



Disclosure
of climate-related
financial risks
Financial year 2023

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PostFinance 

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“Great importance is attached to corporate responsibility in our strategy. Through our commitments in the areas of the environment, economy and social affairs, we aim to contribute towards a more sustainable future. We have every confidence that we will achieve our goals to become an even more innovative and well-diversified financial service provider.”

Hansruedi Köng, CEO of PostFinance

1 | On the path to greater sustainability – corporate responsibility at PostFinance

PostFinance strongly believes that the conservation of natural resources and the reduction of CO₂ emissions are an economic necessity and will contribute to the financial institution's long-term competitiveness and credibility. PostFinance views sustainability as an opportunity to become an even more innovative financial services provider.

As one of the largest financial institutions in Switzerland, PostFinance strives to fulfil its social, economic and environmental responsibility – by treating its customers, staff and society as a whole fairly. PostFinance pursues an explicit corporate responsibility strategy. A major part of this strategy is holistic sustainability management that is embedded in the corporate strategy. PostFinance is pursuing several aims through its sustainability management, including making its greenhouse gas footprint more transparent and systematically managing climate-related financial risks.

It contributes to the attainment of the Swiss Confederation's sustainability targets through its role as a stakeholder in the [Exemplary Energy and Climate initiative](#) and is guided by the [Sustainable Development Goals \(SDGs\)](#) set out by the UN. PostFinance's activities mainly focus on SDG 13 Climate action.

Since 2022, PostFinance has been a signatory to the [Principles for Responsible Investments \(PRI\)](#), committing to voluntarily incorporate ESG criteria into its investment policy. In 2024, PostFinance will also report to PRI for the first time and publish the report.

As a financial institution, PostFinance Ltd recognizes its joint responsibility for limiting global warming and supports measures for the transformation to a low-carbon, climate-resistant economy. PostFinance believes it is vital to bring financial flows into line with the objectives of the Paris Agreement. The Paris Agreement defines the overarching goal of limiting global warming to well below 2 degrees Celsius (ideally to 1.5 degrees Celsius) compared to pre-industrial levels.

As a subsidiary of Swiss Post Ltd, PostFinance is pursuing ambitious climate and energy targets based on the current scientific consensus – namely, the Science Based Targets initiative (SBTi). Together, the Group as a whole is working to achieve the goal of net zero from 2040. This target and the approach selected by the Group have now been assessed and validated by the Science Based Targets initiative (SBTi) – a major milestone for the implementation of various activities. The top priority is the complete avoidance of CO₂ emissions as far as possible.

What does corporate responsibility mean for PostFinance? It means that we give equal consideration to environmental, social and economic objectives in our operations. In collaboration with our customers and in line with our targets, we show a courage and commitment to ensure the sustainable development of our company. After all, this is the only way to make banking truly meaningful and enjoyable.

Special situation for PostFinance Ltd

PostFinance cannot currently issue loans and mortgages under the Postal Services Organization Act (article 3, para. 3). For this reason, it places its customer deposits mainly in well-diversified investments on the capital market.

Disclosure of climate-related financial risks in accordance with FINMA Circular 2016/1 “Disclosure – banks” and TCFD recommendations

By publishing this report, PostFinance is acting to fulfil the obligations set out in Annex 5 of FINMA Circular 2016/1 “Disclosure – banks”. In its disclosure of the impact of climate change on its business activities, it is also following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aiming to create transparency regarding material climate risks. The disclosure recommendations set out by the TCFD were published for the first time in 2017 and contain four sub-areas: “Governance”, “Strategy”, “Risk management” and “Metrics and targets”.

2 | Governance

Basic principles and connections to Swiss Post

The Federal Council's strategic goals require Swiss Post to adopt a corporate strategy that is committed to sustainable and ethical principles within its operating confines. PostFinance is an independent subsidiary of Swiss Post and one of the largest retail financial institutions in Switzerland, which means it must meet the same requirements.

