular, compliance with legal provisions and internal directives. As a member of the Executive Board, the head of the Strategy & Transformation unit is responsible for corporate responsibility and, accordingly, for the management and coordination of all issues relevant to corporate responsibility within the company (environmental, social and economic sustainability).

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## Corporate Responsibility department

The Corporate Responsibility department is responsible for the overall management of sustainability. It defines the relevant sustainability topics as part of PostFinance's overall strategy, provides impetus in the organization, coordinates sustainability-related activities and is the point of contact for any queries on this issue. It supports the business units and other units in drawing up the partial strategies and implementing sustainability goals. Organizationally, the department is part of the Strategy & Transformation unit, giving it access to the Executive Board.

# Risk management

In its risk policy, the Board of Directors defines risk appetite and risk management principles. ESG risks are assessed as risk drivers in the existing risk categories. They are systematically recorded and integrated into risk management.

PostFinance manages the risks concerning non-financial matters in accordance with the regular risk management process.

PostFinance assumes risks as part of its business activities. PostFinance could suffer losses or deviations from the expected result if these risks materialize. PostFinance defines three risk categories based on its business model.

#### Strategic risks:

Risks which jeopardize the attainment of strategic goals. Strategic risks are usually important to PostFinance as a whole (overall bank level), but may also concern unit-specific strategic goals (unit level).

#### Financial risks:

Risks from the investment and deposit business (asset side of the balance sheet, e.g. interest rate changes) and the customer lending business (liability side of the balance sheet, e.g. account limits).

#### Operational risks:

The risk of losses and other damage events resulting from the inadequacy or failure of internal processes, people or systems, or from external events.

In its risk policy, the Board of Directors defines risk appetite and risk management principles, taking account of PostFinance's risk capacity. The risk management process ensures compliance with risk appetite. Using suitable management instruments and relevant risk mitigation measures, this ensures the risks assumed are in line with the risk appetite and that the risk capacity and, in particular, legal and regulatory requirements are complied with.

The risk management process includes five stages:

#### Risk management process





PostFinance assesses the materiality of risks using a risk matrix, including a quantitative dimension (financial loss) and several qualitative damage dimensions (reputation, loss of availability, personal damages, compliance violations).

Where relevant, ESG risks are included as risk drivers in the existing risk categories. They are systematically recorded and integrated into risk management.

PostFinance defines risk treatment strategies and assesses their impact. Here it applies the three lines model: the 1<sup>st</sup> line is responsible for the risk management processes of its risk areas. The 2<sup>nd</sup> line draws up the relevant directives and bears responsibility for ensuring the risk management process of the 1<sup>st</sup> line is appropriately formulated and implemented. It also ensures integral risk reporting, including in the ESG area. Internal Auditing is the 3<sup>rd</sup> line and is responsible for monitoring the 1<sup>st</sup> and 2<sup>nd</sup> lines.

Depending on the materiality of the risks, their risk treatment strategies are evaluated and approved by the PostFinance Ltd Board of Directors, the Executive Board of PostFinance Ltd or the management of the department responsible. The 2<sup>nd</sup> line monitors the entire risk and control inventory. For the main audits, the 2<sup>nd</sup> line carries out its own assessment, independently of the specialist units, covering design effectiveness testing (DET) and operating effectiveness testing (OET).

PostFinance manages the risks concerning non-financial matters in accordance with the regular risk management process (see "risk management process" graphic) which is used for all risk types.

# Description of the business model

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PostFinance is a versatile financial service provider and offers its customers – private individuals and companies from across Switzerland – a comprehensive range of products and services.

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By investing in innovative technologies, PostFinance is actively shaping the digital transformation.

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PostFinance provides its customers with smart products and services at fair prices in the areas of payment, saving, retirement planning, financing solutions, investment and insurance, which customers can use based on their specific needs.

By investing in innovative technologies, PostFinance is actively shaping the digital transformation and providing customers with modern, user-friendly services. For its services and solutions, PostFinance relies on future-oriented tools and technologies it has specially developed or adapted for the Swiss market. PostFinance's specialized business units collaborate closely to create a comprehensive range of financial services, and their developments help to make life easier and more financially secure for people in Switzerland. Priority is always given to customer needs and satisfaction.

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## Payment transactions

As number one in Swiss payment transactions, PostFinance ensures smooth cash flow and provision of the universal service required under postal legislation.

PostFinance is continually developing its range of payment transaction solutions, such as its own debit card, the PostFinance Card: thanks to the new combination with Debit Mastercard®, PostFinance enables its private customers to use the debit card at many additional points of sale in Switzerland and abroad. The combination allows business customers to increase acceptance of the PostFinance Card in their stores (bricks-and-mortar and online shops).

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## Banking packages and accounts

The range of different accounts meet customers' everyday financial needs. Accounts and other services are bundled together in banking packages. PostFinance also provides individual solutions for adults, young people and students. E-finance and the PostFinance App allow customers to carry out their banking transactions securely and conveniently online.

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Many products are tailored to individual customer needs.

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## Investing

From savings accounts and funds to specially tailored investment advice, PostFinance helps its customers to create long-term value and achieve their financial goals. PostFinance also provides various products tailored to its customers' individual needs and risk appetite. Customers seeking professional asset management are offered custom-made solutions. Experts focus on sustainable value preservation for customer security.

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## Financing

PostFinance offers transparent conditions and personal advice on brokered credit products, such as mortgages and consumer credit.

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## Retirement planning and insurance

Retirement savings account 3a, life insurance or vested benefits account: PostFinance provides specially designed solutions to meet its customers' wide-ranging retirement planning needs. These products are also available in conjunction with funds.

PostFinance also provides a range of insurance solutions. Whether family, car, motorbike, travel or legal protection is needed, customers can get cover for themselves and their family by taking out policies online or by purchasing life insurance.

As number one in Swiss payment transactions, PostFinance ensures **smooth cash flow** and the universal service provision required under postal legislation.



# Double materiality analysis

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PostFinance carries out the materiality analysis to identify the material environmental, social and governance (ESG) topics for the company and its stakeholders. PostFinance has identified eight material topics.

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## The materiality matrix

The materiality analysis assesses every material topic from two perspectives (double materiality):

- Outside-in perspective: risks of a topic to the company's own corporate success (e.g. risks of climate change to corporate success).
- Inside-out perspective: impacts of business activities on the outside world (e.g. on the economy, society or environment)

Under the double materiality concept, ESG topics present risks and opportunities, which are material from a financial perspective and/or in terms of impact. The materiality analysis assesses the relevance, viability and effectiveness of these topics to ensure they meet current requirements and goals.

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## Defining the materiality matrix

In the materiality analysis, the three subsidiaries Post CH Ltd, PostBus Ltd and PostFinance Ltd were analysed separately as well as on a consolidated basis as Swiss Post Group (see the Swiss Post Financial Report for details on the methodology).

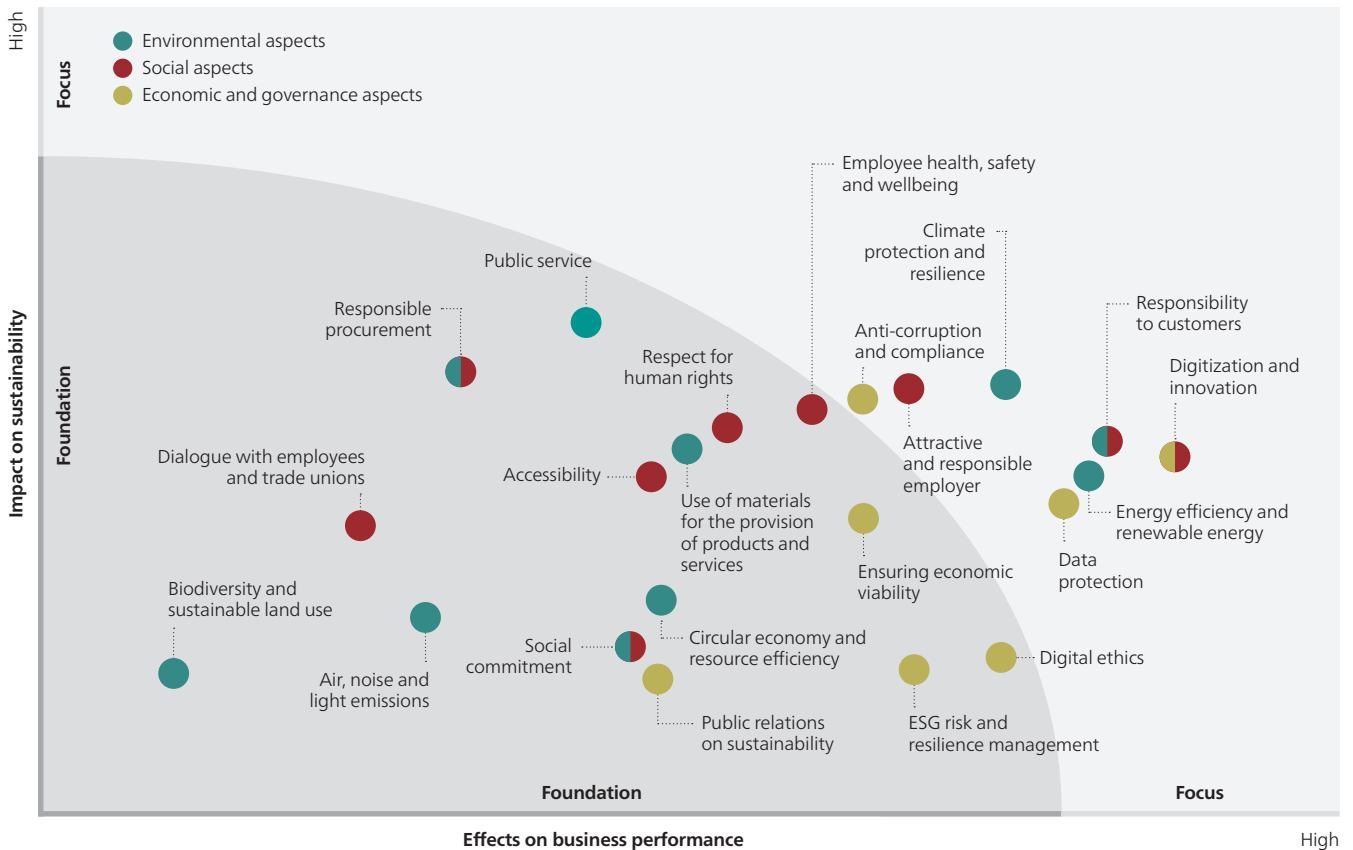
In 2022, Swiss Post updated the materiality matrix in a joint process with PostFinance to validate, develop and transparently report on the corporate responsibility strategy. PostFinance determined the material topics in four steps (context analysis, identification of potential material topics, evaluation of impacts and risks, analysis and validation of material topics).

