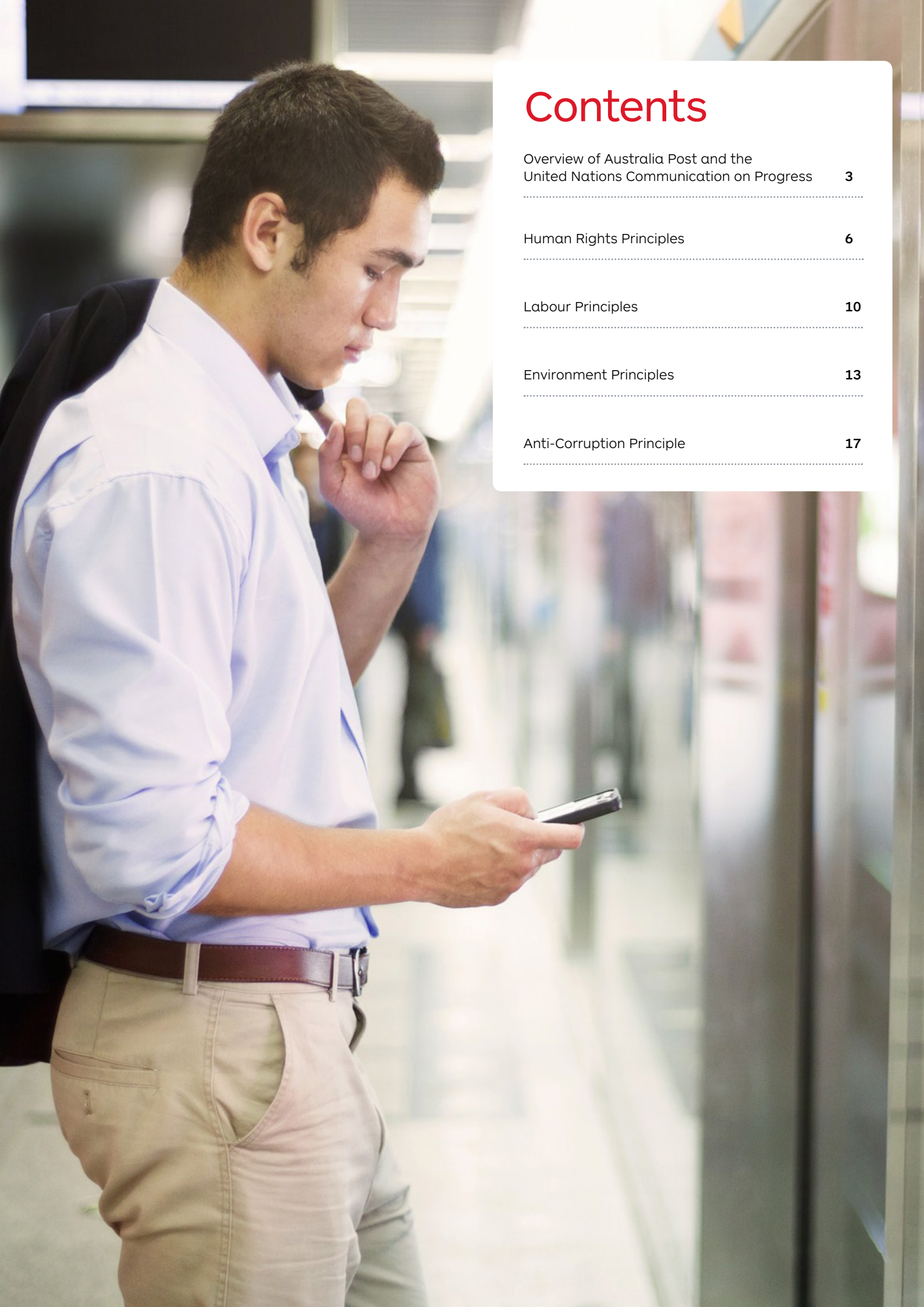




United Nations Global Compact

Australian Postal Corporation
2015 Communication on Progress





Contents

Overview of Australia Post and the United Nations Communication on Progress	3
Human Rights Principles	6
Labour Principles	10
Environment Principles	13
Anti-Corruption Principle	17

Overview



Who we are

For 206 years, serving the Australian community has been our reason for being. As an organisation, we understand that by “doing well” in our business, we can continue to “do good” in our communities.