Overview of governance at PostFinance with the focus on climate-related financial risks



Duties and role of the Board of Directors

The PostFinance Ltd Board of Directors is responsible for defining the corporate responsibility strategy – containing the climate strategy – which is drawn up in conjunction with the Executive Board, the Corporate Responsibility department and the relevant business units. The Board of Directors sets targets and monitors the implementation of measures and target attainment. If sustainability topics cover aspects of risk policy, the Board of Directors defines the risk policy and risk management principles. It is responsible for the governance, establishment and monitoring of effective risk management. This includes climate-related financial risks, which are incorporated as risk drivers within the existing risk categories (strategic, operational and financial risks).

The Board of Directors' Organisation, Nomination & Remuneration Committee (BoD ONRC) discusses and addresses selected corporate responsibility topics (social, economic and environmental). It works closely with the overall Board of Directors, the Executive Board and the Strategy & Transformation management unit.

The BoD ONRC and the entire Board of Directors possess the key basic knowledge required in the field of corporate responsibility, and keep their knowledge up to date by completing annual training courses.

If corporate responsibility topics cover aspects of risk policy, the Board of Directors' Risk and Audit & Compliance Committees support the Board of Directors with the effective implementation of the risk strategies in their respective areas of responsibility. The Risk Committee specializes in financial

risks and balance sheet controlling, whereas the Audit & Compliance Committee focuses primarily on non-financial risks. Both committees deal with relevant climate risks as drivers of the risks they monitor.

The Board of Directors has delegated the implementation of the sustainability and exclusion criteria applied to the management of the investment portfolio to PostFinance's Executive Board.

Duties and role of the Executive Board

The Executive Board is responsible for the operational management of PostFinance Ltd. It decides on corporate responsibility topics if they have a significant impact on the institution as a whole. In conjunction with the Board of Directors and the Corporate Responsibility department, the Executive Board participates drawing up the corporate responsibility strategy and the climate strategy.

The Executive Board and dedicated Executive Board committees create specific regulations based on the directives issued by the Board of Directors on corporate responsibility and on risk management and monitoring of climate-related financial risks and implement these regulations.

The Asset & Liability Committee (ALKO) manages the financial risks in the investment portfolio from a portfolio perspective as well as relevant climate-related financial risks. The committee also decides on measures relating to climate targets and the management of CO₂ reduction in the bank's own investment portfolio.

The Investment Credit Committee (ICC) manages the financial risks in PostFinance's investment portfolio at the level of individual counterparties. It decides on the inclusion of relevant climate indicators in counterparty credit risk management.

The Internal Control Committee (IK) manages non-financial climate risks.

The Head of the Strategy & Transformation management unit is a member of the Executive Board and manages corporate responsibility. They manage and coordinate all topics related to corporate responsibility (environmental, social and economic sustainability including climate) in the company. The Corporate Responsibility department coordinates the various activities.

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, sets priorities in the organization, coordinates activities and is the point of contact for any related queries. It supports the business and specialist units in drawing up the partial strategies and implementing sustainability goals. Organizationally, the department is part of the Strategy & Transformation management unit, giving it access to the Executive Board.

Overview of reporting

The Board of Directors and Executive Board are updated every six months on the implementation of the corporate responsibility strategy, i.e. target attainment and progress on implementing measures.

Both the full Board of Directors and the Board of Directors' Risk and Audit & Compliance Committees receive updated information regarding relevant climate-related financial risks on a quarterly basis.

The Asset & Liability Committee (ALKO) receives quarterly updates on the management of the financed CO₂ emissions and the climate risks of the bank's own investments.

3 | Strategy

Basic principles

PostFinance's corporate responsibility strategy embedded the issue of sustainability in its corporate strategy for the years 2021 to 2024 and defined a strategic ambition. A dedicated budget, which is set annually, is available for measures.

Wherever possible, PostFinance harnesses synergies with Swiss Post.

Strategic ambition

PostFinance has divided its corporate responsibility strategy into three focus areas:

PostFinance acts responsibly as a company

PostFinance implements measures to minimize its CO₂ footprint and, as part of Swiss Post, to become carbon neutral by 2040. PostFinance places particular emphasis on climate neutrality in line with the Paris Agreement climate goals. PostFinance is a fair employer and supports diversity with the emphasis on gender equality. It raises awareness about corporate responsibility and encourages and supports its employees to actively commit to it.