When producing the report on non-financial matters, PostFinance also reviewed and updated the materiality matrix in 2023 for its specific needs. To validate the material topics, PostFinance consulted additional internal stakeholders and external advisors and carried out additional analyses (e.g. alignment with regulatory requirements, benchmarking with the materiality analyses of relevant institutions).

PostFinance will regularly review its materiality matrix and update it where necessary.

## Material topics identified

The results of the materiality analysis are shown in the graphic below. The topics are evaluated on a relative scale in terms of their impact on sustainability and effect on corporate success. The materiality matrix makes it easier to align the strategy and company goals to stakeholders' needs and expectations and supports sustainable business management.



→ More on the topics in the "Foundation" segment

The topics can be divided into two segments: "Foundation" and "Focus". The material topics for PostFinance are shown in the "Focus" segment. They form the basis of the report on non-financial matters and have been assigned to various matters (see table). The topic "Respect for human rights" in the "Foundation" segment is also explained in the report in accordance with the legal requirements and is therefore one of the eight material topics identified. More detailed explanations of the topics in the "Foundation" segment can be found in the Swiss Post Non-Financial Report.

The following eight material topics are covered in this report:

Matters (in accordance with art. 964b CO)	Material topics identified
Environmental matters	Climate protection and resilience (p. 16) Energy efficiency and renewable energy (p. 21)
Social matters	Responsible to customers (p. 24) Digitization and innovation (p. 29) Data protection (p. 33)
Employee matters	Attractive and responsible employer (p. 35)
Anti-corruption	Anti-corruption and compliance (p. 43)
Respect for human rights	Respect for human rights (p. 39)





# Reporting on material topics

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The eight material topics for PostFinance are covered in the following sections. PostFinance adopts the double materiality approach and, for each topic, describes the risks and impacts as well as the concepts, measures and key performance indicators used to achieve targets.



- 16  
Climate protection  
and resilience
- 21  
Energy efficiency and  
renewable energy
- 24  
Responsibility  
to customers
- 29  
Digitization and innovation
- 33  
Data protection
- 35  
Attractive and responsible  
employer
- 39  
Respect for human rights
- 43  
Anti-corruption  
and compliance

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## Climate protection and resilience

In line with the Group's ambitious goals, PostFinance aims to ensure its own operations are carbon neutral by 2030, and to achieve the net zero target from 2040. This is why PostFinance needs to reduce its own direct emissions as well as indirect emissions. Given PostFinance's activity on the global capital market, emissions financed by its own investments play a key role.

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### Greenhouse gas emissions

**99** percent

of the greenhouse gas emissions measured are attributable to the bank's own investment portfolio.

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PostFinance wants to actively combat climate change. As a financial service provider, it is focusing on reducing emissions financed in its own investment portfolio (Scope 3, category 15). These emissions make up over 99 percent of PostFinance's measured on-balance sheet emissions. The concepts and measures to reduce emissions in Scopes 1, 2 and 3 (excluding Scope 3, category 15) are outlined in the section "Energy efficiency and renewable energy".

With its strategy, PostFinance is pursuing ambitious targets to minimize the impact of its actions on the climate in its own investments. This strategy is in line with the goals of the Paris Climate Agreement and the Science Based Targets initiative (SBTi) (see section "Concepts and measures").

As a subsidiary of Swiss Post, PostFinance aims to achieve the net zero target by 2040. By measuring emissions in accordance with the Greenhouse Gas Protocol (GHG), the company wants to ensure transparency. PostFinance is continually developing the assessment of risks and opportunities that climate change presents for the business model.



→ More information can be found in the disclosure of climate-related financial risks

The strategy is in line with the goals of the **Paris Climate Agreement** and the Science Based Targets initiative (SBTi).

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## Risk description

Failure to achieve the target could have a negative impact on the reputation and credibility of PostFinance vis-à-vis customers, employees and the owner. Relevant risks have been registered in the internal control system (ICS).

PostFinance takes account of climate risks within the framework of the existing risk categories (financial risks such as credit risks, market risks, interest rate and liquidity risks and operational risks). A distinction is usually made between transition risks (such as changing regulations as part of the transition to a low-carbon economy and meeting changing customer needs) and physical risks (such as storm damage, droughts and other natural disasters). Credit and default risks of capital market investments are affected to the greatest extent. Credit risk-relevant factors due to climate change are sufficiently well reflected in the market data and prices available in the short term. However, the likelihood or risk of underestimating the impact of climate factors on credit risks in current market expectations increases over the medium to long term. If PostFinance fails to adequately incorporate the credit risk related to climate factors into its investment process, this could result in negative financial consequences in the medium to long term. There is also a reputational risk if PostFinance fails to react to the challenges related to climate change in good time.

PostFinance has additionally analysed interest rate and liquidity risks from a climate risk perspective. In this case, however, PostFinance has concluded that they are only exposed to climate risks indirectly.

Financial institutions operate in a very dynamic regulatory environment, where PostFinance faces operational challenges in change management. Tighter regulatory provisions are foreseeable in relation to climate risks. In an environment where clear industry standards still do not exist in all areas, this means greater organizational expenditure.



→ **More information can be found in the disclosure of climate-related financial risks**

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## Description of the impacts

Companies contribute to greenhouse gas emissions through their business activities. This means they are causing climate change to escalate, which is increasingly having various negative impacts on the environment and humanity. Over 99 percent of PostFinance's measured greenhouse gas emissions are attributable to its own investment portfolio, which means they come from companies financed by PostFinance through investments on the global capital market. That is why PostFinance can have the greatest impact through measures to cut the greenhouse gas footprint of its own investments and financed emissions.

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## Concepts and measures

As a subsidiary of Swiss Post Ltd, which has aligned its climate target with the approaches of the Science Based Targets initiative (SBTi), PostFinance also adopts this framework. As a financial institution, PostFinance implements the provisions of the specific Financial Sector Science Based Targets Guidance for the currently available asset classes.

PostFinance's climate target was validated by SBTi in 2023. It confirms that the target is in line with the goals of the Paris Agreement. PostFinance regularly monitors the attainment of the SBTi targets and publishes the target attainment level and CO<sub>2</sub> footprint of corporate bonds in the disclosure on climate-related financial risks.



Current value

**26.9** percent

of financial investments were made in companies with a SBTi-validated climate target by the end of 2023.

For the asset class of financial investment in companies, PostFinance has set itself the goal of only investing in companies by 2040, which are themselves committed to the SBTi and have their own validated, science-based climate target<sup>1</sup>. As a binding interim goal, by 2027, at least 35.1 percent of financial investments are to be made in companies which have an SBTi-validated climate target, with that figure rising to at least 50.1 percent by 2030.

There is currently no established standard under SBTi for financial investments in public debtors and instruments collateralized with real estate, such as Swiss mortgage bonds. PostFinance monitors development in these segments and attainment of the relevant targets. The Group has the key figures on the emissions in Scopes 1 to 3 validated by an external body.

**Absolute greenhouse gas emission values, Scopes 1 to 3**

Greenhouse gas emissions recorded in tCO <sub>2</sub> e	Greenhouse gas emissions 2022	Greenhouse gas emissions 2023
Scope 1		
Direct emissions from fuel combustion and losses from coolants	895	782
Scope 2 (market-based)		
Indirect emissions from energy production	21	31
Scope 3 (excluding category 15)		
Indirect emissions from business trips, commuter traffic, waste, water, paper and rented buildings	3,223	2,299
Scope 3 (category 15)		
Emissions from the investment portfolio <sup>1</sup>	1,389,646	1,300,705
<b>Total (Scopes 1–3)</b>	<b>1,393,785</b>	<b>1,303,817</b>

<sup>1</sup> Based on Scope 1 and Scope 2 emissions of the respective counterparties.