Every day we help citizens, communities, businesses and government connect with each other across the country, regardless of their size and where they are located, fulfilling our purpose to help our people, customers, and communities to build a better future - Everyone, Everywhere, Everyday.

We love delivering. It will always be at our heart of who we are, the reasons we help people, customers and communities across Australia. The digital economy is transforming our world and our customer needs are changing with it, faster than ever before. That's why Australia Post is changing too. Our customers are now seeking choice, convenience and security as they move online. We've been responding to these changes, and now we have the opportunity to lead the way.

We will create opportunity by igniting a culture of innovation in our organisation, with a renewed focus on delivering customer experiences and solutions. We will simplify everyday tasks through digital channels whilst preserving our national post office network that supports local communities and organisations.

We understand the importance of providing commercial services and initiatives that deliver real value for our business and the communities in which we are a part of. We describe this approach as the creation of “Shared Value” between Australia Post and the community. We have embarked on a significant shift towards our approach from traditional Corporate Responsibility practices towards “Shared Value” and have identified where the needs of the community and our purpose and business strategy may intersect and provide opportunity to make a difference.

Our business model

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.

Delivering a reliable and accessible service

This year we again met all the performance standards associated with our CSOs, including delivering 94.8 per cent of letters on time or early, against our 94 per cent target.

As we plan for Australia Post's future, we need to adapt to the changing needs of consumers, business and government as we embrace the evolution of the digital economy.

Growth in the internet, the digitisation of technology platforms and the increase in mobile devices is changing the way we approach the business.

These changes have impacts on both our traditional mail services, customer visitations and the competitive parcel segment.

With the government approval for reform, the focus will be on the transformation of our letters service to meet customer needs and create a more efficient network.

Our investments during this time have allowed us to:

- Adapt our products and services for both the physical and digital worlds
- Drive cost and service leadership to maintain market share across business to business, and business to consumer deliveries
- Provide more choice and convenience for businesses and consumers to buy, sell and deliver

The implementation of reform will also allow us to continue to provide the essential services that the Australian community values, while enabling us to invest in the growth of our e-commerce capabilities, to create prosperity for our people, customers and communities.

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 Group*. This booklet clearly defines the standards of behaviour we expect from our people and our business partners regarding the treatment of others and supports our commitments as a signatory to the United Nations Global Compact (UNGC). All new employees and contractors to the organisation complete an induction which covers *Our Ethics*, with a refresher activity every two years.

This year our organisation also launched a new set of "Shared Values" to our entire workforce. Our people are the heart of our business and our Shared Values describe us when we are at our best. We can all make a difference by:

BEING SAFE EVERYWHERE There's nothing more important than our safety, health and wellbeing.

RESPECTING EVERYONE We care about people and value diversity.

HELPING EACH OTHER We're at our best when we work together.

IMPROVING EVERYDAY A better tomorrow starts with the changes we make today.

DELIGHTING OUR CUSTOMERS A great customer experience creates a better future.



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
- International Covenant on Economic, Social and Cultural 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 UNGC, the world's largest voluntary corporate citizenship initiative.

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 2014/15 financial year (covering the period July 2014 – June 2015). We also use the GRI G4 reporting guidelines and produce an integrated Annual and Sustainability Report.



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 is committed to ensuring that all practices and activities are undertaken in a way that supports and respects the protection of internationally proclaimed human rights.

We operate in accordance with international human rights treaties to ensure that we are not directly or indirectly complicit in human rights abuses.

We demonstrate our commitment to the protection of human rights in the workforce through a number of policies, processes 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 five diversity indicators: gender, Aboriginal and Torres Strait Islander people, people with a disability and people from culturally diverse backgrounds and lesbian, gay, bi-sexual, trans and intersex employees. Our diverse workforce consists of 140 nationalities, who speak 64 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.

