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Together for Tomorrow

Assuming responsibility today

2017: Joint contribution to sustainable development

- The most important logistics and postal services provider in the country generates revenue of about EUR 1.8 bn
- Legal requirements stipulated by the Universal Service Obligation surpassed once again
- 1,066 seminars offered for Post employees
- Expansion of the environmental management system, 1,423 e-vehicles now in operation

Profile

Austrian Post is the leading logistics and postal services provider in the country, with approx. 17,200 employees, 440 company-operated branch offices and 1,360 postal partners. The branch network of Austrian Post ranks among the largest private customer networks in Austria. In this way, Austrian Post offers high quality postal, banking and telecommunications products and services to its customers throughout Austria.

The company makes an important contribution to maintaining and safeguarding the nation's communications and logistics infrastructure based on its nationwide and reliable supply of postal services for the benefit of the Austrian population and economy.

Austrian Post operates in eleven other European markets through its subsidiaries.

Key indicators

		2015	2016	2017
ECONOMY				
Revenue	EUR m	1,756.8	1,746.1	1,780.3
Earnings before interest and tax (EBIT)	EUR m	84.7	178.6	177.5
Earnings before tax (EBT)	EUR m	87.4	178.2	187.3
Profit for the period	EUR m	41.2	235.6	132.2
Customer satisfaction	Ø CSI level	69	68	69
SOCIETY				
Letters delivered on the next working day	%	95.9	95.7	95.4
Parcels delivered within two working days	%	98.1	97.9	97.3
Postal service points	Number	1,785	1,792	1,802
thereof company-operated branch offices	Number	504	454	443
thereof postal partner offices	Number	1,281	1,338	1,359
EMPLOYEES				
Employees	Number FTEs	17,983	17,448	17,225
Further education and professional development	Person hours	81,500	100,442	131,894
Women on the staff	% FTEs	29.3	29.0	29.2
Material resources made available by post.sozial	EUR m	6.3	6.4	6.2
ENVIRONMENT				
CO ₂ emissions	t CO ₂	67,272	67,491	67,069
Energy consumption	kWh m	133.7	125.2	125.5
Kilometres driven	km m	157.8	160.2	162.2
Fuel consumption	Litres m	22.1	22.5	21.9
E-vehicles	Number	1,012	1,387	1,423

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Editorial

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Dear Stakeholders,

Austrian Post is successful year after year in spite of intense competition. As a broadly positioned market leader, we can assert ourselves against the competition in a difficult environment thanks to our performance based on the highest quality standards and a highly efficient infrastructure.

Our objective is to fulfil the highest demands placed upon us.

For this reason, we resolutely orient our products and services to changing customer needs, open up new business areas and consistently integrate societal trends in our business activities. This enables us to continue our success in the future and ensure sustainable value creation.

We clearly fulfil our service obligation above and beyond statutory requirements. In 2017, we once again managed to improve the stipulated performance indicators with respect to delivery speed for letters and parcels and the availability of our services compared to the prior-year level.

We not only want to maintain but further expand the leading-edge position we have assumed in the logistics sector in recent years based upon our CO₂ NEUTRAL DELIVERY initiative. This is to be accompanied by ambitious CO₂ reduction targets, enhanced energy efficiency in our business operations and the resolute use of alternative drive systems. Furthermore, the importance of environmental and materials management in the company is steadily increasing.

In the last year we further developed our corporate culture in order to offer our employees a working environment in which they feel at ease and where there is room for ideas and an exchange of views. This is because motivated and well-trained employees and a spirit of cooperation without departmental thinking are a key success factor, particularly in time of constant change. The fact that Austrian Post not only achieves but even exceeds its economic, ecological and social objectives time and again is due to the commitment of our employees. We thank them for their contribution to our success!

The motto of this year's Sustainability Report, "Together for Tomorrow" underlines our conviction that meeting the highest standards and being successful year after year can only take place on a collaborative basis. This not only applies within the company but also in the way we interact with our environment. We are part of a whole. For this reason, aligning our operations to the points of view, interests and expectations of external stakeholder groups is extremely important to us.

**GEORG PÖLZL**

In 2017, we asked our stakeholders and employees to join us in redefining the material topics for Austrian Post and to evaluate their importance and impacts. The result of this reassessment is a set of issues which is relevant to our core business. We will have to focus on these issues in order to deal with risks which can arise from developments and challenges to our company as effectively as possible and to optimally exploit opportunities.

Looking back at the year 2017, we can proudly say that we once again achieved quite a lot in the areas of economy, society, environment and employees.

Against this backdrop, we optimistically look ahead to the future and look forward to what we will achieve together!