<sup>1</sup> Companies with an SBTi-validated climate target have until 2050 to achieve net zero themselves. As PostFinance is aiming to achieve net zero by 2040, it monitors its financed CO<sub>2</sub> emissions and will introduce additional measures if required.

### Engagement approach

PostFinance ensures it meets its targets by adopting the engagement approach and awarded a mandate to an established service provider in 2023. The engagement approach pursues the strategy of bundling and leveraging the influence of various financial institutions by engaging specialist service providers, who use the financial investments of their clients in companies to encourage these companies to adopt more climate-friendly practices, for example. As part of the mandate awarded, the companies receiving investment are also encouraged to set their own science-based climate targets validated by SBTi. The companies invested in are required to take specific measures to meet these targets and reduce greenhouse gas emissions. The engagement approach enables clients like PostFinance to help ensure that the companies it invests in undertake the transition to more sustainable business operations, which, in turn, allows their own climate and sustainability targets to be achieved. The engagement approach is explicitly recognized by the SBTi. PostFinance intends to publish key figures on this subject in future reports.

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PostFinance has applied the exclusion list of the **Norwegian sovereign wealth fund** since 2017.

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→ **More information can be found in the disclosure of climate-related financial risks**

Since 2017, PostFinance has applied the Norwegian sovereign wealth fund's exclusion list to take account of the sustainability and climate risks involved in its own investments. This is subject to rigorous ethical, social and environmental criteria that go well beyond comparable exclusion recommendations issued by Swiss associations (e.g. SVVK-ASIR). As PostFinance applies these exclusion criteria, this means that its own investments are subject to clear, quantitative exclusion criteria for producers of coal and coal-based energy. The returns from the oil and gas sectors are significant in the Norwegian sovereign wealth fund, creating a potential conflict of interest from PostFinance's perspective. For this reason, PostFinance also takes account of the ESG ratings issued by the independent ESG ratings agency ISS ESG when evaluating financial investments in this sector and excludes the companies causing the greatest harm to the environment from its investment activities. That means the exclusion criteria are even stricter than those of the Norwegian sovereign wealth fund.

Since 2021, PostFinance has calculated the greenhouse gas emissions of corporate bonds in its own investment portfolio. This procedure follows the guidelines of the Greenhouse Gas Protocol (GHG) and focuses, in particular, on emissions in Scope 3, category 15. PostFinance ensures transparency by publishing its report on the disclosure of climate-related financial risks and provides stakeholders with an insight into the ecological footprint of its own investment portfolio. By doing so, PostFinance can take targeted measures to reduce emissions and prioritize them.

The results of the monitoring of financed CO<sub>2</sub> emissions from its own investment business and the share of financial investments in companies with a validated SBTi target are regularly reported to the relevant committees of the Executive Board and Board of Directors. PostFinance has developed appropriate performance indicators, structures and processes as well as controlling mechanisms to monitor processes relevant to climate protection and adjusts them where necessary.

Dedicated Executive Board committees bear responsibility for implementation as follows: the Asset & Liability Committee decides on measures related to climate targets and the management of CO<sub>2</sub> reduction in the bank's own investment business. The Investment Credit Committee decides on risks in PostFinance's investment portfolio on a counterparty-specific basis and takes account of relevant key climate figures in counterparty credit risk management. The Internal Control Committee manages climate risks in relation to operational risks.

PostFinance has developed performance indicators, structures and processes as well as **controlling mechanisms** to monitor processes relevant to climate protection.



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## Energy efficiency and renewable energy

PostFinance is cutting its emissions by promoting renewable energy and energy efficiency in its own infrastructure and mobility. It aims to meet the targets of the Swiss Confederation initiative “Exemplary Energy and Climate” and has undertaken to improve energy efficiency and achieve a renewable energy share of at least 85 percent by 2030.

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The company aims to ensure its in-house operations are carbon neutral by 2030.

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Swiss Post intends to make its own operations carbon neutral by 2030 and to achieve the net zero target in the value chain by 2040. As a subsidiary of Swiss Post, PostFinance supports its parent company’s climate targets and has incorporated them into its own strategy.

PostFinance implements targeted measures to reduce emissions. Most of PostFinance’s footprint is accounted for by financed emissions (Scope 3, category 15), which are set out in the section “Climate protection and resilience”.

However, PostFinance is also taking measures to lower emissions in its own operations and across the value chain. Together with the Group, since 2010 PostFinance has recorded direct emissions from its own operations (Scope 1), its indirect energy-related emissions from the provision of energy (Scope 2) and indirect emissions from certain categories in the upstream and downstream value chain (Scope 3, categories 1, 3, 5, 6, 7, 8 and 15) in accordance with the provisions of the Greenhouse Gas Protocol. Emission-reduction measures are defined on this basis.

As part of the Group’s SBTi-validated climate targets, PostFinance defines specific reduction paths for emissions from Scopes 1 and 2, and aims to cut greenhouse gas emissions from its own operations by 42 percent (base year 2021) by 2030. The remaining emissions from its own operations will be neutralized from 2030 using suitable measures.

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### Risk description

The main climate risks are set out in the section “Climate protection and resilience”.

In the internal control system (ICS), PostFinance has added climate aspects to existing risks, including those with low materiality. One example: collaboration with partners presenting climate-related risks is specifically assessed and monitored. This aims to avoid any negative impacts through collaboration and reputational damage.

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### Description of the impacts

The material impacts of greenhouse gas emissions are set out in the section “Climate protection and resilience”. By increasing demand for renewable energy, companies can have a positive impact on the transformation of Switzerland’s energy system and network expansion. In tandem with Swiss Post Group, PostFinance can contribute to the Confederation’s Energy Strategy through the use and production of renewable energies.

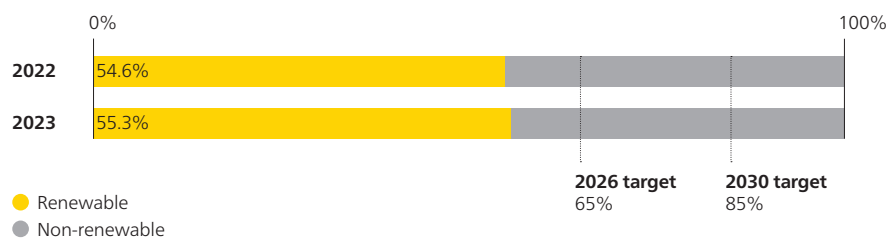
## Concepts and measures

PostFinance has introduced a building monitor for its real estate portfolio to reach the reduction targets. This is a software solution that shows a building's energy consumption in detail. It enables the optimization of operations in PostFinance's own buildings, the reduction of energy consumption and prioritization of measures for upgrading energy systems.

PostFinance uses additional databases on emissions from its own operations and the value chain to monitor progress on implementation and to assess the measures initiated.

For the reduction of its emissions in Scopes 1 and 2, PostFinance also adopts the targets of the Confederation's "Exemplary Energy and Climate" initiative. As part of this initiative, PostFinance has pledged to increase energy efficiency by 40 percent up to 2030 and to raise the share of renewable energy (excluding electricity) to at least 85 percent by 2030, with a mandatory interim goal of 65 percent by 2026. Renewable energy sources' share of total energy consumption is continually monitored.

### Renewable energies (thermal energy and fuels)

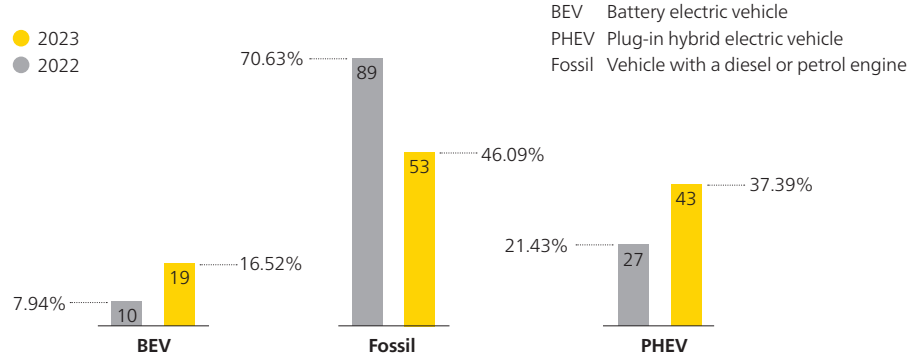


From 1 January 2023, PostFinance only procures battery electric vehicles for its fleet. By doing so, PostFinance has taken a major step towards reaching the CO<sub>2</sub> reduction required in business mobility. As a support measure, the charging infrastructure for electric vehicles is being installed and expanded at PostFinance sites.

To cut commuter travel, PostFinance provides its workforce with extensive options for working from home. PostFinance also supports initiatives such as "Bike to Work" and offers employees discounts on the use of PubliBike hire bikes and SBB travelcards.