When setting remuneration for employees in management roles, PostFinance consistently takes account of corporate responsibility aspects, such as employees, customers, society, public opinion and ecology. The ecology aspect is closely linked to the development and achievement of climate and energy targets.

PostFinance takes account of changing customer requirements

PostFinance embeds and establishes corporate responsibility in the industry-specific context and shapes the financial market through specific standards.

PostFinance is aware of changing customer requirements, conducts surveys on them using new structures and records the results. Based on the findings obtained, PostFinance generally incorporates ESG aspects, such as environmental, social and governance criteria 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.

PostFinance brings 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 market. It specifically promotes innovation projects that contribute towards achieving the Sustainable Development Goals (SDGs) of the UN Sustainability Agenda, such as SDG 5 (Gender equality), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).

Creation and use of materiality analysis

The production of a double materiality analysis provides a solid basis for the determination of the corporate responsibility strategy, but also any subsequent reporting requirements (e.g. Global Reporting Initiative (GRI), Corporate Sustainability Reporting Directive (CSRD)). This means companies analyse sustainability aspects from two perspectives, which are then used to derive strategically relevant sustainability topics and reporting obligations. One is the outside-in perspective. Here PostFinance analyses the impact of sustainability factors – such as climate change and biodiversity – on corporate

performance and future cashflows. Anything with an effect on the company's value must be taken into account. The other is the inside-out perspective. PostFinance uses this perspective to analyse the impact of corporate actions on people, society and the environment. The analysis covers material environmental, social and economic topics, which make up the three elements of corporate sustainability.

Climate and energy

As part of double materiality, PostFinance acknowledges that its business activities have an impact on the environment and aims to reduce the undesired effects of its activities. Its focus in this respect is on climate and energy. As a subsidiary of Swiss Post, PostFinance pursues a climate strategy with binding climate and energy targets based on scientific evidence in line with the Science Based Targets initiative (SBTi).

Based on the SBTi requirements, PostFinance has set itself the goal of only making financial investments by 2040 in companies which are themselves committed to the SBTi or that have a validated climate target. This approach makes a major contribution to ensuring the bank's own investment portfolio is carbon neutral. As an interim goal, by 2027 at least 35.1 percent of financial investments are to be made in companies signed up to the SBTi and which have a validated climate target. That figure should reach at least 50.1 percent by 2030. There is currently no established standard under SBTi for other 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.

PostFinance's financial-institution-specific goals are in line with Swiss Post Group's overarching climate target, which aims to make in-house operations (Scopes 1 and 2) carbon neutral by 2030 (42 percent reduction in in-house emissions compared with the base year of 2021) and to cut emissions in the value chain (Scope 3) by 25 percent compared with 2021. The aim is to neutralize residual emissions, i.e. remove them from the atmosphere. By 2040, Swiss Post plans to achieve the net zero target in Scopes 1 to 3, i.e. to reduce total CO₂ emissions, including emissions from the value chain, by at least 90 percent compared with 2021 and to neutralize any remaining emissions.

In 2023, SBTi validated the Group's overall climate target and the specific target for PostFinance as a financial institution. That makes PostFinance one of the few financial institutions with a science-based climate target that meets SBTi requirements.

The Science Based Targets initiative (SBTi) is a partnership between the non-governmental organizations Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), World Resources Institute (WRI) and World Wide Fund for Nature (WWF). The SBTi aims to show companies a clearly defined path to the reduction of CO₂ emissions in line with the Paris Agreement targets. Over 4,000 companies have committed to the SBTi worldwide.

Target attainment measures

PostFinance implemented various measures in 2023 to ensure target attainment. For example: PostFinance awarded a commitment mandate to a specialist service provider, which is engaging in dialogue with selected companies on behalf of PostFinance and helping to increase the share of assets under management in the bank's own investment portfolio that have their own SBTi target. See also section "Metrics and targets" (page 13) for specific targets and measurements.