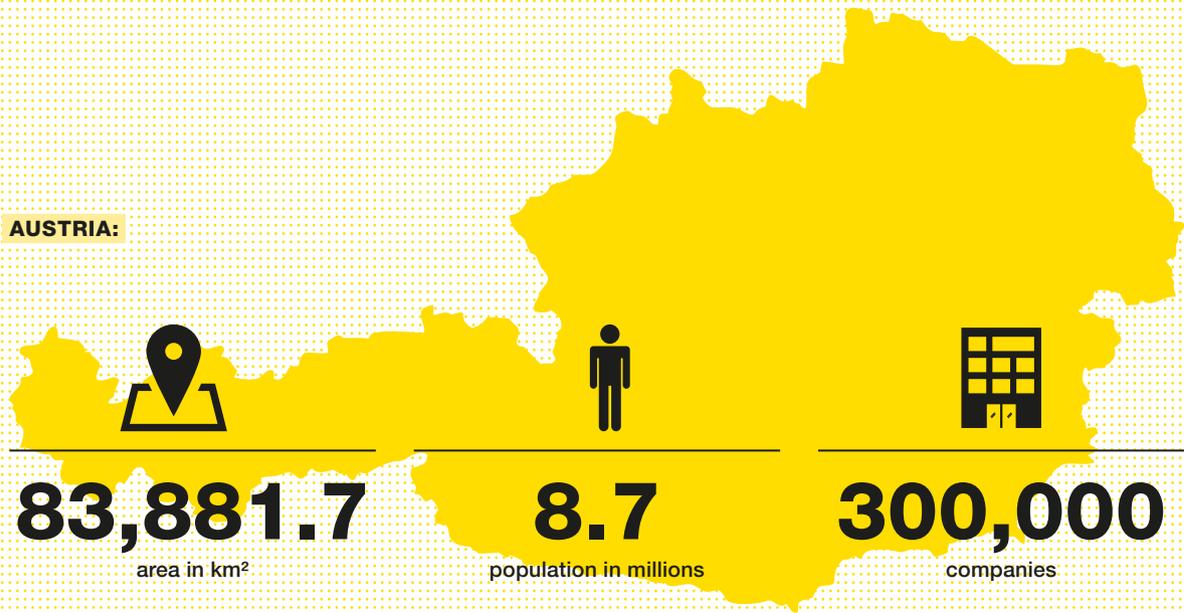
With this in mind, we are pleased to present you with this year's Sustainability Report and wish you informative reading.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Pölzl', written in a cursive style.

Georg Pölzl,
Chief Executive Officer of Austrian Post

What is Austrian Post up to?



In 2017, a total of ...

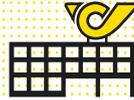


... were delivered by Austrian Post's nationwide infrastructure consisting of



15,166

letterboxes



6

mail and



1,802

postal service points

7

parcel distribution centres



260

mail and parcel delivery bases



17,225

employees, including



8,680

vehicles, including

8,954

mail carriers

1,423

e-vehicles

... to



4

million households and companies

DELIVERY IS CARRIED OUT ...

- AT THE HIGHEST LEVEL OF QUALITY AS CONFIRMED BY CUSTOMER SURVEYS,
- QUICKLY AND RELIABLY, AS EVIDENCED BY DELIVERY RATES, AND
- IN A CO₂ NEUTRAL MANNER VERIFIED BY TÜV AUSTRIA.

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An overview of Austrian Post

With approximately 17,200 employees and annual revenue of EUR 1.8 bn, Austrian Post is the leading logistics and postal services provider in the country. The core business of the company encompasses the transport and delivery of letters, direct mail items, print media and parcels as well as various logistics services. Austrian Post's headquarters are located at Rochusplatz 1, 1030 Vienna, Austria.

This Sustainability Report refers exclusively to the parent company Österreichische Post AG (hereafter "Austrian Post"), which generates about 86 % of Group revenue and employs about 80% of the employees in the Group. More information on the subsidiaries can be found in the Non-Financial Report starting on page 33 of the Annual Report 2017.

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More information on the business model and strategy of Austrian Post can be found beginning on page 6 of the Financial Report 2017.

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— Corporate structure and business areas

Austrian Post bundles its business activities in two divisions, namely the Mail & Branch Network Division as well as the Parcel & Logistics Division.

The **SERVICE SPECTRUM OF THE MAIL & BRANCH NETWORK DIVISION** encompasses the collection, sorting and delivery of letters, postcards, addressed and unaddressed direct mail items and newspapers. In addition, postal and telecommunications products as well as financial services are offered in cooperation with its business partners BAWAG P.S.K and A1 Telekom Austria AG. Austrian Post also offers energy services.

In addition, Austrian Post also offers its customers a range of online services. The offering is complemented by new services for business and direct mail, including address, data and mailroom management, intelligent scanning and response management.

The transport and delivery of parcels and "Express Mail Service (EMS)" items for private and business customers comprises the core business of the Parcel & Logistics Division. The **SERVICE SPECTRUM OF THE PARCEL & LOGISTICS DIVISION** also includes a wide range of value-added services. They include fulfilment solutions such as warehousing, commissioning, returns management, the transport of valuable goods and cash, webshop logistics and webshop infrastructure.

The two operating divisions are complemented by the Corporate Division. It is responsible for all services relating to administering the Group, innovation management and the development of new business models. There were no major changes in the corporate structure of Austrian Post during the period under review.

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HIGHLIGHTS FROM THE MAIL & BRANCH NETWORK DIVISION

728

million letters,

600

million addressed direct mail items,

3.5

billion unaddressed direct mail items,

380

million print media and

340

million regional media are delivered
annually by Austrian Post.

95.4 %

of all letters mailed with Austrian Post
reached their recipients
on the next working day.



HIGHLIGHTS FROM THE PARCEL & LOGISTICS DIVISION

97

million parcels and EMS items
are delivered by Austrian Post
to Austrian households and companies
each year.

97.3 %

of all parcels are delivered
within two working days.

92.7 %

of all parcels are already handed
to their recipients by Austrian Post
on the first delivery attempt.