**Since 1 January 2023, PostFinance has only procured battery electric vehicles for its fleet.**

**Vehicle fleet and procurement**



The Group has the key figures on the emissions in Scopes 1 to 3 validated by an external body.

PostFinance takes account of environmental aspects when procuring products and services. These aspects are firmly embedded in the procurement strategy and sustainable procurement manual. This ensures PostFinance fully complies with employment, social and environmental criteria in the entire procurement process – from definition of requirements to contract management. Besides the manual, there are various factsheets on the procurement of specific goods and services, e. g. for sustainable give-aways, IT equipment, software and events.

The individual departments are responsible for implementing the measures. The Corporate Responsibility department plays a coordination role. To monitor the implementation of measures to improve energy efficiency and the use of renewable energy, it records the development of greenhouse gas emissions. The results are reported directly to the Group, which thoroughly checks the key figures and information.

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## Responsibility to customers

Customer satisfaction is the bedrock of PostFinance's commercial success. This is why PostFinance places such great emphasis on a positive customer experience, requirements-led advisory services, transparent communication and a responsible policy towards the design of products and services.

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PostFinance fulfils the universal service obligation in payment transactions stipulated in the Postal Services Act.

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Responsibility to customers is vitally important at PostFinance for two reasons: firstly, customer satisfaction is the bedrock of PostFinance's commercial success. Understanding the various needs of around 2.5 million private and business customers and aligning business activities with them is crucial. To ensure customer satisfaction, PostFinance places great emphasis on a positive customer experience, requirements-led advisory services, transparent communication and a responsible policy towards the design of products, services and sales practices. PostFinance also fulfils the universal service obligation on payment transactions under the Postal Services Act. Here, PostFinance ensures access to and availability of a comprehensive range of financial services and products.

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### Risk description

Failing to meet market and customer requirements in terms of the structure of products and services represents a major risk for PostFinance. If products and services don't meet customer expectations, or services are not available or accessible, there is a risk of losing customers.

To avoid restrictions on the use of key financial services, PostFinance needs to provide smooth access to the services relevant to customers. If PostFinance fails to do so, this could restrict customers' capacity to act. This could, in turn, lead to negative financial consequences for customers and PostFinance itself. Customer satisfaction could decline or reputational damage arise.

Failure to comply with legal or regulatory provisions in terms of the structure of products and services or in communication could also have negative consequences for PostFinance.

A high level of customer satisfaction is a key strategic goal for PostFinance. This is why the risks identified in terms of responsibility to customers within the internal control system (ICS) are set out under the overarching risk of failure to meet strategic goals, and then monitored and therefore mitigated.



Customer satisfaction

**81** points

out of 100 is the overall satisfaction score for private customers.

Description of the impacts

The conduct of a single financial service provider can affect public trust in the entire financial industry. Through clear and transparent communication measures and by complying with the law, PostFinance aims to promote customer trust in it as a financial institution, while strengthening trust in the (Swiss) financial sector at the same time.

Smooth payment transactions play a vital role in people’s everyday lives and for the Swiss economy and enable efficient, reliable processing of fundamental financial transactions. PostFinance has to meet its universal service obligation in payment transactions. With over 1.3 billion transactions a year, it bears huge responsibility towards customers.

PostFinance’s comprehensive range of financial services and products meets many different customer requirements at various stages of life. With its needs-led advisory services and through education programmes, PostFinance helps customers with decision-making on financial matters. PostFinance is also committed to financial inclusion and enables customer groups with different physical impairments to access its products and services.

Concepts and measures

PostFinance defined customer centricity as a key priority in its SpeedUp strategy (2021 to 2024). To implement this customer-oriented approach, PostFinance has specifically aligned every business unit to its customer requirements. The division into corporate business units enables more specific positioning on the marketplace and increases the speed at which PostFinance can adapt to changing customer needs.

To achieve customer centricity in the individual business units, the requirements of the customer segments are specifically analysed, evaluated and incorporated into advice, IT policy, product design and the access and availability of financial services. Customers are actively involved in market research and innovation processes.

The annual customer satisfaction study provides PostFinance with key findings on the satisfaction levels of private and business customers (retail) – (see the Annual Report for more information).

Customer satisfaction study

Overall satisfaction		2022	2023
Private customers	Index (0–100)	79	81
Business customers (retail)	Index (0–100)	76	75

The study covers various other key figures on satisfaction, loyalty and the customer experience. In addition to the customer satisfaction study, the net promoter score is measured every two years (for private individuals and SMEs on an alternating basis) for comparison with competitors. Another key study is the customer experience survey (CX measurement). Every six months, this evaluates how customers rate their experience of PostFinance at various personal touchpoints. PostFinance also conducts various studies to assess the digital touchpoints. To obtain detailed and specific customer feedback immediately after customer contact, PostFinance is currently introducing the Customer Feedback Cycle, which is an instant feedback tool. It aims to use feedback to specifically evaluate improvement options (e. g. to processes, customer advice etc.).

At unit level, the management team monitors key topics each month and defines specific measures, where appropriate, for the various customer segments based on the findings. The key topics are reported to the Executive Board quarterly as part of the strategy review. Extraordinary events are reported widely across the various levels up to the Executive Board. The Board of Directors is also informed about the material topics quarterly. Structured analysis and reporting enables an agile procedure on adapting strategic measures and helps to ensure customer satisfaction.

By continually monitoring customer development, customer satisfaction and the customer experience, PostFinance ensures the customer satisfaction measures outlined below are implemented and effective.

#### **Requirements-led advice**

By providing requirements-led advice, PostFinance aims to make sure customers are fully understood, provided with sound guidance and supported by optimal products and services.

To ensure the advisory process meets quality requirements, PostFinance has introduced a standard advice procedure in sales throughout Switzerland. The advisors working in sales obtain SAQ certification in retail banking. To avoid conflict of interests in advice and sales, PostFinance implements targeted measures. PostFinance asks new and existing private customers who have an investment portfolio about their ESG preferences so they can be included in investment advice. The survey on preferences is carried out as part of the suitability test (with questions on investment goals, the financial situation etc.) in accordance with the self-regulation guidelines of the Swiss Bankers Association<sup>2</sup>. To provide customers with relevant information, the advisors working in marketing and sales received training on ESG and sustainability topics in 2023.

#### **Transparent and responsible IT policy and product design**

PostFinance ensures all communications measures and products meet the legal requirements and self-regulation guidelines. It aims to provide clear and easy-to-understand information for customers. PostFinance publishes all costs and charges for individual products and services on its website.

PostFinance takes account of customer requirements concerning the structure of its portfolio to ensure a transparent and responsible information policy and product design. Where relevant, customers are actively involved in the development of new products (e. g. as part of surveys and workshops). Customers frequently test products and services, providing PostFinance with valuable feedback.

<sup>2</sup> Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks into investment advice and portfolio management, Swiss Bankers Association guidelines, June 2022.

PostFinance is present in Switzerland with its various sales channels.

PostFinance regularly provides its market view in publications and videos and its observations on the economic performance of the financial markets and global economy. The aim is to reduce the complexity of investing and to provide customers with easy-to-understand answers to questions on this topic. PostFinance organizes events on various topics to which customers are invited. Customers receive information on current topics via newsletters and blogs.

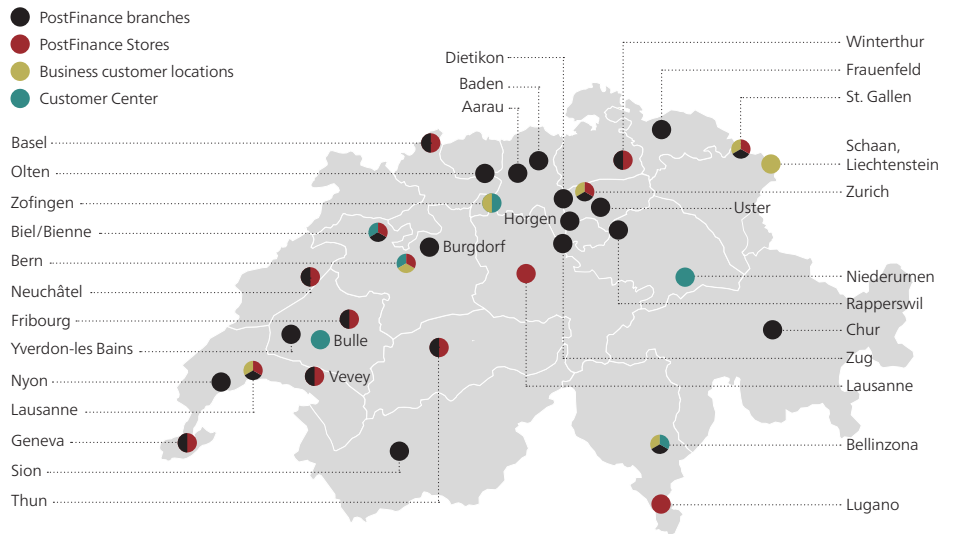
To improve the knowledge of customers and society about financial products and services, PostFinance implements financial education initiatives. PostFinance’s MoneyFit, for example, is a learning programme for school students that teaches core financial skills in a fun way. PostFinance is also a premium partner of the digital learning card system card2brain and supports schools with learning resources.

