



United Nations Global Compact

Australian Postal Corporation 2014 Communication on Progress





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Overview



Who we are

At Australia Post, we provide trusted and reliable services to help people and communities throughout Australia. For over 200 years we have always sought to help citizens, businesses and government. Not just some, but everyone, everywhere, every day so that communities work better, and can prosper.

We've done this by delivering letters, helping businesses and consumers with parcels, simplifying everyday tasks through digital channels and providing a national post office network that supports local communities and organisations. This has us providing everyday essential services that Australians rely on – but in a contemporary, increasingly digital way.

In a rapidly changing world, the needs of our people, customers and communities, and the trust they place in us, remain at the core of every decision we make and action we take.

From humble beginnings delivering the nation's physical mail, we've recognised the need to adapt our services in line with the Australian community's shift to online channels. To stay true to our community-based brand and our original purpose, we're expanding access to trusted services – physically through our post offices and by offering secure and convenient digital formats – while reforming our letters service and investing in our parcels network.

Australia Post is a self-funded government business enterprise with the Australian Government as its sole shareholder. As required under the *Australian Postal Corporation Act 1989*, we continue to balance our commercial objectives with the need to meet our community service obligations (CSOs).

The profit we earn is used to pay a dividend to our shareholder, and to reinvest in our assets and services so that we are equipped to meet the changing needs of our customers. Our commercial success therefore ensures we can positively impact the communities we serve, and continue to improve the products and services we provide.

This year we again met all the performance standards associated with our CSOs, including delivering 94.5 per cent of letters on time or early, against our 94 per cent target.

As we plan for Australia Post's future, we are focused on offering vital and relevant services that meet the contemporary needs of our customers so that we can be part of tomorrow. Given that the community is shifting away from using our letters service at an accelerating rate, we are now at a critical turning point.

Over the past four years our business renewal strategy has set the foundations for growth and helped us to remain strong, sustainable and customer focused. Our investments during this time have allowed us to:

- Adapt our products and services for both the physical and digital worlds.
- Alter our investment profile with a strong focus on growth opportunities in trusted services, ecommerce and digital services.
- Streamline our operations.
- Build better connections with our people, our customers and the community.

In the next phase of our transformation, we will have an ongoing focus on customer-centricity, operational excellence, reform and business efficiency. This will be essential to ensuring we continue to be relevant to the Australian community for years to come.

As we face the challenges and opportunities of the future, we will continue to carefully balance economic, social and environmental considerations to ensure our business is sustainable and that we continue to deliver essential services to all Australians.

Australia Post operates under a set of ethical standards. The Ethical Standards Policy is part of our comprehensive booklet *Our Ethics: the way we do things at Australia Post*. This booklet clearly defines the standards of behaviour we expect from our people and our business partners regarding the treatment of others to ensure we meet our commitments as a signatory to the United Nations Global Compact. Our Ethical Standards Policy and the *Our Ethics* booklet incorporate our 'culture pillars', which are the basis for how we do things at Australia Post and the core beliefs that guide how we behave. Our culture pillars represent the behaviours we need to demonstrate every day to be a responsible and sustainable business for the future.

Our four culture pillars are:

Safety – We respect ourselves and each other by creating a safe and working environment.

Accountability – We take personal responsibility and work together to deliver on outcomes.

Customer Focus – We are passionate about delivering exceptional value for the customer.

Speed of Action – We achieve quality outcomes quickly and efficiently.



Some of the key treaties that we adhere to which align to our commitments to the United Nations Global Compact are:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- Convention on the Prevention and Punishment of the Crime of Genocide
- Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment
- Convention on the Reduction of Statelessness
- Convention Relating to the Status of Stateless Persons
- Convention Relating to the Status of Refugees
- Slavery Convention of 1926
- Supplementary Convention on Slavery
- ILO Declaration on Fundamental Rights at Work
- Convention on the Rights of the Child
- Convention on the Political Rights of Women

- International Convention on the Elimination of all forms of Racial Discrimination
- Convention on the Elimination of all forms of Discrimination against Women
- Convention on the Rights of Persons with Disabilities.

About this Communication on Progress

In July 2010, Australia Post became a signatory to the United Nations Global Compact (UNGC).

We are fully committed to implementing and aligning our operations with the ten principles that address human rights, labour, environment and anti-corruption.

This Communication on Progress outlines our commitment to each of the ten UNGC principles over the last year. The majority of information included in this Communication on Progress is based on Australia Post's Annual Report for the 2013–14 financial year (covering the period July 2013 – June 2014). We also use the GRI G3.1 reporting guidelines and produce an integrated Annual and Sustainability Report to a self-declared B+ application level.