DISCLOSURE
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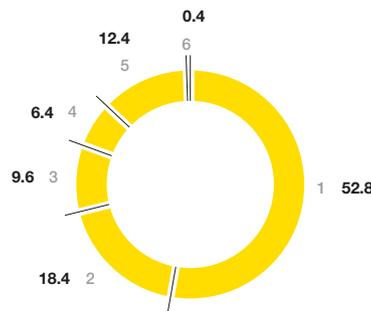
— Shareholder structure

Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB), formerly Österreichische Industrieholding AG (ÖIAG), owns a 52.85% stake in the Austrian Post Group (based on 67,552,638 outstanding shares at the reporting date of April 19, 2018) and thus continues to be the majority shareholder of the company.

A shareholder ID carried out at the beginning of 2018 concluded that, in addition to the main shareholder ÖBIB, around 34.4% of the shares are held by European investors (minus 4.4 percentage points compared to the previous analysis at the beginning of 2017). All in all, 18.4% of these shares are held by private and institutional investors in Austria (minus 0.5 percentage points), 9.6% in Continental Europe (minus 0.7 percentage points) and 6.4% in Great Britain and Ireland (minus 3.2 percentage points). A total of 12.4% of the shares (plus 4.2 percentage points) are currently held by North American investors (USA, Canada), whereas investors in the rest of the world account for 0.4% (plus 0.3 percentage points).

SHAREHOLDER STRUCTURE

in %



- 1 – ÖBIB
- 2 – Private and institutional investors in Austria
- 3 – Continental Europe (excl. Austria)
- 4 – Great Britain and Ireland
- 5 – North America
- 6 – Rest of the world

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Detailed information on the Post share as well as the shareholder structure can be found on pages 12-15 of the Financial Report 2017.

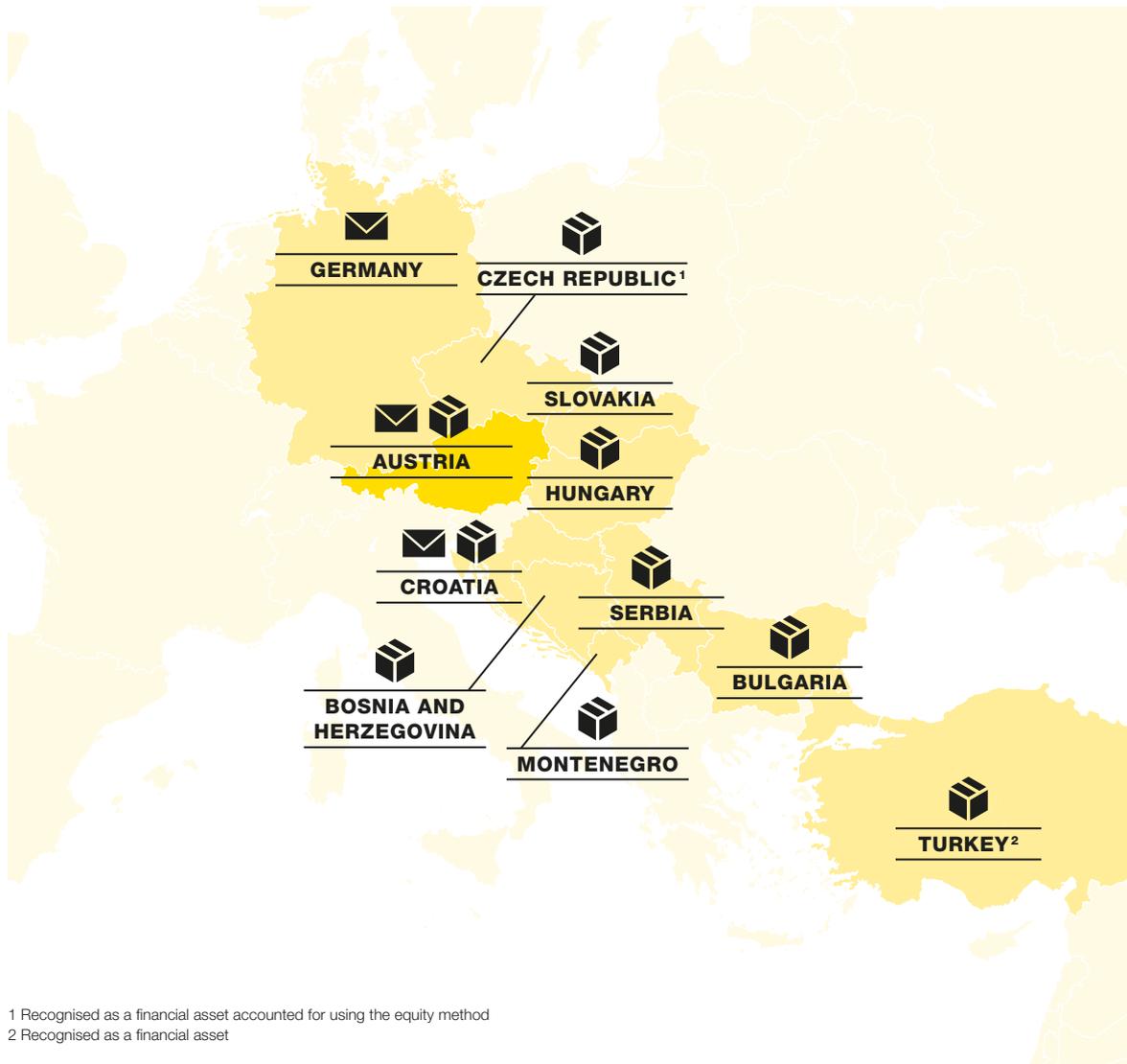
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— Markets, sites and customers

Austrian Post operates in the letter mail and direct mail businesses as well as in the parcel and logistics segment through its subsidiaries in eleven countries.