**Access and availability of financial services**

PostFinance is committed to making products and services accessible to its customers via physical and digital channels. The aim is to ensure customers can access services conveniently based on their preferences and needs.

To meet its universal service obligation in payment transactions, PostFinance is present in Switzerland through its various sales channels. Customers also have the option of using payment transactions and other financial services via Swiss Post’s sales channels.

**PostFinance sales channels**



PostFinance ensures that accessible services are provided online, at its branches and at the Customer Center. Applications for blind and visually impaired people are generally made accessible, and the branches are generally designed to make them easily accessible for all customers.

In Switzerland, PostFinance is driving forward its transition to a tech-led financial service provider (see Digitization and innovation).

### Investment options

PostFinance provides its customers with a broad range of investment options. These include asset management mandates, investment funds, retirement funds, specially selected third-party funds, certificates and other investment options.

In accordance with its sustainability strategy, PostFinance takes account of environmental, social and governance aspects in its investment strategy in all ESG-labelled PostFinance Fonds. This means PostFinance has incorporated ESG approaches into the majority of the PostFinance Fonds. The best-in-class approach is applied here. The best-in-class investment approach produces an investment universe of those companies that best control environmental, social and governance risks within their respective sectors. Via fund self-service, PostFinance also provides third-party funds, which either aim to meet a specific sustainability target, or include ESG criteria in investment decision-making. These two approaches are labelled accordingly, making them clearly recognizable for customers. Customers can also use a filter that only shows them products which either apply ESG criteria or pursue a sustainability goal. PostFinance publishes its investment approaches on its website.



→ **More about investment products**

### Reviewing and adapting its range of products and services

PostFinance regularly reviews its range of products and services to ensure its portfolio for customers is attractive and relevant, and remains so. Indicators, such as product diversity, the innovation rate and the acceptance of new products, help to improve understanding of customer requirements and to continually adapt the portfolio. This allows PostFinance to retain its competitive edge.

In all ESG-labelled PostFinance Fonds, PostFinance takes account of **environmental, social** and governance aspects.



## Digitization and innovation

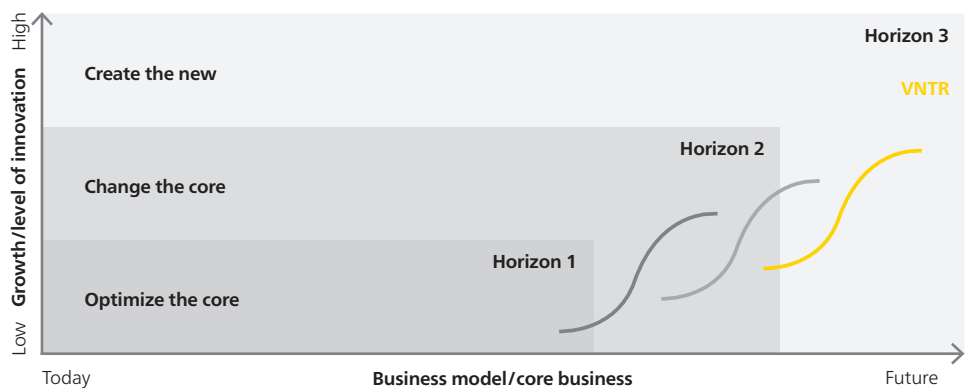
By deploying digital technologies, PostFinance improves its agility and efficiency and can react in good time to fast-moving developments in the financial sector. Using data, data-driven solutions and artificial intelligence, PostFinance can enhance its business performance, gain a competitive edge and explore future topics.

By using digital technologies, PostFinance is improving its agility and efficiency, and can react in good time to fast-moving developments.

The use and development of digital and innovative technologies play a vital role in making PostFinance's business model fit for the future and protecting the interests of its customers and the shareholder. Innovative technologies provide opportunities to deliver new products and services, while also achieving growth and optimization.

Through the structured implementation of the innovation types based on the three-horizon model<sup>3</sup> and data strategy, PostFinance optimizes existing business models and sets up new future-oriented ones. PostFinance is active in all three horizons and uses digital, innovative technologies to gain a competitive edge. The concepts in horizon 3 (Venturing and Innovation, VNTR) are specifically explained here as they are geared towards identifying and testing future topics and opportunities and developing knowledge to ensure blind spots are avoided and new business models can be evaluated. The concepts of data strategy and the "data driven company", whose innovation activities are geared towards optimizing and improving the existing business model, are also explained. The development of these approaches enables new solutions to existing social challenges to be found.

### 3-horizon model



<sup>3</sup> Adapted from Baghai, Coley, and White, 2000. The Alchemy of Growth: Kickstarting and Sustaining Growth in Your Company, McKinsey & Company, United States.

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PostFinance supports startups and participates in innovation and investor networks.

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## Risk description

PostFinance recognizes the importance of digitization and innovation in its current competitive environment and integrates these topics into its corporate strategy. The topic of innovation is also embedded in the corporate responsibility strategy.

The main strategic risks facing PostFinance are the failure to meet market and customer requirements, and competitors providing more attractive solutions. Disruptive business models also present a greater threat where digitization and innovation is inadequate. A major risk is missing success-critical (technological) developments, particularly those with a positive impact on society and the environment.

To proactively counter these risks, PostFinance pursues an approach in the data and innovation environment that enables it to respond quickly to future market developments and new customer requirements.

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## Description of the impacts

Innovative business models help to overcome social challenges and improve people's quality of life and satisfaction. PostFinance uses innovation approaches and digitization to provide its customers with access to products and services that save them time and money, provide a better experience or offer greater benefits.

PostFinance provides startups with targeted support and participates in and helps establish national and international innovation and investor networks. In this respect, PostFinance is contributing to the digitization of the financial industry and Switzerland as a business location. PostFinance shares the innovation expertise acquired with traditional universities and universities of applied sciences. With these efforts, PostFinance is helping to resolve the challenges faced by society.

By focusing on digitization, PostFinance supports the Swiss economy with the automation of payment transactions and related processes. Digitization aims to cut costs for business customers and increase the satisfaction of private and business customers. This helps resource-efficient solutions to be developed and provides added value for the economy.

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## Concepts and measures

### Data Driven Company

Data Driven Company (DDC) is a key strategic initiative used in all three horizons that seeks to identify and implement efficiency improvements and growth opportunities.

Business performance is improved by using data, data-driven solutions and artificial intelligence. On one hand, this focuses on the optimization of processes and procedures – enabling PostFinance to meet customer and employee needs more quickly and effectively, while also improving efficiency and performance. On the other, PostFinance focuses on providing an outstanding, digitally supported user experience that promotes next-generation business models. Here, PostFinance aims to enhance the customer experience and create sustained added value. Customers benefit from innovative approaches.

Suitable scenarios for data-driven solutions are set out as data use cases.

PostFinance uses clearly defined goals to evaluate which data use cases are implemented. Data use cases are primarily evaluated based on their contribution to increasing customer satisfaction, cost-effectiveness and ongoing risk management.

The DDC portfolio is constantly monitored and key figures are reported to the relevant bodies.

### Innovation and venturing (VNTR)

PostFinance launched an innovation process for employees ten years ago. Today, various teams and specialists systematically focus on innovation at PostFinance. This covers all innovation types and horizons – from the core business to completely new themes. The VNTR specialist unit addresses the long-term view into the future and thinking ahead to the next strategy period. VNTR focuses on identifying opportunities and blind spots outside of PostFinance's core business and developing the relevant knowledge internally. In a systematic process, innovation fields and technologies are identified, opportunities developed and optimal solutions jointly created for the future. VNTR is responsible for cross-unit innovation management for the three horizons covering all of PostFinance. However, PostFinance is focusing on horizon 3 (expansion of the business area, see graphic). To incorporate relevant internal and external innovations into PostFinance's development, VNTR manages a portfolio of innovation projects (exploration portfolio) and a portfolio of financial investments in startups (investment portfolio). Outcomes may be a new business model, the foundation of a startup or a new product or service. Through its approach, VNTR ensures that PostFinance does not miss out on any relevant future themes, shapes social and sustainable developments and provides added value for customers and the environment.

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Data use cases

# 34

data use cases were opened by PostFinance in 2023.

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→ **More on financial participations in startups**

PostFinance builds innovation and investor networks, which are used to exchange knowledge and findings, to form partnerships and enable a faster response to market changes. Collaboration with startups is extremely important as they can often implement new ideas and strategies quickly thanks to their agile, creative methods.

VNTR regularly reviews the success of various measures and initiatives and reports quarterly to the relevant management committee and every six months to the Board of Directors. Findings from numerous real-life use cases and the views of experts were compiled on a one-off basis to produce a successbook and a failbook.

The Innovation and Venturing (VNTR) specialist unit focuses on **identifying opportunities** and developing the relevant knowledge internally.

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## Data protection

To comply with data protection requirements, PostFinance has produced internal specification documents containing extensive provisions. Staff receive appropriate training and their knowledge is assessed regularly. PostFinance has established a data protection organization with risk-adequate structures and processes with clear roles, responsibilities and regulations which are constantly developed.