Human Rights

Principle 1:

Businesses should support and respect the protection of international proclaimed human rights.

Principle 2:

Businesses should make sure they are not complicit in human rights abuses.

Our commitment

Australia Post operates in accordance with human rights international treaties to ensure that we support and protect human rights and ensures we are not complicit in human rights abuses.

As an organisation, we are committed to continuing to keep the community at the heart of our decision making and ensuring that all our practices and activities support and protect internationally proclaimed human rights.

We demonstrate our commitment to protection of human rights through a number of policies and processes which guide the way we work with all our stakeholders. The 'Our Ethics' book informs the way we treat our direct and indirect workforce as well as promotes a culture of respect with our customers, suppliers and other stakeholder groups.

Specific business and functional areas have responsibility for ensuring we have policies and systems in place to manage our human rights impacts.

Our human rights commitments to our workforce (both direct and indirect) are expressed through a number of policies, procedures and initiatives. Under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*, Australia Post produces an annual report on our workforce profile, diversity strategy and performance against four diversity indicators: gender, Aboriginal and Torres Strait Islander people, people with a disability and people from culturally diverse

backgrounds. Our diverse workforce consists of 137 nationalities, who speak 65 languages and make a valuable contribution to our business.

Australia Post also places a heavy focus on ensuring a safe working environment for our people. We are constantly striving towards zero injuries and zero tolerance of unsafe acts in our workplace. With most of our workforce based at postal facilities or out on the roads, we continued to focus our safety initiatives on addressing incidents associated with manual handling, load shifting, operations and the use of motorcycles.

Australia Post continues to develop and deliver a range of diversity programs and initiatives focused on building and leveraging a workforce that truly reflects the customers and communities we serve. We track our performance against four focus areas: Aboriginal and Torres Strait Islanders, gender, people with a disability, and culturally and linguistically diverse (CALD) people.

We demonstrate our commitment to the protection of human rights in our supply chain through our Supplier Code of Conduct which requires all suppliers to adhere to a number of international human rights standards as well as requires them to respect and protect the rights of employees and local communities.

Our commitment to the wider Australian community comes to life through the Our Neighbourhood program. This program represents Australia Post's commitment to the community beyond its business operations and role as a large employer of people and informs the way we contribute to and operate in communities across Australia; with the goal of building healthier, more vibrant and more inclusive communities.

Policies and processes to support our commitment

The rights of our workplace participants are protected through a number of policies and processes. The Our Ethics booklet describes the behaviour expected by Australia Post of everyone who is employed by, or engaged with Australia Post, both in Australia and overseas. New employees receive a copy of the booklet and we regularly reinforce our policies, which aim to prevent anti-social behaviour.

Australia Post has a number of key policies and procedures that protect our workplace participants' human rights including the:

- Equal Employment Opportunity Policy
- Diversity and Inclusion Policy
- Work Health and Safety Policy
- Work Health and Management System: Framework and Standards
- Incident Notification Policy and Procedures
- Occupational and Safety Risk Assessment and the Control Strategy Policy

We also continue to support the inclusion of people with a disability and Indigenous Australians with specific goals and targets outlined in our Accessibility Action Plan and Reconciliation Action Plan.

Our procurement process also supports and respects the protection of internationally proclaimed human rights. A Supplier Code of Conduct is included in all contracts for goods or services. Suppliers are expected to meet all ethical, social and environmental standards laid out in this code. Our suppliers must also be able to report on their social, ethical and environmental performance.