PostFinance is already implementing various measures to cut direct emissions. For example, building envelopes are being renovated and fossil-based heating systems replaced, while the in-house vehicle fleet is being converted to battery electric vehicles and the charging infrastructure installed at its own premises. PostFinance will take additional measures over the next few years to further reduce its CO₂ footprint.

In addition, as an independent stakeholder in the Confederation's Exemplary Energy and Climate initiative, PostFinance is pursuing various measures to reduce greenhouse gas emissions in its operations and increase energy efficiency by 2030.

4 | Risk management

Identifying opportunities and risks

PostFinance views developments related to climate change as drivers of fundamental changes. This presents relevant risks for PostFinance, e.g. potential financial losses or reputational damage, but also opportunities, such as greater inclusion of sustainability aspects into the business model.

Material risks, including climate-related financial risks, are identified systematically as part of the risk identification process and recorded in the internal control system (ICS).

Management of climate risks across the risk management process



Inherent risks and the residual risks that follow from the chosen risk management strategy are assigned to five damage categories (financial losses, reputational damage, loss of availability, personal injury and compliance violations), individually assessed and the possible extent of damage is determined. The extent of damage is determined quantitatively for financial losses, but qualitatively for the other categories based on a pre-defined scale.

On the basis of the extent of damage estimated in this way, the approval departments (Board of Directors, Executive Board or head of the business or management unit) are defined for the risks, which then review and approve the risk management strategy at least once a year.

PostFinance implemented various adjustments to risk systems and processes in 2023 to further automate and improve the separate and specific management of climate-related financial risks. These measures included updating the internal control system with data fields on ESG criteria (environment, social affairs and governance) improving the query options and documentation of identified climate risks.

Climate-related risks often depend on the time horizon analysed (short, medium and longterm). PostFinance uses the following time periods:

Time horizon for climate-related assessments	
Deadlines	Years
Short-term	0–4
Medium-term	5–15
Long-term	>15

Changing customer needs and regulatory requirements

The greatest strategic climate-related financial risks arise from changing customer needs and increasing regulatory requirements. The Board of Directors has defined the top risks in both of these areas. If PostFinance's strategic focus fails to take adequate account of customers' changing expectations in relation to sustainability issues, the company could suffer revenue losses. There is also a risk of reputational damage if the impression were to emerge that PostFinance is not taking its social, economic and environmental responsibilities seriously.

PostFinance meets these challenges by incorporating corporate responsibility topics as integral parts of its corporate strategy.

PostFinance is also exposed to operational and financial risks, which can be driven by climate-related factors: examples include higher default risks on financial investments or more interruptions to supply chains or essential infrastructure. These risks, including potential climate risk drivers, are also monitored by the Board of Directors, as part of top risks (in particular, the "risk of default" and "sourcing" (risks arising from sourcing partnerships)), ensuring that climate-related aspects are managed appropriately.

In 2023, PostFinance introduced additional tools, such as the setting of climate targets based on the Financial Sector Science Based Targets Guidance for financed emissions in its own investment portfolio and related reporting to the relevant Executive Board Committee.

Consistently seizing opportunities

PostFinance does not just want to manage risks, but instead to consistently take advantage of opportunities to launch new, innovative customer solutions: the Innovation & Venturing specialist unit (VNTR) drives innovations forward and develops future business areas and models outside of the current core business. To produce new solutions, PostFinance works closely with start-ups, companies, universities of applied sciences and traditional universities in its search fields and fully embraces open innovation. PostFinance constantly monitors and develops its investment portfolio in relation to sustainability criteria.

PostFinance also sees opportunities in its commitment to the Swiss Climate Challenge initiative, the targeted search for sustainable business models in the innovation search field of regenerative finance and the financing of Switzerland's transformation to a more sustainable location for business.

Integrating climate risks into the existing risk taxonomy

Climate risks are incorporated into the existing risk categories:

- Financial risks, such as credit, market, interest rate and liquidity risks
- Non-financial risks, such as operational and strategic 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 increased storm damage, droughts and other natural disasters).