Our employee induction program covers workplace health and safety policy and procedures and manual handling. We also invest in a number of health and safety programs for frontline roles and those employee groups that are exposed to the greatest risk of an incident. For example, Mindset workshops equip motorcycle posties with a new way thinking about the critical behaviours required to reduce exposure to accidents.

Australia Post operates primarily in Australia and does not directly operate in areas considered at high risk of human rights abuses, however we use organisations, (such as other postal agencies and logistics companies), in our overall supply chain. Our Supplier Code of Conduct requires all suppliers to adhere to key areas of corporate governance and ethical business management practices, which respect and protect the rights of employees and local communities.

The Code of Conduct is under continuous review to ensure that Australia Post achieves industry best performance in regards to Supply Chain transparency, safety and specifically human and labour rights related practices for suppliers. Furthermore, our Code of Conduct is aligned to a broader Product Stewardship framework aimed at both managing our social and environmental impacts of our products and services as well as ensuring traceability and product origin along all stages of our value chains.



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 who represents Australia Post and all its businesses and brands, 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
- Harassment Discrimination Bullying Policy
- Social Media Policy
- Whistleblower Policy
- Work Health and Safety Policy
- Work Health and Management System: Framework and Standards
- Incident Management Policy and Incident Notification Procedures
- Occupational Health 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 and related training outlines the expectations we have of our workplace participants. As it is important that we ensure its ongoing applicability and reflection of best practice, in March 2015 we completed a detailed review and refresh of *Our Ethics* booklet, which involved both internal and external stakeholder engagement. We then embarked upon a comprehensive communications program to ensure all workplace participants are aware of the ethical standards that are in place at Australia Post Group. We will also provide ongoing training to our workplace participants, on a periodic basis, to reinforce these ethical standards.

To ensure a consistent standard of behaviour across the Australia Post Group, between March and June 2015, we extended *Our Ethics* booklet, the Harassment Discrimination Bullying Policy, the Social Media Policy and the Whistleblower Policy to all businesses and brands who represent Australia Post, including StarTrack, as well as our LPOs, contractors and subsidiaries. The extension of these policies was coupled with a comprehensive communications program, which was tailored to the various members of our workforce.



Some key achievements relating to diversity and inclusion at Australia Post include:

Aboriginal and Torres Strait Islander Australians

- Increased our Aboriginal and Torres Strait Islander workforce from 1.5 to 1.9 per cent, exceeding our Reconciliation Action Plan (RAP) target
- Employed 140 new Aboriginal and Torres Strait Islander people through our award-level recruitment campaign
- Employed 51 Aboriginal and Torres Strait Islander people in our Christmas Casuals campaign
- Increased our traineeship program, from 18 to 49 trainees
- Celebrated reconciliation and NAIDOC weeks

Building our female leadership pipeline

- Improved the representation of female Postal Managers, Facility Managers and Executive Committee members
- Over 500 women participated in our targeted female development programs
- Say2action revealed that 65 per cent of women across Australia Post are engaged compared to 56 per cent of men
- Developed our first Gender Action Plan (GAP) focused on continuing to drive positive change in ensuring gender equality

Building awareness and improving access for people with disability

- Finalist in the National Disability Awards for our disability-awareness film, *Work Mate*
- Continued our commitment to the “Stepping into” internship program
- Received a positive rating from the Australian Network on Disability for our progress against our Accessibility Action Plan
- Working with Vision Australia to improve digital accessibility for our employees and customers

Embracing cultural diversity

- Twenty-six per cent of our workforce identify as being from a culturally and/or linguistically diverse (CALD) background
- Our people come from 140 different nations and speak more than 64 languages

- 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
- Employee engagement survey shows 80 per cent of our CALD employees feel that Australia Post values diversity
- Employed 30 people from a refugee background as part of the Christmas Casual program

Ensuring inclusion of our Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) employees

- Employees were given the opportunity to identify as LGBTI, for the first time, through our diversity census
- Launched our PostPride network, focused on ensuring our workplace culture continues to be one of inclusion and respect
- Employees participated in the Melbourne Pride March
- Australia Post is a supporting partner of the Midsumma Festival

Employee Engagement Results

- According to the 2015 say2action pulse survey, 75 per cent of our employees believe that our organisation values diversity. This is an improvement of 5 per cent since 2014 and is above the Australian and New Zealand average of 73 per cent