Key achievements

- The 'Our Ethics' booklet outlines the expectations we have of our workplace participants. As it is important that we ensure its ongoing applicability and reflection of best practice, this year we **commenced a comprehensive review of the Our Ethics booklet**.
- Australia Post **refreshed our Whistleblower Policy** in February 2014 to ensure relevance to the business and current legislation. The policy outlines Australia Post's commitment to creating and maintaining a working environment in which workplace participants are able to raise concerns regarding unlawful or improper conduct, without fear of reprisal and with the support of Australia Post. Consequently Australia Post provides a confidential hotline, managed externally, providing an avenue for employees, business partners and customers to report any actual or suspected unlawful or improper conduct occurring at Australia Post.
- We have **commenced a comprehensive review of the Supplier Code of Conduct** which is included in all contracts for goods and services. We have also commenced a review to strengthen our social, ethical and environmental compliance oversight and assurance processes.
- Throughout 2013–14 we again demonstrated our commitment to the communities we serve through the various activities of the **Our Neighbourhood program**. Our Neighbourhood continues to guide Australia Post's community approach and investments as an important part of our overarching commitment and support to the community, particularly those most vulnerable. We developed and launched Our Neighbourhood last year to bring to life our commitment to the community beyond our services and our role as a large employer of people. Our Neighbourhood is an integrated community investment program that delivers shared value for Australia Post and the communities we serve. This means achieving tangible and measurable business benefits to create economic value for all Australians.
- During National Reconciliation Week in May 2014, we **launched our third Reconciliation Action Plan (RAP)**. In our RAP, we have committed to a series of actions in relation to building relationships, enhancing respect and improving opportunities for Aboriginal and Torres Strait Islanders. This year marked 25 years of a formal commitment by Australia Post to providing employment opportunities and support to Aboriginal and Torres Strait Islander people and communities.
- As at 30 June 2014, our Aboriginal and Torres Strait Islander employees represented 1.5 per cent of our workforce. Our goal is to increase this representation to 2.5 per cent of our total workforce by July 2017, reflecting the national population.
- This year we continued to **build our female leadership pipeline** and see an increase in the number of women holding leadership positions across our organisation. Our female leaders now make up 36.2 per cent of management roles and 34.1 per cent of executive positions. In 2013–14 we continued to focus on building our female talent pipeline through a range of programs targeted at every major career transition point.

- In March 2014 we **celebrated International Women's Day** by hosting events across the nation. Our theme was "inspiring change" and we invited a number of dynamic women from business, community and sport to share their motivational stories with our employees.
- We continued to build awareness and improve access for people with disability by **implementing our Accessibility Action Plan**. This year we **launched the Real Stories Project**, which is focused on capturing and sharing uplifting stories about people with a disability who work at Australia Post. One of these stories was made into a short film, which will be used to continue to build disability awareness throughout Australia Post and be shared as a case study with other organisations. People with disability currently represent 6.9 per cent of our workforce.
- Australia Post embraces and celebrates cultural diversity. Twenty-three per cent of our workforce identify as being from a culturally and/or linguistically diverse background. Our people come from 137 different nations and speak more than 65 languages. Although we reap the benefits of cultural diversity every day, we formally celebrated our rich cultural diversity in March by again partnering with the **Scanlon Foundation** and participating in **A Taste of Harmony**, an event that encourages our employees to share food and stories from different cultures at their workplace.
- According to our **2014 Say2Action Employee Engagement results** 70 per cent of our workforce believes that Australia Post values diversity. This compares to the Australia and New Zealand benchmark of 69 per cent, indicating that our investment in diversity is having a positive impact.
- Launch our second **Accessibility Action Plan**.
- Conduct an analysis to uncover how we can better **leverage our culturally diverse workforce**.
- Continued implementation of the **Diversity and Inclusion Strategy** that helps to build a diverse and inclusive workplace free of discrimination.
- Continued implementation of **flexible work practices**.
- With at least 80 per cent of our workforce based at postal facilities or out on the roads, we continued to focus our **safety initiatives** on addressing incidents associated with manual handling, load shifting operations and use of motorcycles.
- Continued focus on making our leaders more accountable for safety throughout our operational network.
- Increasing the frequency and quality of conversations between our people about safety.
- Continuing and improving our incident management processes, which launched in September 2014.
- Upon completion of internal and external stakeholder engagement and **review of the 'Our Ethics' booklet**, a comprehensive communication program will be implemented by June 2015 to ensure all workplace participants are aware of the ethical standards that are in place at Australia Post.
- Communication and implementation of strengthened **Supplier Code of Conduct** and compliance and assurance process to internal and external stakeholders.

Further information

More information can be found in:

- ['Our Ethics'](#)
- [2014 Diversity & Inclusion Annual Report](#)
- [Accessibility Action Plan](#)
- [Reconciliation Action Plan](#)

Key actions for the year ahead

- Implementation of our third **Reconciliation Action Plan** key initiatives with a strong focus on increasing the representation of Aboriginal and Torres Strait Islanders in our workforce.
- Continue to roll out, assess and improve our suite of **female development programs** to strengthen our female talent pipeline.
- Continuing to build on the **Our Neighbourhood programs** and the work with our community partners as a major stakeholder group.

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5:

Businesses should uphold the effective abolition of child labour.

Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Our commitment

Australia Post plays an important role in the lives of our people. We are committed to assisting our people to develop their skills, advance their careers and become leaders of our organisation to help meet the challenges of the future. We also seek to ensure our workplace participants operate in an environment free from any prejudice, harassment, discrimination or bullying. We have a number of policies, objectives and targets in place that help to create a fair and open workplace that supports and respects freedom of association and the right to collective bargaining.

Australia Post takes a proactive approach towards ensuring our people are treated with courtesy and respect and that the work environment encourages workplace participants to speak up, share opinions whilst also listening to and respecting each other. Our goal is to eliminate all forms of discrimination. These messages are made clear in the 'Our Ethics' booklet and the recently revised Harassment, Discrimination and Bullying Policy. Both of these resources promote a culture in which our employees are encouraged to value and celebrate differences in beliefs, opinions,

perspectives and culture. We ensure our contract workforce respect and protect the rights of employees and local communities through their commitment to the Supplier Code of Conduct.

Policies and processes to support our commitment

Australia Post has clear policies and expectations for acceptable standards of workplace behaviour. These behavioural standards are outlined in the booklet 'Our Ethics'. New employees receive a copy of the booklet and training at induction and we regularly reinforce our policies, which aim to prevent anti-social behaviour.

'Our Ethics' provides a baseline that everyone treats others, whether a co-worker, customer, contractor or supplier with courtesy and respect at all times. Policies such as the Harassment, Discrimination and Bullying Policy and the Social Media Policy and Guidelines further support this expectation.

We continue to celebrate our diverse and inclusive workforce where differences are valued and respected, and which reflects the customers we support and communities we live in.

We do this through our Diversity and Inclusion Policy and our Equal Employment Opportunity Policy which promote and celebrate our differences and protect our employees from prejudice.

Our recently refreshed Harassment, Discrimination and Bullying Policy applies to all workplace participants and it expressly protects an employee from harassment or discrimination because of their personal association, political belief and/or their union or employer association.

In addition, our Supplier Code of Conduct requires all suppliers to demonstrate a commitment to human rights and fair employment practices in accordance with existing international standards, such as the United Nations Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Rights and the United Nations Convention on the Rights of the Child. Suppliers must also be able to report on social, ethical and environmental performance.



Key achievements

- The **Australia Post Enterprise Agreement**, negotiated in 2013, demonstrates our commitment to the recognition of freedom of association, expressly providing that Australia Post recognises the role unions play in the workplace and the right of union delegates to represent union members. This is demonstrated regularly through joint consultation and union representation of employees during workplace discussions, such as those around business change.
- Further, the Agreement provides authorised union delegates with paid leave to undertake dispute resolution training that may enhance their ability to represent the interests of their members and their understanding of the Enterprise Agreement. In addition, Australia Post has developed and adopted 'Guidelines on role, rights, responsibilities and support for union delegates,' in recognition of the valuable role they play for many employees.
- Australia Post has continued to deliver on all commitments made during the Enterprise Agreement bargaining process.
- Australia Post meets our commitments to the United Nations Global Compact Principle 5 – “Businesses should uphold the effective abolition of child labour” – through a number of avenues. ‘Our Ethics’ clearly defines the standards of behaviour expected of our people and our business partners, ensuring we operate ethically in purchasing goods and services and in conducting business with suppliers. To ensure the ongoing relevance of ‘Our Ethics’ a comprehensive review is currently being undertaken. Our Supplier Code of Conduct requires all suppliers to demonstrate a current commitment to human rights, fair employment practices and environmental responsibility in accordance with existing international standards, such as the United Nations Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child. Suppliers must also be able to report on social, ethical and environmental performance.
- At Australia Post we value the broad range of ideas, experiences, skills and leadership styles

our culturally diverse workforce provides us. We uphold the United Nations Global Compact Principle 6 – “Businesses should uphold the elimination of discrimination in respect of employment and occupation” – through a number of policies, practices and initiatives. Under the *Equal Opportunity (Commonwealth Authorities) Act 1987*, Australia Post is required to report on an annual basis on our workforce profile, diversity strategy and performance against four diversity indicators: gender, Aboriginal and Torres Strait Islander people, people with a disability and people from culturally and linguistically diverse backgrounds.