Financial risks

Because of the prohibition on issuing loans and mortgages, PostFinance invests primarily in investments on the capital market. These investments are made based on a held-to-maturity strategy and entered in amortized cost accounting. That means fluctuations in market value do not have any direct effects on profit and loss (P&L). The share of investments in PostFinance's portfolio exposed to P&L fluctuations is relatively low and the market risks, including climate-related aspects, are not a significant risk driver for PostFinance overall.

For PostFinance, the risks most affected by climate risks are its credit risks and the default risks of capital market investments. Credit-risk-relevant factors due to climate change are sufficiently well reflected in the market data and prices available in the short- and medium term. The likelihood or risk of underestimating the impact of climate factors on credit risks in current market expectations increases over the long term. This applies in particular to counterparties whose business models are directly impacted by the transition to a low-carbon economy or who are highly exposed to physical risks. PostFinance only generally makes new investments with debtors that have a rating and can provide evidence of investment-grade creditworthiness. With regard to climate-related financial risks, the strongest focus is therefore on the management of climate risks in the bank's own investment portfolio, and this is explained in more detail on the next page.

The share of sectors in the portfolio heavily exposed to climate risks (e.g. oil/gas) is very small. This means climate risks have little impact on the liquidity of PostFinance's investments. This is why climate risks are not a significant driver for PostFinance's liquidity risk. Interest rate risks are only directly affected by global warming and are covered by existing analysis of various interest rate scenarios

Operational risks

Over the short and medium term, PostFinance sees operational risks in the implementation of extensive regulatory amendments. In an environment where there is no clear industry standard yet, such amendments involve great uncertainty and significant administrative costs.

As a systemically important bank, PostFinance has proven change management processes, closely monitors relevant developments and ensures all key requirements are met in step with the industry. Over the longer term, physical risk drivers (e.g. extreme weather events) may result in more frequent occurrence of climate-related disruptions to supply chains for key infrastructure. PostFinance is only exposed to these risks to a very limited extent with its Switzerland-oriented business model and is already mitigating the risk of operational disruptions with dedicated business continuity management, which takes account of relevant risk drivers and ensures the resilience of operational activities.

Managing climate risks in the bank's own investment portfolio

PostFinance uses the Norwegian sovereign wealth fund's exclusion list for the sustainability and climate risks of its investments. This applies rigorous ethical, social and environmental criteria that go much further than comparable exclusion recommendations of Swiss associations (e.g. Swiss Association for Responsible Investments SVVK-ASIR). By applying the exclusion list of the Norwegian sovereign wealth fund, PostFinance indirectly adopts its quantitative exclusion criteria, which stipulate that no financial investments may be made in companies generating over 30 percent of their revenues from coal.

By applying the Norwegian sovereign wealth fund's exclusion list, PostFinance reduces the risk of including in its portfolio financial investments in companies whose value could fall in future due to stranded assets¹.

The Norwegian sovereign wealth fund's exclusion list currently includes very few companies in the oil and gas sector. The revenues from this sector are an important source of earnings for the Norwegian sovereign wealth fund and, from PostFinance's perspective, constitute a latent conflict of interest in the assessment of oil and gas companies. For this reason, PostFinance also takes account of the ESG ratings issued by the independent ESG ratings agency Institutional Shareholder Services (ISS) when evaluating financial investments in this sector and excludes from its investment activities the companies causing the greatest harm to the environment. That means the exclusion criteria are even stricter than those of the Norwegian sovereign wealth fund.

Analysis and development

PostFinance carries out systematic monitoring of changes to the regulatory framework in Switzerland and the European Union to implement relevant developments in step with the Swiss financial center.

PostFinance is playing an active role in developing standards to make the financial industry more sustainable. This includes membership of and participation in the Partnership for Carbon Accounting Financials (PCAF) working group for the German-language region and membership of Swiss Sustainable Finance (SSF).