Austrian Post generated about 90% of its revenue in its domestic market of Austria in 2017 together with its Austrian subsidiaries. Austrian Post is a market leader in the delivery of letters, direct mail items and newspapers as well as parcels in the country.

The subsidiaries are primarily active in Central and Eastern Europe but also in Germany. They contribute a share of 10% of total Group revenue and boast a good market position. For example, the Austrian Post Group is number one in the delivery of unaddressed direct mail items in Croatia and is the market leader in the delivery of parcels to business customers in Slovakia, Croatia, Serbia, Montenegro and in Bosnia and Herzegovina.



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Austrian Post offers its services throughout the entire country, featuring 1,802 postal service points, including 443 company-operated branch offices and 1,359 postal partner offices. Austrian Post's network of postal service points ranks among the country's largest private customer networks.

Further information on the business activities and organisational structure of Austrian Post can be found on page 58 of the Financial Report 2017.

Corporate management

Austrian Post attaches great importance to a responsible and transparent corporate management. This is because Austrian Post is one of the country's flagship companies. The company is aware of its exemplary role and the responsibility which goes along with it and aims to act as a role model and fulfil its responsibility in every respect.

Austrian Post wants to be perceived as a responsible partner who acts with integrity. In this regard, proper responsible business management as well as ethically sound behaviour on part of all executives and employees play a major role. For this reason, Austrian Post has identified the following topics as being of material importance with respect to managing the company:

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MATERIAL TOPIC IN THE AREAS OF COMPANY AND VALUES

CORPORATE CULTURE AND WORLDS OF WORK

— Corporate governance

Good corporate governance is a key concern of responsible corporate management.

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Both the Management Board and Supervisory Board orient corporate management and control to national and international principles.

Since its initial public offering, Austrian Post has been unreservedly committed to complying with the Austrian Corporate Governance Code (ACGC). The active implementation of the stipulations contained in the code is designed to ensure the responsible business management and control of a company oriented to the sustainable and long-term creation of value.

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In this regard, good corporate governance goes far beyond simply adhering to legal regulations. Respect for the interests of shareholders, openness and transparency in corporate communications to all stakeholder groups and avoidance of conflicts of interests in corporate bodies are just as important. Furthermore, the efficient cooperation between the Management Board and Supervisory Board also comprises a key aspect of good corporate governance.

CORPORATE GOVERNANCE

describes the totality of all national and international principles, values, rules and regulations determining how companies are managed. Good corporate governance ensures responsible, qualified and transparent business management oriented to long-term success and is designed to be in the interest of the company itself, its shareholders and external interest groups at the same time.

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MANAGEMENT BOARD AND SUPERVISORY BOARD

The Austrian Post Group is led by a Management Board which conducts business on its own responsibility and develops the strategic direction of the Group. In line with the Austrian Stock Corporation Act, the Management Board as the top management body is bound to act in the interests of the company and is committed to sustainably enhancing enterprise value.

The Management Board consisted of four members in the 2017 financial year. Each member fulfils his executive responsibilities independently and regularly informs the entire Management Board of key developments. The entire Management Board resolves on decisions of material importance to the company, basic issues relating to corporate policy and the business strategy. The by-laws for the Management Board stipulate the assignment of responsibilities and cooperation within the Management Board.

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As the governing body of the company, the Supervisory Board monitors and oversees the Management Board and supports it in making decisions on issues of fundamental importance.

In the 2017 financial year, the Supervisory Board consisted of eight shareholder representatives elected by the Annual General Meeting and four members elected by the Central Works Council of Austrian Post. The Supervisory Board fulfils its tasks in plenary sessions insofar as individual matters are not delegated to Supervisory Board committees. At present, the following Supervisory Board committees convene: Executive Committee, Nomination Committee, Remuneration Committee, Audit Committee and Parcel & Logistics Committee. The intensive committee work supports the Supervisory Board with a view to ensuring focused discussions and efficient decision making.

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Further information on the composition and mode of operation of the Management Board and Supervisory Board can be found starting on page 20 of the Financial Report 2017.

INDEPENDENCE

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In accordance with C-Rule 53 of the Austrian Corporate Governance Code, the Supervisory Board of Austrian Post defined criteria to determine the independence of Supervisory Board members which are compliant with Appendix 1 of the code. These criteria also apply to all shareholder representatives of Austrian Post. All Supervisory Board members and shareholder representatives of Austrian Post are independent.

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Details on the independence criteria of the Supervisory Board can be found on page 23 of the Financial Report 2017.

AVOIDING CONFLICTS OF INTEREST

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In accordance with Section 13 of the internal rules of procedure for the Supervisory Board of Austrian Post, Supervisory Board members have to immediately report any conflicts of interest to the Chairman of the Supervisory Board. If the Chairman is also involved in a conflict of interest, he must immediately disclose this fact to the Deputy Chairman.

On the one hand, conflicts of interest of Management Board members are avoided on the basis of the stipulations contained in the Austrian Stock Corporation Act (for example: Section 79 AktG – non-competition clause, Section 80 – granting of loans). On the other hand, the internal rules of procedure of the Supervisory Board generally require approval by the Executive Committee for any secondary employment on the part of a Management Board member.

Furthermore, the by-laws of the Management Board also forbid a Management Board member from participating in the decision-making process if the Management Board meeting deals with matters affecting the personal or economic interests of this member.

EXPERTISE OF THE MANAGING BODY

ON ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES

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Management Board members are appointed in accordance with the Public Appointments Act. The focus is on their expertise and professional skills which should be expected to enable them to fulfil their assigned tasks. In addition, special importance is also attached to their leadership competence and their organisational and social abilities.