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PostFinance takes effective measures to protect the privacy and personal rights of its stakeholders.

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To ensure its products, services and digital channels can be used securely, PostFinance collects and processes the personal data of customers, employees, business partners, people interested in the company and visitors to its websites.

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### Risk description

Data protection in Switzerland is regulated by the Federal Act on Data Protection (FADP) and the Data Protection Ordinance (DPO). Breaches can result in the processing of personal data failing to comply with data protection law. PostFinance employs a data protection officer, who provides PostFinance with training and advice on data protection matters as well as support on the application of data protection provisions. The officer possesses the specialist knowledge required and does not perform any activities incompatible with their duties. They perform their function at PostFinance with professional independence and are not bound by directives.

Risks would arise in the event of inadequate data protection or if the data protection officer could not perform their statutory duties adequately. If this happened, legal action could be taken against PostFinance or its employees. There may also be the possibility of financial losses and reputational risks.

PostFinance manages and monitors data protection risks in its internal control system (ICS).

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### Description of the impacts

PostFinance protects the privacy and personal rights of its stakeholders by ensuring the data entrusted to it is processed in a legally compliant, trustworthy and responsible way. This helps increase trust in PostFinance and the Swiss financial industry.



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## Concepts and measures

To comply with data protection requirements, PostFinance has produced internal specification documents containing extensive provisions. They confirm PostFinance has set up processes to protect personal data and ensures data protection impact assessments are carried out, and documents whether processing may present a high risk to privacy or the fundamental rights of the data subjects.

PostFinance's specification documents also ensure that any data security breaches, which may result in a high risk to privacy or the fundamental rights of the data subject, are reported to the Federal Data Protection and Information Commissioner (FDPIC). Such breaches are also reported to the Executive Board and Board of Directors. The specification documents are reviewed regularly to ensure they are up-to-date and complete, and are approved by the Executive Board.

Through mandatory training courses and awareness-raising measures, PostFinance ensures all employees receive adequate training on the relevant legal and internal data protection provisions. Participation in mandatory training is checked.

A data protection organization provides risk-adequate structures and processes with relevant roles, responsibilities, tasks and regulations, which PostFinance continually develops.

PostFinance ensures  
all employees receive  
training on the relevant  
legal and internal data  
protection provisions.

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## Attractive and responsible employer

PostFinance is committed to offering attractive employment conditions and fair pay. Its corporate culture is based on mutual respect and fairness. PostFinance supports the work-life balance of its workforce and promotes equal opportunity and diversity. Employees assume individual responsibility for performing their tasks and are given sufficient freedom of action.

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At the end of 2023, PostFinance employed a total of 3,818 staff, making it an important Swiss employer. PostFinance can only achieve its goals and implement its strategy with well-qualified employees. To attract and retain suitable professionals, PostFinance embraces a modern corporate culture and provides an attractive working environment with good employment conditions.

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### Risk description

The recruitment of new employees and the retention and development of existing staff is vital for PostFinance. That applies to key strategic functions, in particular. To succeed on the labour market, the perception of PostFinance as an attractive and fair employer and staff satisfaction are hugely important. Otherwise PostFinance risks not being able to fill vacancies. In the worst-case scenario, a lack of specialists could even have a negative impact on business performance.

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### Description of the impacts

Working conditions and corporate culture have a major effect on employee satisfaction and wellbeing. Promoting a good work-life balance plays a vital role in ensuring employees remain healthy, perform well and are committed. Tailored training programmes and courses are used to improve the employability of staff and maintain it at a high level.

Respect and the promotion of diversity lay the foundation for an integrative and appreciative working environment. With a concept of leadership based on trust and support, PostFinance creates a culture that provides psychological security (e. g. errors are permitted and help to achieve progress), while also enabling and promoting open communication, joint learning and personal development.

## Concepts and measures

PostFinance is committed to offering attractive employment conditions and fair pay. The company supports the work-life balance of its workforce and promotes equal opportunity and diversity. Employees assume individual responsibility for performing their tasks and are given sufficient freedom of action.

Concepts and measures related to the corporate culture are strategically embedded and driven forward by the management of Human Resources (HR), together with the Corporate Responsibility department. HR continually monitors and evaluates the effectiveness of the concepts and measures outlined below using specially selected high value indicators and defines measures on this basis.

Progress on the diversity target set out in the corporate responsibility strategy, which shows the gender share in management positions, is reported to the Board of Directors every six months.

### Employment conditions

#### Fair and attractive employment conditions

PostFinance is committed to fair and attractive employment conditions, which are governed in the collective employment contract (CEC). Compared with the minimum legal requirements, advantageous employment conditions are defined for employees under the CEC, including continued payment of salary in the event of illness, holiday entitlements and maternity and paternity leave.

PostFinance introduced a social plan in 2021. This includes provisions to prevent or cushion the employees concerned from the economic and social consequences of operational changes as far as possible.

#### Healthy work-life balance

PostFinance helps staff to achieve a good work-life balance by offering flexible employment models, such as part-time employment, job-sharing and unpaid leave. Full-time positions are generally advertised with an employment level of 80 to 100 percent. Management and staff have the option of sharing positions (top and job sharing).

Employment level	Unit	2021	2022	2023
Part-time <=80%				
Women	%	47.7%	48.1%	48.0%
Men	%	16.4%	18.7%	18.0%
Full-time >=80%				
Women	%	52.3%	51.9%	52.0%
Men	%	83.6%	81.3%	82.0%



→ More on working at PostFinance

Part-time

# 18 percent

of men work part-time.

To provide young parents with optimal support, PostFinance grants maternity and paternity leave that goes beyond the legal minimum: mothers get four extra weeks of holiday, and fathers two weeks. Mothers and fathers are entitled to unpaid leave and a guaranteed return to their previous position with at least the same conditions. PostFinance gives parents financial support for childcare. During the summer holidays, PostFinance supports employed mothers and fathers with five days of childcare during a "holiday week" at its headquarters in Bern, as well as individual regional childcare provision. On average, PostFinance contributes CHF 1,270 per year and child to external childcare provision for children up to the age of 10. The amount depends on disposable household income and actual childcare costs.

PostFinance measures performance in terms of work-life balance based on factors such as supplementary expenditure by PostFinance on childcare and the part-time quota.

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Equal pay analysis

**3.1** percent

is the unexplained pay gap to the detriment of women. The result is within the statistical tolerance threshold of  $\pm 5$  percent.

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### Equal pay

PostFinance aims to provide fair pay and avoid any form of wage discrimination. That is why PostFinance communicates the starting salary range in the majority of job adverts. This allows potential employees to realistically assess salary based on their qualifications and professional experience.

To ensure equal pay, PostFinance regularly carries out internal salary comparison analyses. At  $-3.1$  percent, the result of the 2023 analysis is within the statistical tolerance threshold of  $\pm 5$  percent. Mazars Ltd, based in Zurich, verified that the equal pay analysis had been carried out according to the correct procedures and confirmed that the analysis met the legal requirements in all respects and that PostFinance complies with equal pay provisions. The result is reported to the relevant management bodies and the Board of Directors. If the equal pay analysis indicates that action is required, the adjustments are implemented during the annual pay negotiations.

### Employability

By offering targeted training programmes and professional development opportunities, PostFinance ensures employees can obtain and maintain the skills and knowledge required for a successful career. PostFinance supports basic and advanced training financially and with time allowances, and allows employees to temporarily switch roles within PostFinance. Various internal learning and development programmes are available. For example, PostFinance anticipates the opportunities that trending themes, such as generative artificial intelligence (AI), will present and offers a wide range of courses to allow employees to develop their data and AI knowledge. In addition to specific development programmes, internal and external learning platforms are available to employees, which they use to develop their skills in line with their own needs, interests and goals.

### Corporate culture

#### Understanding of leadership

Leaders encourage their employees to take on responsibility and grant them the freedom of action needed. Specially designed management and coaching courses ensure leaders possess the skills needed to create an integrative and supportive working environment for their staff. 360-degree feedback and training on dialogue sessions and target-setting are also provided.

PostFinance's corporate culture is based on the target culture defined in 2019 on an interdisciplinary and cross-hierarchy basis. In addition to the proven attributes of team spirit, reliability and interpersonal skills, new behavioural models are needed to guarantee future viability. That's why PostFinance defined three cultural development priorities for the target culture: a future-oriented mindset and inspiration of purpose, the desire to discover and thirst for knowledge as well as passion and fighting spirit. The cultural competence model and the understanding of leadership operationalize and support the attainment of the target culture. Staff evaluate the current culture every two years. If necessary, company-wide or unit-specific culture development measures are defined based on the results. Examples include initiatives on feedback culture, the introduction of shared – not hierarchical – management and participative and transparent team goals.

During change and reorganization processes, PostFinance Human Resources provides support measures for leaders.



PostFinance is committed to equality and supports careers regardless of age or gender.

There are more women than men on PostFinance's Board of Directors.