- This year we continued to invest in **building our female leadership pipeline** through a range of programs targeted at every major career transition. Examples of these programs included:
 - The TenProgram – a mentoring program matching 10 of our high potential women with 10 of our Management Committee. Eight of the 10 participants in this year’s TenProgram progressed into more senior or expanded roles by 30 June 2014.
 - Xplore – a leadership and career development program for our female managers. From July to December 2014, 37 women participated in the program. By the end of the financial year the retention rate of this future senior leadership talent pool was 97.3 per cent. Furthermore, 21.6 per cent of participants had been promoted into more senior positions.
 - mymentor – a self-paced personal and career development program offered to our award-level female employees. The 2014 intake was our largest ever, attracting 476 participants. This year also marked the largest intake of mentors with 76 of our leaders (both men and women) taking on a mentoring role. Since the program’s launch, over 1,200 of our female workforce have completed the mymentor program.
 - Horizon – a 12-month leadership development program for women moving into senior management and general manager positions. We launched the Horizon program in October 2013 with 17 participants.

Australia Post refreshed its **Harassment, Discrimination and Bullying Policy** in late 2013. To coincide with this policy update, we established a dedicated Harassment, Discrimination and Bullying Hotline and email address, which is available to all workplace participants to report any concerns they have about inappropriate behaviour occurring in their workplace.

In addition Australia Post developed and launched its **Social Media Policy** in November 2013, which is complemented by our existing Social Media Guidelines. The Social Media Policy supports and educates employees in the appropriate use of social media as it relates to their employment. It is recognised many employees use social media sites and forums, however Australia Post encourages employees to be mindful of the risks and benefits of social media so they can participate in an enjoyable and meaningful way. The Policy outlines Australia Post's expectations in relation to the use of social media and provides some simple rules for employees to follow - show respect, be open and take responsibility.

We have commenced a **comprehensive review of the Supplier Code of Conduct** which is included in all contracts for goods and services. We have also commenced a review to strengthen our social, ethical and environmental compliance oversight and assurance processes.

Key actions for the year ahead

- Australia Post is committed to continuing to recognise and respect the role unions play in the workplace and have established processes and practices to ensure timely, thorough and genuine union consultation occurs in relation to all significant change that impacts on our employees.
- After we finalise our review of **'Our Ethics'**, Australia Post will engage in a **comprehensive communication program** to ensure all workplace participants are aware of the ethical standards that are in place at Australia Post.

- Australia Post will continue to communicate with and educate all workplace participants on our policies and procedures that support the elimination of discrimination in the workplace including the Harassment Discrimination and Bullying Policy, the Social Media Policy and Guidelines and the refreshed 'Our Ethics'.
- Australia Post will continue to implement the **Diversity and Inclusion Strategy** and targets to support the building of a more diverse and inclusive workplace that is free of discrimination.
- Continued implementation of the **Accessibility Action Plan**. Through implementing our Accessibility Action Plan, we have continued to take a lead role in improving accessibility for all Australians with disability.
- Continued implementation of third **Reconciliation Action Plan**. During National Reconciliation Week in May 2014, we launched our third Reconciliation Action Plan (RAP). In our RAP, we have committed to a series of actions in relation to building relationships, enhancing respect and improving opportunities for Aboriginal and Torres Strait Islanders.
- Communication and implementation of strengthened **Supplier Code of Conduct** and compliance and assurance process to internal and external stakeholders.

Further information

More information can be found in:

- [Australia Post Annual Report 2014](#)
- ['Our Ethics'](#)
- [2013 Enterprise Agreement](#)
- [Equal Employment Opportunity Report](#)
- [Accessibility Action Plan](#)
- [Reconciliation Action Plan](#)

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Our Commitment

At Australia Post we provide trusted and reliable services to help people and communities throughout Australia. In connecting people and communities, we recognise that our operations have an impact on the environment and we are committed to understanding these impacts and taking measures to reduce them.

We voluntarily participate in programs, such as the Australian Packaging Covenant, and our approach is underpinned by a robust environmental management system, which is aligned with the ISO14001 environmental standard that actively monitors and manages our environmental impacts.

In addition to our own environmental activities, we help the Australian community to actively participate in national recycling programs by providing collection points for Cartridges for Planet Ark (printer cartridges) and Mobile Muster (mobile telephones) at our post offices across the country.

Australia Post demonstrates commitment to Principle 7 – “Businesses should support a precautionary approach to environmental challenges” – by integrating environmental considerations and improvements in our daily operations focusing on our services, our fleet, our buildings and our workforce.

We also work to empower our customers and suppliers

to make decisions that reduce the environmental impact of our business, in support of Principle 8 – “Businesses should undertake initiatives to promote greater environmental responsibility”.

This year we have again committed to being a leader in environmental sustainability, by focusing on driving clean energy and energy efficiency programs across our 1,200 facilities as well as becoming more fuel efficient by exploring alternative fuels for our fleet of 12,000 vehicles.