Professional qualifications and personal skills are the decisive factors in filling positions on the Supervisory Board.

The continuing education programme initiated in 2015 has become an integral component of the Supervisory Board's work and was continued in 2017. The exchange of views with internal and external experts is particularly designed to deepen the market knowledge of the Supervisory Board members and consider key economic and social aspects.

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DIVERSITY

The Supervisory Board members are between the ages of 49 and 67. Two members are not Austrian citizens. 50 % of the members elected by the Annual General Meeting are women. In line with the Act on Equality of Women and Men on Supervisory Boards, there is a mandatory obligation on the part of publicly listed stock corporations to ensure that women comprise at least 30 % of Supervisory Board members (Section 86 Stock Corporation Act) as of January 1, 2018. The current composition of the Supervisory Board of Austrian Post fully complies with these statutory requirements.

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REMUNERATION SYSTEM

The remuneration system is based on a three-tiered model. It consists of fixed and variable salary components as well as a Long-Term Incentive Programme (LTIP).

The objectives underlying the variable remuneration system are based on measurable, quantitative performance indicators and also encompass the achievement of qualitative performance targets. Indicators include all four components of sustainability which Austrian Post takes into account i. e. economy, environment, employees and society. In the 2017 financial year, about 40 % of the targets were not economic, but also related to human resources development ("employees"), the environmental management system ("environment") and customer satisfaction ("society").

The three-tiered remuneration scheme (basic salary, variable salary and Long-Term Incentive Programme), also applies in an adapted form to selected executives at Austrian Post.

Further information on the topic of the remuneration paid to the members of the Management Board and Supervisory Board can be found in the Remuneration Report beginning on page 26 of the Financial Report 2017.

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PARTICIPATION IN THE DECISION-MAKING PROCESS

The Austrian Stock Corporation Act contains detailed regulations concerning the exercising of shareholder rights at the Annual General Meeting of a public limited company. In particular, this includes the right to pose questions and to vote on resolutions as well as the right to challenge resolutions. At the Annual General Meeting 2017, shareholders were once again given the opportunity to cast their votes by absentee ballot.

Moreover, a series of sustainability-oriented issues were discussed in response to requests on the part of shareholders within the context of the Annual General Meeting 2017. They included ecological aspects such as the further development of the e-vehicle fleet and photovoltaic facilities. Shareholders were also particularly interested in the expansion of self-service solutions and safeguarding a reliable supply of postal services to the population.

The staff representative bodies have the task of representing and promoting the economic, social, health-related and cultural interests of the employees in the company.

The staff representative bodies of Austrian Post are structured into a Central Works Council based in Vienna, a total of six staff committees and more than 90 employee ombudsman committees.

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RISK MANAGEMENT AT AUSTRIAN POST

Comprehensive risk management comprises a key cornerstone of good corporate governance. Austrian Post operates a comprehensive risk management system integrating all business units and subsidiaries. The Management Board defines the risk strategy and policy of the company and sets out a framework for the risk management system.

The objective of risk management is to identify risks at an early stage and manage them by taking appropriate measures designed to minimise any potential deviation from the company's business targets. Risks are identified, evaluated, monitored and documented in their overall context by a Group-wide risk management system in accordance with uniform principles.

Ecological, social and ethical aspects are also integrated into the risk management system in the interest of sustainability. Risks and opportunities below defined thresholds of significance are monitored and managed by experts in the organisational units. Sustainability-related risks, which reach this threshold, are monitored by the CSR and Environmental Management Department and the relevant information is reported to the risk management system. There were no sustainability risks in 2017 which impacted deviations from Group targets.

Further details on the central risk management system, risk strategy and policy and the internal control system can be found starting on page 77 of the Financial Report 2017.

The description of the main risks faced by Austrian Post is included beginning on page 78 of the Financial Report 2017. Details on environmental risks can be found in the section on the environment on page 93.

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— Mission statement and Code of Conduct

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A SHARED MISSION STATEMENT

Impeccable and exemplary behaviour at all times represents a demand imposed on each employee, regardless of his or her position.

The mission statement was developed in 2010 on the initiative of the Management Board in order to create a mutually shared value system and a clear benchmark enabling executives and employees to measure their behaviour and decisions. This was done in collaboration with 500 employees from all business areas of Austrian Post within the context of joint workshops or electronic surveys. The mission statement, which applies to all employees, stipulates which core values of the core and sustainability strategy (starting on page 28) are to be implemented.

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The mission statement of Austrian Post has two objectives. On the one hand, it serves as an orientation for the actions of employees and the Management Board in their everyday work. On the other hand, the mission statement is of fundamental importance for defining clear objectives. It underlines the fact that sustainable corporate success at Austrian Post not only involves economic aspects but also encompasses the social sphere, the environment and employees.

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CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics of Austrian Post, approved in 2011 to serve as binding rules throughout the Austrian Post Group and rolled out throughout the entire Group in 2012, is based on and oriented to the mission statement. Every core value in the mission statement can be assigned to principles contained in the Code of Conduct and Ethics.

The Code of Conduct and Ethics of Austrian Post does not contain detailed instructions and guidelines on how to behave but describes the binding principles applying to the behaviour of all employees at Austrian Post. Accordingly, it serves as a reference framework for employees and executives and is the basis for an open, respectful and legally-compliant corporate culture. Its contents reflect the commitment of Austrian Post to comply with the principles of the UN Global Compact.