### Equal opportunity and diversity

PostFinance is committed to equality and supports career progress regardless of age or gender. To promote a well-balanced and diverse leadership structure, it aims to ensure that at least one third of both genders will be represented at middle and senior management level in the long term. PostFinance wants to achieve this through proactive succession planning.

#### PostFinance workforce

Gender distribution	Unit	2021	2022	2023
<b>Gender</b>				
Female	Persons	1,677	1,667	1,717
Male	Persons	1,960	2,023	2,101
<b>Age structure</b>				
25 and under	%	9.3%	8.7%	8.2%
26–35	%	27.3%	27.2%	27.9%
36–45	%	26.9%	27.0%	27.2%
46–55	%	23.2%	23.1%	22.2%
56 and over	%	13.3%	14.0%	14.6%

Equal opportunity and diversity are embedded as goals in the corporate responsibility strategy.

The Board of Directors is notified about progress in half-yearly status reporting.

PostFinance has a balanced gender ratio in the overall workforce. It also aims to ensure a balanced gender split on the Board of Directors and Executive Board. However, PostFinance has room for improvement at middle and senior management level, and measures are being defined and implemented to increase the percentage of women here. The management bodies were made up as follows at the end of 2023:

#### Gender distribution in management bodies

Management bodies	Women	Men
Executive Board	33.3%	66.7%
Board of Directors	57.1%	42.9%
Senior management	16.1%	83.9%
Middle management	20.7%	79.3%

PostFinance carries out an annual employee survey and a culture assessment every two years. Departing employees are always asked why they are leaving PostFinance. The findings from the employee survey and key figures on health (e. g. attendance rates, types of illness, statistics on occupational and non-occupational accidents) are reported to the Executive Board and Board of Directors.

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## Respect for human rights

PostFinance is unreservedly committed to upholding human rights and complies with legal requirements externally and high standards within its own organization. There is a zero-tolerance policy on any violations of human rights in the Code of Conduct. PostFinance applies the Norwegian sovereign wealth fund's exclusion list to take account of the sustainability and climate risks involved in its own investments.

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As a responsible employer and user of financial services, PostFinance is unconditionally committed to human rights, which it ensures are respected in its business activities.

Respect for human rights is enshrined in the Swiss Federal Constitution. Switzerland's membership of the European Court of Human Rights also helps to promote human rights.

PostFinance focuses heavily on the Swiss market, which means it is less exposed to potential violations of human rights. Legal provisions and high internal standards ensure respect for human rights. Specific concepts have been implemented to ensure human rights are respected by employees, in the supply chain and the bank's own investment portfolio.

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### Risk description

Risks of human rights violations mainly arise when PostFinance or its employees do not comply with laws or fail to follow procedures. Violations can result in financial losses and reputational damage.

PostFinance employs staff exclusively in Switzerland. With employment contracts based on Swiss law, PostFinance ensures respect for human rights as an employer.

PostFinance works with a wide range of suppliers in Switzerland and internationally. Here, there is a risk that unethical business activities, e. g. child labour or other human rights violations, may lead to reputational damage.

PostFinance makes financial investments in companies in Switzerland and abroad. In this context, PostFinance is exposed to the risk of counterparties engaging in unethical conduct, which could result in reputational damage as well as financial losses.



→ Code of Conduct  
of PostFinance Ltd

PostFinance requires all employees to comply with the Code of Conduct.

## Description of the impacts

PostFinance makes a positive contribution to society via responsible governance and respect for human rights.

By offering fair and modern employment conditions, ensuring equal opportunity, providing protection against any form of discrimination and enabling employees to organize themselves in trade unions, PostFinance protects the human rights of its workforce (see section “Attractive and responsible employer”).

When selecting suppliers, PostFinance uses targeted measures to promote respect for the human rights of employees in the value chain. PostFinance uses exclusion lists to select investments in its own portfolio. This prevents the financing of companies that commit serious or systematic human rights violations.

## Concepts and measures

PostFinance has a zero-tolerance policy towards human rights violations. To protect human rights, PostFinance has implemented various concepts and processes in dealing with employees, suppliers and other stakeholders.

### **Code of Conduct: zero tolerance towards violations of human rights**

PostFinance aims to ensure respect for human rights in its business activities. In the Code of Conduct, there is a zero-tolerance policy towards any human rights violations. PostFinance is equally opposed to any form of discrimination, bullying or sexual harassment. The Code of Conduct was approved by the Board of Directors.

PostFinance requires all employees to comply with the Code of Conduct. The principles of the Code of Conduct are binding on all employees, regardless of their function and position and are part of their employment contract. Sanctions are imposed systematically when behaviour fails to comply with the Code of Conduct.

The Code of Conduct also sets out requirements for business partners. They are required to meet the expectations and values of socially responsible conduct (see sub-section “Respect for human rights in the supply chain”).

PostFinance has set up a confidential unit to which misconduct or breaches of external and internal provisions can be reported (whistleblowing) (see section “Anti-corruption and compliance”).

PostFinance has a zero-tolerance policy on human rights violations.

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PostFinance obliges all major suppliers to comply with the Code of Conduct and Code of Ethics and Social Responsibility.

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### **Respect for the human rights of employees**

In relation to its employees, PostFinance ensures all applicable laws and guidelines are complied with (see section "Anti-corruption and compliance"), protects them against discrimination, bullying and sexual harassment, and guarantees their personal integrity. PostFinance also provides an attractive working environment (see section "Attractive and responsible employer"). Proven regulations, directives and guidelines govern employment matters and ensure diversity, equal opportunity and protection against discrimination. The documents are regularly updated.

In addition to the annual employee survey, staff complete the "Health & Social Wellbeing" questionnaire on their physical, mental and social wellbeing every two years. The new findings are compared with existing data and measures are defined where necessary.

### **Respect for human rights in the supply chain**

PostFinance has defined guidelines which are implemented via procurement processes to ensure human rights are respected in the supply chain.

For recurring procurement orders of over 5,000 Swiss francs, PostFinance requires its suppliers to comply with the Code of Conduct as well as the Code of Ethics and Social Responsibility, which sets out the key social, environmental and ethical standards. That means compliance with the Universal Declaration of Human Rights (UN, 1948) and applicable national legislation is a contractual element in all major supplier relationships. The Code of Ethics and Social Responsibility is currently being reviewed and updated. The new version enters into force in 2024.

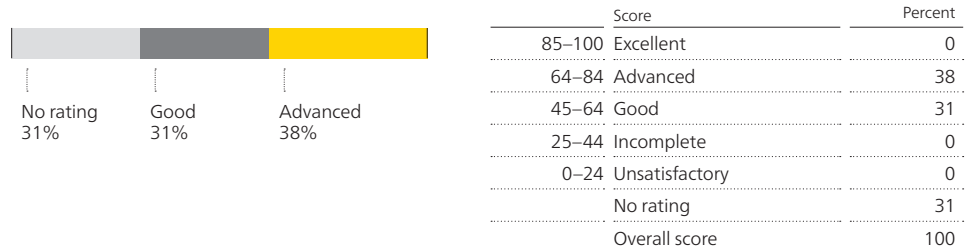
PostFinance uses a recognized external service provider (CSR rating) for monitoring (e. g. ESG risks such as violations of human rights and employment law) and development measures in relation to suppliers who receive recurring procurement orders worth over 5,000 Swiss francs. Reports on suppliers are checked by PostFinance. If the CSR rating of major suppliers gets significantly worse, PostFinance requires the company concerned to undertake development measures.

PostFinance also remains in close contact with strategic suppliers (high share of procurement volume and significant supply risk). PostFinance systematically evaluates strategic suppliers annually using numerous criteria. Where necessary, PostFinance defines individual development measures (such as employment law and human rights requirements) and regularly monitors them.

The CSR rating contributes to transparency in relation to ESG criteria for major suppliers. It helps to identify potential risks concerning human rights at an early stage and to implement measures if necessary. In 2023, PostFinance had a CSR rating from the external service provider for 69 percent of its strategic suppliers. The rating on employment law and human rights showed the following results: 38 percent of suppliers were rated "advanced" and 31 percent "good". PostFinance currently has no rating for 31 percent of its strategic suppliers. PostFinance requires these suppliers to undergo an external CSR rating. It now requires additional documents from them to assess human rights risks.

PostFinance applies the exclusion list of the Norwegian sovereign wealth fund for its own investments.

**Suppliers with rating score on employment and human rights**



**Respect for human rights in the the bank’s own investment portfolio**

PostFinance applies the Norwegian sovereign wealth fund’s (Government Pension Fund Global) exclusion list to take account of the sustainability and climate risks involved in its own investments. This is subject to strict ethical, social and environmental criteria. The specific criteria concerning human rights apply conduct-based exclusions. In relation to human rights, companies that commit serious or systematic human rights violations, serious violation of individuals’ rights in situations of war or conflict or other particularly serious violations of fundamental ethical norms, as defined by the Norwegian sovereign wealth fund, are excluded from PostFinance’s own investments.

The Norwegian guidelines also exclude companies that develop or produce weapons or key components of weapons that violate fundamental humanitarian principles through their normal use. This includes biological, chemical and nuclear weapons, non-detectable fragments, incendiary weapons, blinding laser weapons, anti-personnel mines and cluster munitions. Also excluded are companies involved in the sale of weapons to states engaged in armed conflict that use the weapons in ways that constitute serious and systematic violations of the international rules on the conduct of hostilities.