Some key achievements relating to workplace safety include:

- Investing in programs for frontline roles and specific employee groups including Mindset and the Health and Safety Representation (HSR). HSR is a facilitated workshop, delivered in partnership with our Unions, which equips Health and Safety Representatives to exercise their responsibilities as defined by the *Workplace Health and Safety (WHS) Act 2011*.
- Investing in a number of programs for leaders. Safety Leadership is focused on creating a culture where safety is the first consideration of every decision and action taking at Australia Post. The Workplace Health and Safety Consultation program covers our personal responsibilities under the *WHS Act* as a manager or supervisor. The Safety Observation Feedback Program equips participants with interactive skills needed to engage an employee on safety and to complete an intervention where it may be required.



Key actions for the year ahead

- Continue to implement our third Reconciliation Action Plan key initiatives with a strong focus on continuing to increase the representation of Aboriginal and Torres Strait Islanders in our workforce.
- Implement our Gender Action Plan which includes commitments relating to:
 1. **Opportunities:** Creating employment and career development opportunities for women
 2. **Awareness and capability:** Building greater awareness of the need for gender equality within our business and communities as well as improving capability to address gender inequalities
 3. **Accountability:** Holding our leaders accountable for positive change.
- Launch our second **Accessibility Action Plan**.
- Continued implementation of the **Diversity and Inclusion Strategy** that helps to build a diverse, inclusive and respectful 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.
- Increased focus on **health and wellbeing**
- 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.

Further information

More information can be found in:

- [Our Ethics](#)
- [Equal Employment Opportunity Report](#)
- [2015 Diversity & Inclusion Annual Report](#)
- [Accessibility Action Plan](#)
- [Reconciliation Action Plan](#)
- [Environmental sustainability policy](#)

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 over 36,000 employees and the lives of more than 10,000 people who make up our indirect workforce. We are committed to assisting our employees 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 and 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 Group 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.

Policies and processes to support our commitment

The Our Ethics booklet clearly outlines the expected behaviours regarding the treatment of others. 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 Group Harassment, Discrimination and Bullying Policy and the Group Social Media Policy 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 Group 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 Enterprise 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 booklet 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. Our Supplier Code of Conduct requires all suppliers to demonstrate a commitment to human rights, fair employment and labour 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 as part of commitment to continued measurable improvements.
- 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 five diversity indicators: gender, Aboriginal and Torres Strait Islander people, people with a disability, people from culturally and linguistically diverse backgrounds and people who identify as lesbian, gay, bi-sexual, transgender or intersex.
- 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:
 - **Mymentor and ProjectMe** a self-paced personal and career development program offered to our award-level female employees. In October 2014 we completed the fourth and largest program involving over 450 participants and 76 mentors (both men and women). We have since created a new career development program called ProjectMe which is tailored specifically for women managing their career at Australia Post.
 - **Xplore** a leadership and career development program for our female managers. From July to December 2015, 38 women participated in the program. By the end of the financial year the retention rate of this future senior leadership talent pool was 92 per cent. Furthermore, 26 per cent of participants had been promoted into more senior positions.
 - **The TenProgram** a mentoring program matching 10 of our high potential women with 10 of our Management Committee. Three of the 10 women have already been promoted or taken on an expanded role. When surveyed, all participants felt that their mentor was a good match to support their development and all would recommend the program to others
 - **Horizon** a 12-month leadership development program for women moving into senior management and general manager positions. Five of the 17 participants have been promoted or have assumed expanded roles since commencing the program and only one participant has left Australia Post, representing a 94 per cent retention rate.
- To support our Harassment Discrimination Bullying Policy, Australia Post has 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. Managers, supervisors and Harassment Contact Officers (HCOs) are also available to receive complaints.

- In 2015 Australia Post reviewed and refreshed its Social Media Policy. A key change was to incorporate appropriate sections of our Social Media Guidelines to form one consolidated and easily accessible document. 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.
- Australia Post also provides our people with access to an independently operated **Whistleblower Hotline** through which employees can anonymously report any concerns to an external provider 24 hours a day.