All other Group guidelines and behavioural instructions are based on and derived from the Code of Conduct and Ethics.

The Code of Conduct and Ethics is available on the Intranet at all times and can also be downloaded on the Website of Austrian Post in all Group languages. Moreover, printed copies were sent out and distributed.

All new employees receive a copy of the code together with their employment contract. By signing the employment contract, the employees declare their willingness to comply with the ethical standards of Austrian Post. The Human Resources Department of Austrian Post is responsible for ensuring that each employee receives a copy of the Code of Conduct and Ethics.

A separate Code of Conduct for Suppliers of Austrian Post was developed in 2011. This obliges contractors of Austrian Post as well as their subcontractors and suppliers to comply with minimum legal and social standards.

Compliance management and anti-corruption

Compliance management

Strict adherence to all rules and regulations applying to Austrian Post is of particular importance to ensure that the company is perceived as a trustworthy partner by its customers, shareholders, business partners and employees as well as by public authorities, institutions and the general public.

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— The Compliance Management System of Austrian Post

Austrian Post has established a compliance culture based on its mission statement and the Code of Conduct and Ethics (see page 13) to ensure impeccable and legally compliant behaviour. The Compliance Management System (CMS) is designed to ensure that this compliance culture is sustainably maintained.

The CMS of Austrian Post creates transparency about compliance-relevant issues with the aim of implementing a risk-oriented preventive strategy. Risk-reducing rules are enforced and corresponding measures are integrated into business processes based on the results derived from the compliance risk analyses. All steps are supported by comprehensive information and training measures as well as an action-oriented consulting offering.

The Central Compliance Officer is supported by local compliance officers in embedding CMS throughout the entire Group. These compliance representatives are employees in close proximity to the division management or to the top management in the subsidiaries, who assume responsibility for compliance tasks and move the compliance agenda forward. There are 18 compliance officers in Austria at present along with nine compliance officers in the foreign subsidiaries.

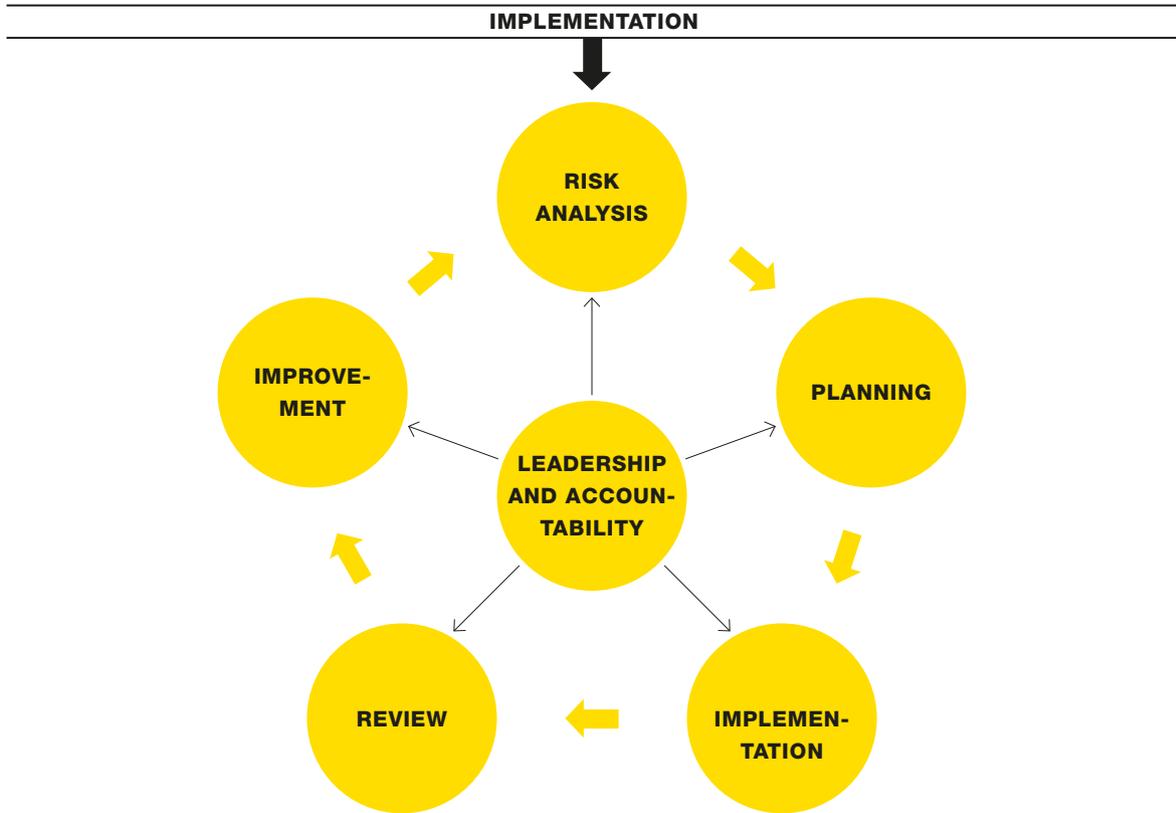
The compliance team and the compliance help desk are available personally, by telephone, anonymously on the Intranet, or per e-mail to respond to questions, comments and concerns. The compliance help desk can be accessed by all employees in the Group by a special e-mail letterbox, on the Intranet and via a cost-free hotline. In 2017, the compliance help desk answered and concluded 175 employee inquiries and documentations on the issues of the acceptance and granting of gifts, donations and sponsoring as well as the behavioural principles of Austrian Post.