In 2010 we established an ambitious target to reduce our carbon emission levels by 25 per cent by 2020 (based on emission levels generated in 2000). Four years on, we continue to implement carbon reduction initiatives such as our National Energy Management Plan, energy audits, energy and fuel efficiency projects and dedicated research and development (R&D) activities across our business.

Australia Post also demonstrates commitment to Principle 9 – “Businesses should encourage the development and diffusion of environmentally friendly technologies” – through our fuel and energy efficiency initiatives and the availability of a dedicated R&D fund of \$500,000 to investigate and research new environmentally sustainable technologies.

Policies and processes to support our commitment

We have a comprehensive approach to environmental sustainability, which is outlined in our Environmental Sustainability Strategy. Our aim is to be recognised as a leader in environmental sustainability.

We are committed to:

- Driving a culture of continuous environmental improvement with a focus on fuel and energy efficiency.
- Actively pursuing renewable or lower carbon fuels and energy sources.
- Understanding and managing our environmental risks with the goal of minimising or eliminating those risks.
- Ensuring the environment is considered in our investment and corporate strategies, procurement and the products and services we offer.

- Actively working to minimise pollution, manage waste streams and address relevant biodiversity issues.
- Engaging with our customers, employees and shareholder on environmental issues and transparently reporting on our environmental performance.
- Complying with all applicable legal and regulatory requirements.

Our Environment Policy, which was endorsed by the executive leadership team in October 2013, reinforces our commitment and precautionary approach to environmental sustainability. It also demonstrates our understanding that our actions are important to our customers and our people, as well as our business outcomes.

To continually measure our performance against our environmental commitments and our legal obligations, our performance is monitored by the Australia Post Board Audit and Risk Committee.

Australia Post also continues to strengthen the integration of sustainability considerations into our procurement processes. This includes formalising the consideration of sustainability risks and opportunities at key milestones of the procurement process. In the short term we'll strengthen our Supplier Code of Conduct and continue to engage, suppliers to strengthen their compliance programs and sustainability capabilities.

The practice of 'sustainable sourcing' involves the purchasing of goods and services that won't harm the environment, economy or community. At Australia Post, we aim to apply sustainable sourcing across our whole supply chain by ensuring both we and our suppliers maintain high environmental, economic and community standards.

When it comes to sourcing of suppliers, where practicable, our preference is to procure products and services that:

- Source materials from sustainable or renewable sources and have the appropriate certification.
- Source material made from recycled content.

- Are able to be reused or recycled at their end of life and are appropriately labelled.
- Help minimise our energy and fuel use and carbon emissions.
- Help minimise our water use or waste disposal.

In order to support Principle 8 – “Businesses should undertake initiatives to promote greater environmental responsibility” – and Principle 9 – “Businesses should encourage the development and diffusion of environmentally friendly technologies” – Australia Post is focused on:

1. Executing **best practice** energy and fuel management
2. Implementing **renewable and low carbon** energy sources
3. Engaging our **major stakeholder** groups
4. Developing **environmental products** of commercial value
5. Complying with all applicable **regulatory requirements**
6. Integrating **environmental considerations** into business as usual
7. Best practice **electricity and fuel management**
8. Implementing **renewable or low carbon energy sources** and processes.



Key achievements

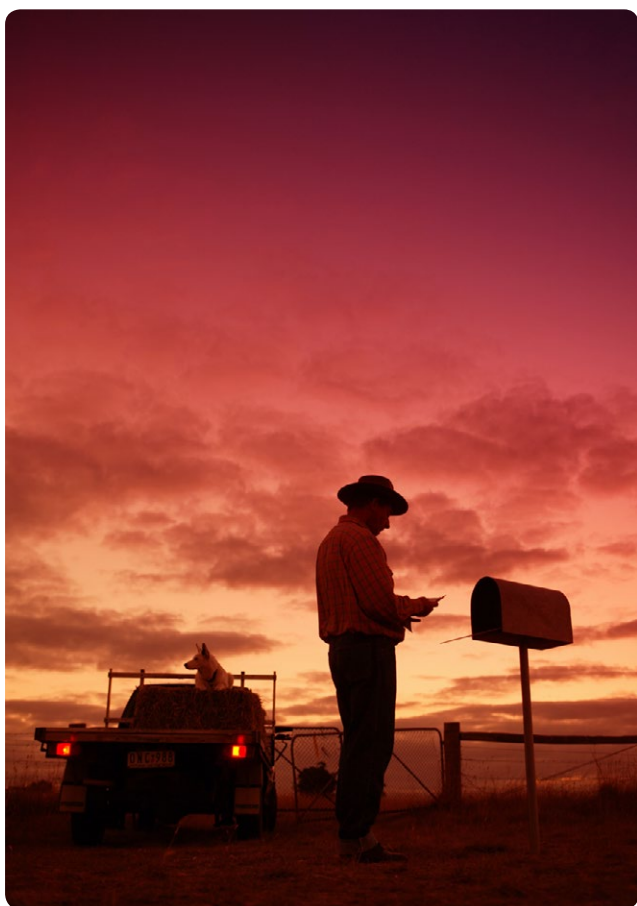
This year a number of our operational decisions and initiatives directly contributed to better efficiency and productivity outcomes for us, as well as delivering real value for the community and for the environment. Fleet and energy management initiatives continued to reduce costs and carbon emissions, contributing to a further 6 per cent decrease in our Scope 1 and 2 carbon footprint.