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 consultation occurs in relation to all significant change that impacts on our employees.
- 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 Equal Employment Opportunity Policy, **Diversity and Inclusion Policy**, Harassment Discrimination and Bullying Policy, Social Media Policy and 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.

Further information

More information can be found in:

- [Australia Post Annual Report 2015](#)
- [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

Australia Post is determined to be a leader in environmental sustainability by managing our resources better and through the actions of our people, customers and community.

We've set our sights on achieving a 25 per cent reduction of carbon emissions by 2020. Our Environmental Sustainability Strategy (ESS), endorsed by the executive leadership team in October 2013, demonstrates our understanding that our actions are important to our customers and community, as well as to our business outcomes, facilitating the enterprise-wide transition from a strong foundation of carbon management to a value-driven perspective. This is now reflected in everything we do, every day, with the strategy driving key environmental initiatives across our business.

In 2014/15, we focused on where we could achieve the best improvements: fuel efficiency and alternative fuels; managing waste streams; improving the sustainability performance of our packaging; and driving clean energy and energy efficiency innovations across our 1,200 facilities and 12,000 vehicles. We also engaged with our customers and employees to deliver better environmental outcomes, creating opportunities to recycle through our extensive postal network, and harnessing the power of our 35,000+ workforce through our employee engagement program.

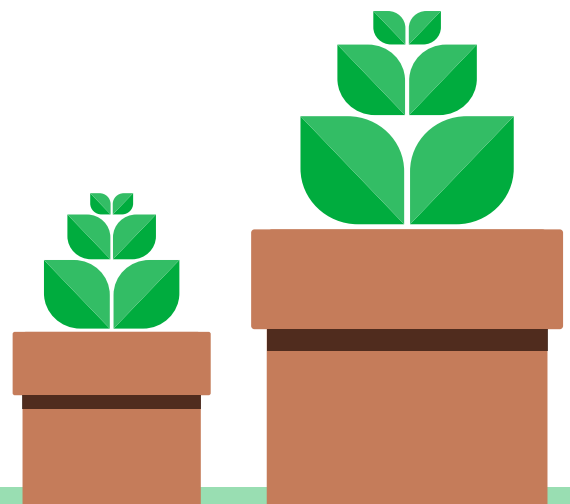
Furthermore, Australia Post collaborates with other Postal Services around the world in reducing the industry's carbon Impact and developing and sharing best practices around sustainable procurement, textile product recycling and transport optimization.

Australia Post demonstrates commitment to Principle 7 – “Businesses should support a precautionary approach to environmental challenges” – by ensuring environmental considerations and improvements are part of everything we do every day, focusing on our services, our products, 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”.

We do this in two ways, including the introduction of a Restricted Substances Manual and an environmental supplier and product assessment process as part of our Sustainable Procurement Framework. Both initiatives help assess, baseline and target performance and drive collaboration to actively reduce environmental and human toxicity, waste and energy consumption whilst driving sustainability inspired products and service innovation.

Australia Post also demonstrates commitment to Principle 9 – “Businesses should encourage the development and diffusion of environmentally friendly technologies” through our R&D fund of \$500,000. This enables the delivery of key energy efficiency projects including significant lighting upgrades, data centre management and computer equipment and building upgrades and the integration of renewable energy across our property and transport operations.



Policies and processes to support our commitment

We have a comprehensive approach to environmental sustainability, which is outlined in our Environmental Sustainability Strategy.

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.

We voluntarily participate in programs, such as the Australian Packaging Covenant (APC), and our approach is underpinned by a robust environmental management system (EMS) which aligns with the International Standard for Environmental Management, ISO14001. Our EMS enables us to identify and prioritise important environmental issues. It guides continual improvements in our environmental performance, which 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. In addition, we have started to adopt sustainable design principles in our products and services, procurement targeting energy efficiency, recycling and waste reduction.

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

We continued to reduce our environmental footprint through a comprehensive and consistent approach to driving fuel and energy efficiency savings across our real estate and transport businesses. As a result we have again achieved carbon savings of 9614 tonnes of CO₂-e this year, bringing our overall emissions reduction to 15 per cent, on the way to achieving our 25 per cent reduction target by 2020.