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The activities of the central and regional compliance organisation ensure a sustainable, practice- and action-oriented professionalisation and further development of the compliance management system in all business units.

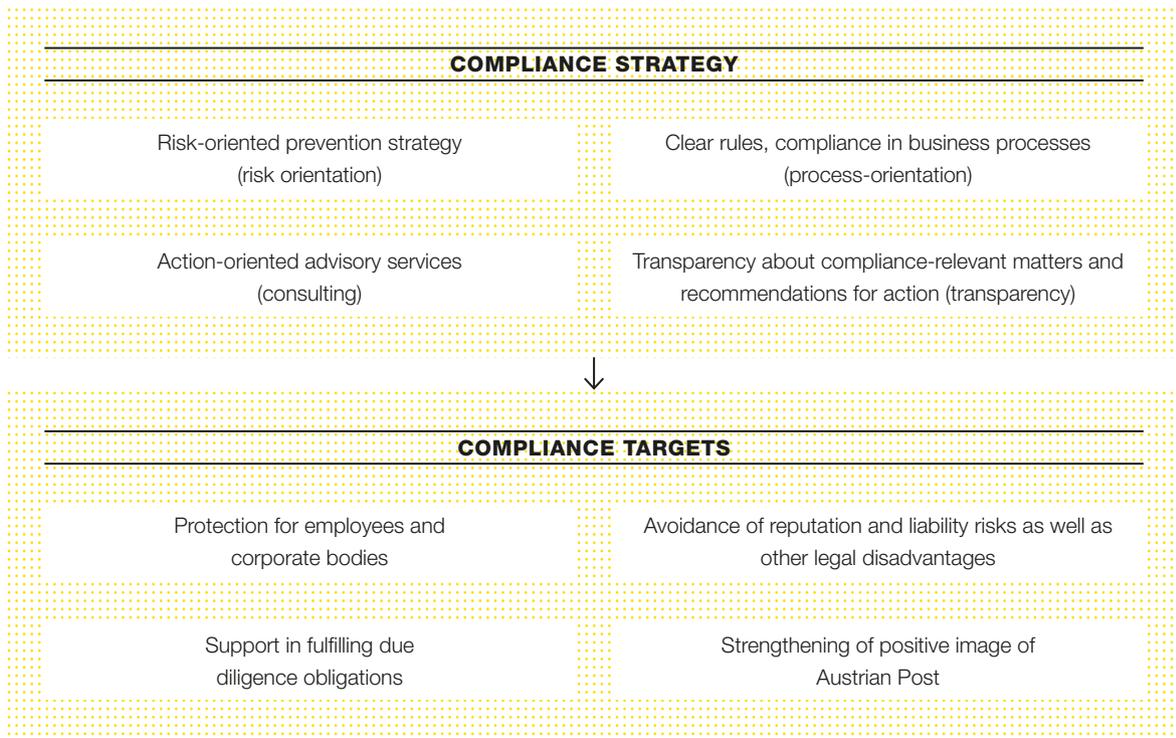
The compliance management system encompasses the areas of “capital market” and “business compliance”, in which the topic of “anti-corruption” is included. In 2017, a project was initiated to further develop the CMS with respect to anti-corruption and ensure its conformity with the ISO 37001 standard.

COMPLIANCE MANAGEMENT SYSTEM



COMPANY AND VALUES

STRATEGY AND OBJECTIVES



IF YOUR ITEM IS REALLY IMPORTANT, BE SURE TO USE AUSTRIAN POST'S SERVICES.

DISCLOSURE

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COMPLIANCE GUIDELINES

A central pillar of the CMS at Austrian Post is to compile information on the obligations arising from compliance priorities and to implement them in valid guidelines applicable throughout the Group. These guidelines are derived from the Code of Conduct and Ethics and specifically spell out rules and instructions on the respective issues on the basis of this overall framework.

In order to optimally integrate compliance in the company and business processes, the Compliance Officer also assists other business areas in developing appropriate guidelines and processes.

The **CAPITAL MARKET COMPLIANCE DIRECTIVE** aims to ensure a proper and ethically sound behaviour of Austrian Post on the capital market and promote an understanding of capital market compliance. A key aspect is preventing the misuse of inside information. The Capital Market Compliance Directive was drafted in accordance with valid European and Austrian capital market regulations as well as the Issuers Compliance Ordinance of the Financial Market Authority and is binding on all employees of the Austrian Post Group.

The **DIRECTIVE ON THE ACCEPTANCE AND GRANTING OF GIFTS, INVITATIONS AND OTHER ADVANTAGES** describes the principles which must be adhered to in connection with accepting or granting gifts, invitations and other advantages in an employee's business dealings. These guidelines, which are binding for all Austrian Post employees, are regularly updated to reflect changing legal regulations or the experience the company has gained and subsequently communicated throughout the Group.

The **GROUP POLICY ON SPONSORING AND DONATIONS** and the processes it outlines have been binding for all employees in the company since 2015. The guidelines clearly stipulate the requirements and procedures for donations and sponsoring. The policy was rolled out throughout the Group and discussed with the affected departments. The guidelines were last updated in 2016.

Austrian Post plans to consolidate the Directive on the Acceptance and Granting of Gifts, Invitations and Other Advantages and the Group Policy on Sponsoring and Donations into one single business compliance directive in 2018. In this way, all rules pertaining to the issue of anti-corruption will be included in one set of guidelines.