The Norwegian sovereign wealth fund issues exclusions based on the guidelines indicated, taking account of the recommendations of its independent Council on Ethics, but on its own authority. The procedure and guidelines are publicly accessible, as is the list of excluded companies.

PostFinance consistently applies exclusion criteria to define its investment universe. This means PostFinance checks the Norwegian sovereign wealth fund’s exclusion list when making each new investment. If a new potential counterparty is listed there, no investment is made. Monthly checks are carried out to determine whether ongoing investments have been added to the exclusion list. If they are listed, these positions are generally sold.



→ **Exclusion list of the Norwegian sovereign wealth fund**



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## Anti-corruption and compliance

PostFinance continually monitors legal and regulatory developments, and its employees are represented on various external expert and industry bodies. PostFinance's membership of Transparency International Switzerland highlights its commitment to combating corruption. Employees and stakeholders can report breaches anonymously to a confidential unit.

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### Corruption cases

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Corruption cases involving employees.

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PostFinance's business model is geared towards Switzerland and is bound by legal and regulatory provisions.

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In order to enter into and conduct business relationships, PostFinance must meet statutory and regulatory due diligence obligations (compliance). PostFinance is also required to know the nature and purpose of a business relationship. This includes information about customers, their financial background, assets and the state where they are liable to pay tax.

The due diligence obligations are essentially based on the agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB), the Anti-Money Laundering Act (AMLA), the FINMA Anti Money Laundering Ordinance (FINMA-AMLO), the Federal Act on the Implementation of International Sanctions (EmbA), the provisions on the automatic exchange of information (AEOI) and the provisions on the Foreign Account Tax Compliance Act (FATCA).

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### Risk description

If PostFinance or its employees fail to comply with statutory and regulatory requirements or internal processes, this could result in financial risks or reputational damage. Breaches may lead to sanctions being imposed on employees and the company. This is why anti-corruption and compliance risks are an integral part of integrity management at PostFinance. PostFinance has a zero tolerance policy towards breaches of the law.

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### Description of the impacts

PostFinance acts in compliance with the law and is therefore trustworthy. It supports its staff in everyday working life and sets binding guidelines. This minimizes risks for the owner, employees, customers and other stakeholders. In a wider context, by complying with the law PostFinance strengthens trust in the Swiss financial center and helps to maintain the rule of law with responsible governance.

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## Concepts and measures

The Code of Conduct provides the overarching basis for the day-to-day activities of employees. It covers due diligence obligations to prevent money laundering, the financing of terrorism, tax offences, corruption or other forms of criminal behaviour in connection with the provision of services. The Code of Conduct was adopted by the Board of Directors and is binding on all employees. Breaches of the Code are sanctioned. New employees undertake to comply with the Code of Conduct by signing when they take up their position. Employees receive regular training on the legal and regulatory requirements and the content of the Code of Conduct. This training is mandatory. Successful completion is verified with a test. Any breaches by employees are reported, and it is ensured that obligations are subsequently fulfilled or sanctions imposed after thorough investigations.

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Basic compliance training

# 2,765

employees passed the test on basic compliance training.

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Basic compliance training: 2,765 employees passed the test on basic compliance training (mandatory upon taking up their position, then every two years).

Breach of duty – basic compliance training: 0 employees failed to complete the mandatory basic compliance training in good time or did not pass the test.

The Code of Conduct is also a contractual element of supplier relationships entered into by PostFinance (see section "Respect for human rights").

PostFinance uses the three-lines concept (see section "Risk management") based on Circular 2017/1 "Corporate Governance – banks" of the Swiss Financial Market Supervisory Authority FINMA.

- 1<sup>st</sup> line: all employees are responsible for complying with external and internal provisions and monitoring compliance with these provisions in the first instance.
- 2<sup>nd</sup> line: the Compliance function ensures the independence required by the regulator in the monitoring of compliance with the provisions by the 1<sup>st</sup> line.
- 3<sup>rd</sup> line: Internal Auditing monitors the 1<sup>st</sup> and 2<sup>nd</sup> lines and reports to the Board of Directors as an independent, and the most senior, control body.

The external auditors appointed and FINMA also monitor compliance with the provisions.

PostFinance sets and regularly monitors key figures on material risks concerning breaches of the Code of Conduct or internal directives. Measures are defined where necessary. The Executive Board, Internal Auditing, other responsible bodies and the Board of Directors are regularly informed.

PostFinance aims to counter breaches of the Code of Conduct and other internal directives using effective processes and by regularly monitoring the key figures.

PostFinance continually monitors legal and regulatory developments. To determine any need for action, the corporate bodies responsible are provided with information in good time. PostFinance and its employees are represented on various external professional and industry bodies (e. g. the Swiss Bankers Association (SBA)). These representatives enable PostFinance to quickly identify amendments or updates to statutory and regulatory requirements, and to implement them in the company promptly and efficiently.

PostFinance is a member of Transparency International Switzerland. Through its membership, PostFinance is expressly committed to the association's vision. The association aims to combat corruption in Switzerland and in business relationships of Swiss people abroad.

In this respect, PostFinance views the number of corruption cases connected to employees as a key indicator. If such cases arise, PostFinance would carefully analyse them and take appropriate impose appropriate sanctions on the employees at fault.

Internal directives contain specific rules on handling conflicts of interest. They govern relationships between PostFinance and its employees, as well as between employees and customers and business partners. PostFinance carries out an annual company-wide analysis on potential constellations of conflicts of interest. If conflicts of interest are determined, PostFinance takes the appropriate action. The committees responsible are regularly informed.

PostFinance has set up a confidential unit to which malpractice and breaches of external and internal provisions can be reported (whistleblowing). This enables employees and stakeholders of PostFinance to anonymously report suspected incidents in all units. All reports received are followed up promptly based on a structured procedure, thoroughly investigated and passed onto the competent bodies.

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PostFinance has set up a unit to which malpractice and breaches can be reported.

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PostFinance is a member  
of Transparency  
International Switzerland.

# Glossary

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Term	Explanation
Climate neutrality	PostFinance aims to minimize its CO <sub>2</sub> emissions and to offset remaining emissions through compensation measures in order to contribute towards environmental protection.
Compliance	Compliance means adhering to laws, provisions, guidelines and internal standards. Through its compliance, PostFinance ensures that its business activities meet the applicable legal and ethical requirements.
CSR tools	CSR tools are software applications or platforms that banks use to manage their corporate social responsibility. They support the implementation and monitoring of socially and environmentally responsible business practices.
Customer satisfaction study	PostFinance carries out a customer satisfaction study to measure satisfaction among its customers and to obtain feedback on how to improve its products and services.
CVC participations	CVC participations refers to stakes in companies held by PostFinance. These participations enable PostFinance to invest in innovative companies and enter into potential strategic partnerships.
ESG rating	The ESG rating evaluates the sustainability performance of companies based on environmental, social and governance criteria. The rating provides investors with an insight into a company's long-term resilience.
High value indicators	High value indicators are measurable factors that indicate key performance aspects of PostFinance. They are used to assess PostFinance's financial health and success.
Inspiration of purpose	Internal perception: we inspire those around us, while also taking inspiration from others. We see the purpose of how we think and act. We create open networks, including outside of the organization.
Integrity management	Integrity management refers to company-specific rules and maxims that provide employees with guidance on the correct conduct (Code of Conduct).
On balance sheet	On balance sheet refers to the presentation of all of PostFinance's assets, liabilities and equity capital positions on its balance sheet.
Physical risks	Physical risks refer to threats and damage that result directly from climate change or natural disasters and which may have an adverse impact on PostFinance's operational processes and assets.
SAQ certification	SAQ certification confirms compliance with specific security standards. A self-assessment questionnaire (SAQ) must be completed beforehand.
Self-regulation guidelines of the Swiss Bankers Association (in the area of sustainable finance)	The self-regulation guidelines of the Swiss Bankers Association are the standards and principles defined by the SBA, which its member banks follow in relation to business practices and ethics.
Transition risks	Transition risks are risks that could arise during the transition to a more sustainable economy, including regulatory changes, technological developments and shifts in market preferences.

Annex

# Due diligence obligations on child labour and conflict minerals

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## Child labour

PostFinance is obliged to inspect suspected cases of child labour, as none of the exceptions provided for in art. 6 and 7 apply. Accordingly, PostFinance has audited its supply chain for suspected child labour in accordance with art. 5 para. 1 DDrO: the audit performed in accordance with art. 5 para. 1 DDrO found no substantiated risk of child labour. This means PostFinance is exempt from the due diligence and reporting obligations in accordance with art. 964j Swiss Code of Obligations (art. 5 para. 2 DDrO).

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## Conflict minerals

PostFinance does not bring any conflict minerals or metals into circulation in Switzerland or process them (art. 2 DDrO). PostFinance does not use or extract conflict minerals or metals. As a result, due diligence and reporting obligations on minerals and metals do not apply at PostFinance.