In 2014-15, Australia Post achieved the below:

- Implemented **energy efficiency initiatives** at over 100 of our buildings, focusing on lighting and heating, and cooling upgrades.
- Introduced **new motorbikes, vans and sedan** to our fleet that have enhanced fuel efficiency. This includes 4,469 new motorbikes that are 60 per cent more fuel-efficient than the previous motorbikes.
- Introduced renewable energy into our property and transport operations including Australia's first 100 per cent electric commercial van, biofuel and the installation of 570kw of solar power on select properties across Australia.
- Reduced overall fuel consumption by 3 per cent, including a 2,790 tonne reduction in carbon emissions due to the careful management of our fleet of 12,000 vehicles.
- From an international perspective, we've enhanced our **International Postal Committee** Sustainability benchmark score this year from 79 to 86.7.
- Continued the development of **environmental products** of commercial value such as reverse logistics, sustainable packaging, carbon reporting and a weather notification system.
- Implementation of the **APC Action Plan**. 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. In 2014/15 we achieved a 20 per cent increase in assessment score, 3.2 to 3.7 out of 5.
- Introduction of a **Restricted Substance Manual** to guide supplier conduct.
- Through our product stewardship partnerships with **Planet Ark**, **Mobile Muster** and **TerraCycle** enabling the recycling of over 400,000 cartridges, approximately 283,000 mobile phones, batteries and chargers, and 7 million cigarette butts. And in a first for Australia, we have partnered with TerraCycle to develop the Zero Waste Box, a box that helps customers recycle items not currently recyclable, such as, pens, hard plastics, hair nets, plastic gloves and mailroom supplies.
- We also partner with **Close the Loop**, Australia's largest recycling and resource recovery company, to transport their thousands of collection boxes around Australia. Together we enable the recycling of 13 major brands of inkjet or laser printer cartridges, toner bottles, drum units or fuser kits, from printers, photocopiers or fax machines.



- Established a Green IDT program which has delivered carbon savings through data centre management and computer equipment upgrades.
- Transitioned 1000 staff to 180 Lonsdale Street in Melbourne to a newly refitted building incorporating a high level of environmental sustainability, featuring natural light, water conservation, waste management and “follow me” print technology. We’re currently working towards achieving 5 Star Green Star certification.
- Launched our three-year Environmental Engagement Strategy. Key achievements for Year One included the establishment of a Green Network of environmental ambassadors, integration of sustainability messaging into BAU and for the first time ever celebrated World Environment Day creating awareness for over 2,000 thousand decision makers in our business, giving away 500 seedlings for planting and four raised pallet gardens created from upcycled pallets.
- Strengthen our strategic partnerships with Banksia Foundation, Clean Up Australia, The World Wildlife Fund and the Centre for Sustainability Leadership.

Key actions for the year ahead

In 2016, our focus remains on helping our people, our customers and community build a better environment.

We aim to:

- Value our natural resources
- Deliver sustainable solutions for our customers
- Ensure the environment is considered in everything we do
- Continue to drive engagement with our people, customers and community.

Further information

More information can be found in:

- [Australia Post Annual Report 2015](#)
- [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 Government Business Enterprise Governance and Oversight Guidelines (2011)* and the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

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 clear unacceptable behaviours around bribery and corruption and highlights Australia Post's commitment 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* outlines Australia Post's commitment and that Australia Post does not tolerate fraudulent and corrupt conduct. The 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 Australia Post's expectation that all suppliers are expected to '*Comply with all local and national laws and regulations on bribery, corruption and prohibited business practices*'.

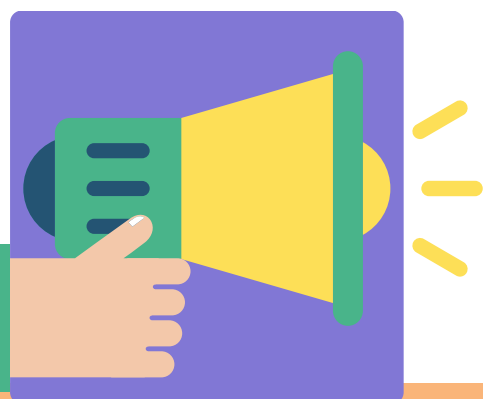
The Probity Guidelines also apply to all procurement activities undertaken by our people or agents and contractors acting on behalf of Australia Post, irrespective of whether formal contractual arrangements have or have not been initiated and/or established.