In 2022, under the title PACTA 2022 (Paris Agreement Capital Transition Assessment), PostFinance took part for the second time in the climate alignment test conducted by the Federal Office for the Environment (FOEN) and the State Secretariat for International Financial Matters (SIF). This enabled it to compare its own real estate and bond portfolios with those of other participating institutions. The test examined a share of 10 percent (2020: 14 percent) of PostFinance's corporate bond portfolio that, according to PACTA criteria, is invested in climate-relevant sectors – fossil fuels, automotive, aviation, power generation, steel and cement. PostFinance plans to participate in the test again in 2024.

A detailed report on the PACTA 2022 climate alignment test for the Swiss financial market can be found on the Federal Office for the Environment's website.

¹ Assets that continually lose value until the point of total loss. This may be due to the impact of climate change or regulatory interventions. In the context of climate-related financial risks, this mainly concerns investments from sectors that promote fossil fuels or from CO₂-intensive industries, such as the production of cement, steel or aluminium.

5 | Metrics and targets

Since 2010, PostFinance has been systematically measuring the direct categories (Scope 1), indirect energy-related categories (Scope 2) and certain categories of indirect greenhouse gas emissions according to the Greenhouse Gas Protocol GHG (Scope 3). The results are reported periodically and taken into account when setting targets and structuring the relevant reduction measures. Since 2021, PostFinance has also calculated greenhouse gas emissions from its investment portfolio (Scope 3, category 15 as per the Greenhouse Gas Protocol). These emissions represent the greatest share of overall emissions for financial institutions.

Absolute greenhouse gas emission values, Scopes 1 to 3

The following table shows the absolute emissions values in tonnes of CO₂ equivalents (tCO₂e) produced by PostFinance for the 2022 and 2023 financial years. The bank's own investment portfolio stands at a total of 70.38 billion francs at the end of 2023 and comprises the bonds of companies, supranational organizations, countries, provinces and mortgage bonds as well as borrower's note loans to companies and public sector entities. The emissions values stated in Scope 3, category 15² relate exclusively to corporate bonds with CO₂ data recorded in the portfolio, with a book value of 30.33 billion francs (2022: 30.23 billion francs). Financed emissions in the portfolio of corporate bonds are calculated in accordance with the PCAF Standard³ and on the basis of PostFinance portfolio data and climate data maintained by the specialized sustainability agency ISS ESG. No established method exists yet for the other asset classes, which is why PostFinance does not currently calculate⁴ emissions values for them.

Compared with the previous year, financed emissions fell by 88,941 tCO₂e or 6.4 percent.

By comparison, the financed emissions of the Bloomberg Global Agg Corporate Total Return Index Value Unhedged USD benchmark portfolio at 2,509,621 tCO₂e are around 90 percent higher on a volume-weighted basis.

Emissions from operating activities (Scope 1) fell in 2023, which was mainly due to a greater share of battery electric service vehicles in the fleet. The rise in Scope 2 emissions is primarily explained by an expansion of district heating consumption (with a simultaneous reduction in the use of heating oil). The main reason for the fall in Scope 3 emissions (excl. cat. 15) is a higher share of employees working from home, and changes to the modal split in commuter traffic.

Absolute GHG emission values, Scopes 1–3

Greenhouse gas emissions recorded in tCO ₂ 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 (excl. 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 ¹	1,389,646	1,300,705
Total (scope 1–3)	1,393,785	1,303,817

¹ Based on Scope 1 and Scope 2 emissions of the respective counterparties.

- ² Disclaimer: the reported values were determined by ISS ESG in accordance with current calculation standards. The calculation methods underlying the analyses used for this report are developed on an ongoing basis and expanded with additional data sets. The Scope 3, category 15 greenhouse gas emissions stated here refer in each case to the companies' reported emissions from the previous year. To determine the emissions value (Scope 3, category 15), the Scope 1 and Scope 2 emissions of the counterparties concerned are taken into account.
- ³ The Partnership for Carbon Accounting Financials (PCAF) is a global partnership of financial institutions working together to develop and implement a harmonized approach to the measurement and disclosure of greenhouse gas emissions associated with their loans and investments. The Standard has been reviewed by the Greenhouse Gas (GHG) Protocol and meets the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for category 15 investment activities.
- ⁴ PCAF presented a method for calculating government bonds at the end of 2022. It has not yet been verified and approved by the transnational GHG Protocol standard series.