We're also extending our environmental and social commitments beyond our business and throughout our supply chain by helping our customers deliver better environmental outcomes. Our new Environment Policy was developed to guide internal improvements, product development, and sourcing decisions. These actions support our 'shared value' approach to delivering tangible, economic and social benefits for us, and the communities we serve.

In 2013-14, Australia Post achieved the below:

- Implementation of the **APC Action Plan**. The APC Action Plan acknowledges that our commitment under the former National Packaging Covenant, which ended in June 2010, now extends to the new Australian Packaging Covenant program. The Action Plan commits Australia Post to continuing the work it commenced in 2005, seeking to reduce the environmental impacts of the packaging related to our business activities. This document therefore provides a practical framework for implementing improvements in our packaging practices over the 2011-15 period.
- Positive update to the **Procurement Policy**.
- Implemented **energy efficiency initiatives** at over 200 of our buildings.
- Introduced **new motorbikes, vans and sedan to our fleet** that have enhanced fuel efficiency. This includes 1,871 new motorbikes that are 60 per cent more fuel-efficient than the previous motorbikes.
- Integrated a **biofuel blend into the Transport fleet** at selected facilities saving almost 1,000 tonnes of carbon each year.
- **Installed more than 1,000 solar panels**, a 275kWp system as part of our redevelopment of StarTrack House in New South Wales and a 99kWp solar system on our Heathwood Delivery Centre in Queensland.
- From an international perspective, we've enhanced our **International Postal Committee Sustainability** benchmark by 6 per cent.
- Completed the refurbishment of **Australia Post's Sydney Head Office, Star Track House**, taking the building's NABERS green energy rating from 2.5 stars to a planned 5 stars.
- Continued the **development of environmental products** of commercial value such as reverse logistics, sustainable packaging and carbon reporting.
- Through our product stewardship partnerships with **Planet Ark** and **Mobile Muster** we've recycled over 400,000 cartridges and approximately 283,000 mobile phones, batteries and chargers.
- We've also joined forces with **TerraCycle** and have currently recycled well over 1.5 million cigarette butts. And building on that success, we're in the early stages of recycling dental care products including toothbrushes and toothpaste, cleaning products, containers (specifically Earth Choice spray bottles) and coffee pods.





For the second year in a row, we set aside a \$500,000 research and development fund to investigate and test new energy efficiency solutions for our network. A number of projects are currently being trialled or are under development, including:

- **Installation of LED lighting** products at three retail outlets in Melbourne
 - New **task lighting** to assist specialised business processes
 - A new energy-efficient **heating, ventilation and air conditioning** solution at Bentleigh letter delivery centre
 - Improved canopy lighting through the **installation of LED products**, including light sensors, at three of our facilities.

We have commenced a **comprehensive review of the Supplier Code of Conduct** which is included in all contracts for goods and services. We have also commenced a review to strengthen our social, ethical and environmental compliance oversight and assurance processes.

Key actions for the year ahead

- In 2015, we will remain focused on reducing our carbon emissions. We recognise that exploring technology to find innovative solutions will continue to be a key component of our future activities, as well as encouraging the engagement of our employees.

We aim to:

- Focus on our maturing sustainable procurement process.
- Further integrate environmental risks into our enterprise risk management framework (ERMF).
- Implement our enterprise wide engagement strategy.
- Focus on improving the recyclability of our packaging.
- Increase our product stewardship offering.
- Communication and implementation of strengthened **Supplier Code of Conduct** and compliance and assurance process to internal and external stakeholders.

i Further information

More information can be found in:

- [Australia Post Annual Report 2014](#)
- [Environmental policies and programs](#)
- ['Our Ethics'](#)
- [Commitment to the environment](#)
- [APC Action plan](#)

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitment

We are committed to working against corruption in all its forms and Australia Post expects its people to adhere to all international agreements and Australian legislation.