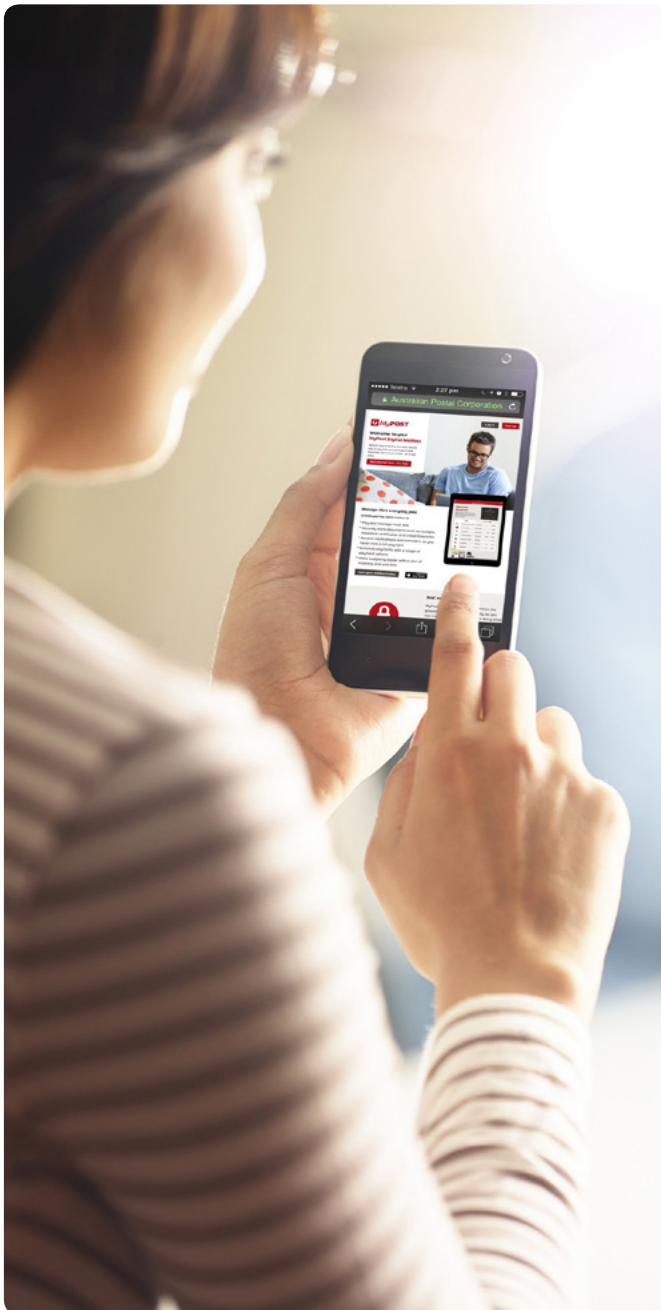
Australia Post also has a *Gifts, Benefits and Hospitality Policy* and section of the HR Manual.

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.

Australia Post also has a *Whistleblower Policy* and a 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

- **Fraud & Corruption Group Policy** alignment for all control entities. This Policy remains central to how Australia Post manages risk and clearly outlines our commitment to driving out 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.
- Targeted application of the **Annual Fraud Control Plan**. This included a **risk assessment program** 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. Review the controlled entities **action plan implementation** to ensure fraud management risks and the associated controls are managed, and **Fraud & Corruption awareness** is maintained.
- Undertake additional enterprise wide **Fraud & Corruption compliance** training for all controlled entities.
- Apply the **Annual Fraud Control Plan** to undertake risk assessments, business unit specific awareness programs and advice on fraud and corruption. This will be aligned to our expansion into digital, ecommerce and online products and services.

Further Information

More information can be found in:

- [Australia Post Annual Report](#)
- [Commitment to Governance](#)
- [Our Ethics](#)