Relative greenhouse gas emission values for the bank’s own investment portfolio of corporate bonds versus benchmark

The table shows the relative emission value determined by PostFinance for 2023 in tonnes of CO₂ equivalents (tCO₂e). Financed CO₂ emissions per million invested in corporate bonds are shown (relative carbon footprint). Using the same investment volume, PostFinance’s own investment portfolio of corporate bonds has a lower relative emission exposure for the key figure than the benchmark portfolio Bloomberg Global Agg Corporate Total Return Index Value Unhedged USD.

Compared with the normalized investment volume, the data shows that PostFinance’s investments generated less CO₂ per million in 2023 than in the previous year.

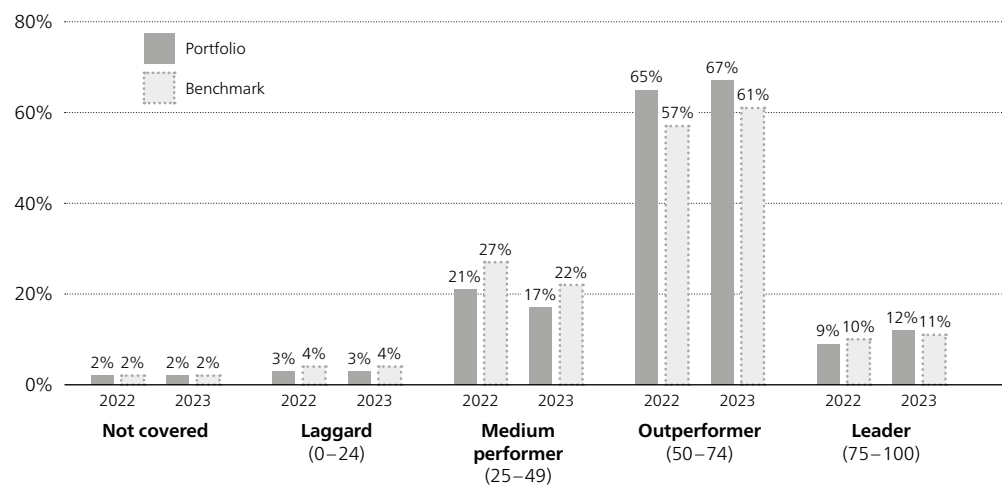
CO₂ intensity values – PostFinance portfolio versus benchmark

	PF corporate bond portfolio 2022	PF corporate bond portfolio 2023	Benchmark 2022 Bloomberg Barclays Global Aggregate Corporate Index	Benchmark 2023 Bloomberg Barclays Global Aggregate Corporate Index
Relative carbon footprint (tCO ₂ e/million of CHF invested)	45.97	42.88	77.32	82.74

Carbon risk rating distribution – PostFinance portfolio versus benchmark

PostFinance assesses its corporate bond portfolio with regard to climate-related transition risks⁵ in cooperation with ISS ESG. The carbon risk rating scores determined in the model are intended to enable estimates that indicate the extent to which a company is able to actually control climate-related risks and take advantage of opportunities. This metric is important from a risk perspective because the transition risks can be very high at CO₂-intensive companies. The 2023 assessment shows that the companies in PostFinance’s portfolio are better positioned in relation to transition risks on a volume-weighted basis than the benchmark Bloomberg Global Agg Corporate Total Return Index Value Unhedged USD.

Carbon risk rating distribution – portfolio versus benchmark



⁵ Transition risks refer to risks that may arise for CO₂ intensive companies (direct or with high downstream emissions), if they do not or insufficiently manage the transition to a low-carbon, decarbonized economy.

Share of financial investments with an SBTi target in PostFinance’s portfolio

In line with the SBTi climate targets for its own investment portfolio, PostFinance reports at year-end the share of financial investments made in companies with their own SBTi target. The targets for the years 2027 (35.1 percent) and 2030 (50.1 percent) are additionally shown in the table (see also Climate and energy, page 7).

Share of financial investments with SBTi target

SBTi-approved, volume-weighted, financial investments in companies