Australia Post maintains a comprehensive system of corporate governance practices designed to provide appropriate levels of disclosure and accountability.

These practices derive principally from the provisions of the *Australian Postal Corporation (APC) Act 1989*, the *Commonwealth Authorities and Companies (CAC) Act 1997* and the *Commonwealth Government Business Enterprise Governance and Oversight Guidelines (2011)*.

At Australia Post, everything we do has a social, environmental and economic impact. The Australian community trust us with the delivery of their essential products and services every day, and our retail footprint places us at the heart of communities across the country. As such it's important that our people represent Australia Post in an ethical way by conducting business with integrity, honesty, fairness and in compliance with all relevant laws, regulations, codes and corporate policies and procedures. The Australia Post 'Our Ethics' booklet lays out clearly unacceptable behaviours around bribery and corruption and highlights our and zero tolerance approach to both fraudulent and corrupt conduct.

Policies and processes to support our commitment

We make unacceptable behaviours around bribery and corruption clear to the workforce in the 'Our Ethics' booklet.

Australia Post's Fraud and Corruption Group Policy stipulates that the prevention of fraud and corruption is the responsibility of all our people and that any detected incident will be dealt with to the full extent of the HR Policy and where applicable the criminal law.

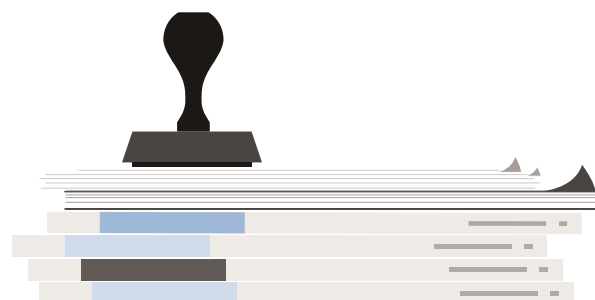
With regard to procurement, the expectations and requirements of potential and current suppliers around bribery and corruption are laid out in our Supplier Code of Conduct. The Supplier Code of Conduct requires that all suppliers adhere to key areas of corporate governance and ethical business management practices, which respects the rights of employees and local communities. The code outlines our expectation that all suppliers are expected to "comply with all local and national laws and regulations on bribery, corruption and prohibited business practices".

Australia Post's Probity Guidelines also apply to all procurement activities undertaken by our people or agents and contractors acting on behalf of Australia Post, irrespective of whether formal contractual arrangements have or have not been initiated and/or established.

The Gifts, Benefits and Hospitality Policy is covered by the Conflicts of Interest Policy. The purpose of both the Policy and HR guidelines is to promote an ethical approach to dealing with all stakeholders and to protect the reputation of Australia Post and its people from real or perceived influence from suppliers.

We also have a Whistleblower Policy and process, which provides a 24-hour-a-day service that is independently managed by an external provider.

Australia Post has a robust assurance program covering the prevention, detection and response to incidents of fraud and corruption. This is supported by ongoing assessment, design and implementation of effective controls.





Key achievements

- We reviewed and adopted our **Fraud & Corruption Group Policy** this year. This Policy remains central to how Australia Post manages risk and clearly outlines our commitment to preventing fraud and corruption.
- We developed and ran an enterprise wide **Fraud & Corruption awareness program**. Awareness training was provided across the enterprise to ensure all employees covered by the Fraud & Corruption Group Policy and the Fraud Management Plan, have sufficient knowledge of our commitment to preventing fraud and corruption.
- Developed and ran an enterprise wide **Fraud & Corruption compliance training** program which was implemented to ensure there is adherence to the compliance policies outlined above and the security of Australia Post and our customer's information is optimised.
- A targeted **security risk assessment program** was conducted for all higher risk business initiatives, products and projects to monitor internal and external fraud and corruption risks, and to highlight any areas of exposure.

Key actions for the year ahead

- Implementation of the **Fraud & Corruption Group Policy** across the Australia Post Group.
- Undertake additional enterprise wide **Fraud & Corruption compliance training**.
- Apply the **Annual Fraud Control Plan** to undertake business unit specific awareness programs and advice on fraud and corruption. This will be targeted to areas of our business that have a higher risk for fraud and corruption.

i Further information

More information can be found in:

- [Australia Post Annual Report 2014](#)
- [Our commitment to Governance](#)
- [‘Our Ethics’](#)