COMPREHENSIVE COMPLIANCE TRAINING

A further important element in the CMS of Austrian Post is communicating and providing information on compliance-relevant issues and contents. Depending on the specific issue, the Compliance Officer makes use of different communications channels and forms of communication and, depending on the contents, resorts to different target group-oriented types of training.

Within the context of general **BUSINESS COMPLIANCE**, all employees with computer access have been given an e-learning tool on the issues of compliance awareness and anti-corruption since 2013. The contents are reviewed and updated, if necessary, each time the relevant guidelines are changed. To complement this, regular broad-based classroom trainings take place, for example as part of the roll-out of a new Group directive.

In the field of business compliance, the focus in 2017 was on classroom trainings. 63 such trainings with a total of 650 participants were held in Austria in collaboration with the compliance officers.

With respect to the issue of **CAPITAL MARKET COMPLIANCE**, the year 2017 was characterised by a continuation of the company's training and information activities. In addition to classroom sessions, e-learning and info-mails, the employee magazine "Meine Post" also provided information related to capital market compliance.

The focus on **ANTI-TRUST COMPLIANCE** is very important for Austrian Post, but it only affects a limited number of employees who have direct contact with competitors. For this reason, the Compliance Office of Austrian Post, in collaboration with the Legal Department, decided to write a manual on dealing with competitors. The affected employees were informed and trained on the issue of anti-trust compliance on the basis of this document.

Employees were not the only priority in 2017. A further focus was on the further education and training of compliance officers. An intensive train-the-trainer session was held for the compliance officers.

The most recent International Compliance Day at Austrian Post took place in April 2018.

Anti-corruption

DISCLOSURE
103-1

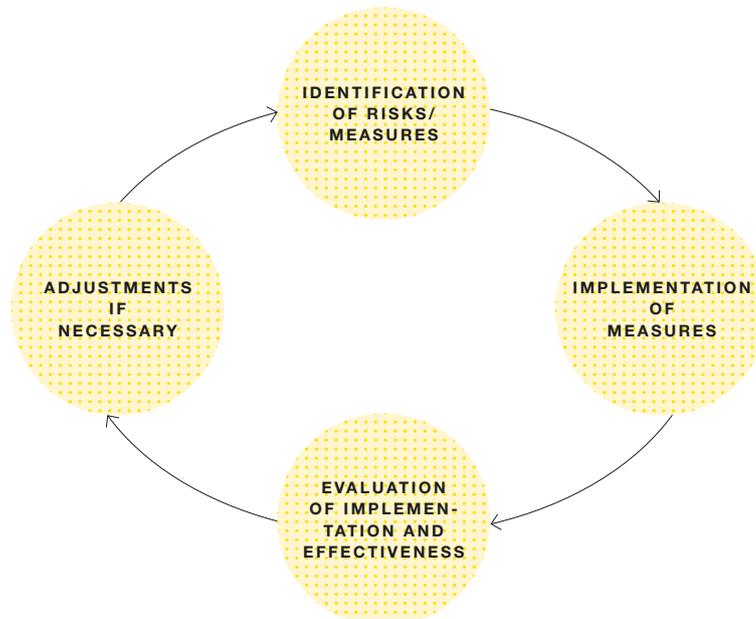
Values such as honesty, predictability and transparency comprise key benchmarks of Austrian Post’s business activities. This is accompanied by the need of all employees in the Group to avoid any appearance of corruptibility or dishonesty in their business dealings. Therefore, “anti-corruption” plays a key role in the compliance management system of the Austrian Post Group.

DISCLOSURE
103-2

— Measures to prevent corruption

The compliance team continually works on improving its anti-corruption activities.

One of Austrian Post’s main objectives within the context of its compliance strategy is to prevent corruption before it has an opportunity to take hold. Like all other CMS issues, Austrian Post takes a cyclical approach towards identifying risks as well as taking and evaluating relevant measures to prevent corruption:



DISCLOSURE

205-1
205-2

SDG

16

IDENTIFYING POTENTIAL CORRUPTION RISKS

Potential corruption risks are identified via the Group risk management system and the annual compliance risk analysis of Austrian Post. The central risk management system did not report any corruption risks for Austria in the year 2017.

Nevertheless, the key pillar in recognising corruption risks is the annual compliance risk assessment carried out by the compliance team based on personal talks held with the compliance officers. Accordingly, a Group-wide compliance risk analysis encompassing all sites was conducted once again in 2017. It encompassed all Austrian and two international subsidiaries and covered about 60 % of all Group sites. The conclusions of this analysis were integrated into the compliance programme for 2018. The results are reported to the Management Board, which then approves the resulting programme. The compliance risk analysis indicates, similar to the risk management system, that the issue of anti-corruption requires ongoing activities, but there is no acute corruption problem at the present time.

DISCLOSURE

205-2

SDG

16

TARGETED TRAINING ACTIVITIES

Continuous, comprehensive risk and target group-oriented training activities comprise an essential part of the anti-corruption measures. In 2017, the focus was on increasing Group-wide awareness of compliance issues spanning all target groups. Classroom trainings for specified target groups were held by the Compliance Office and the Compliance Officers.

Moreover, regular communication and information measures contribute to raising awareness among employees of the need for compliance. Information leaflets and online trainings were offered for employees with low risk potential and little possibility of exerting influence.

DISCLOSURE

103-3
205-3

SDG

16

MEASURES TAKEN IN RESPONSE TO CORRUPTION CASES

No cases of corruption at Austrian Post were reported in 2017. If such a case occurs, Austrian Post takes legal steps in line with prevailing labour laws as well as disciplinary measures. Measures previously initiated to prevent corruption were successfully continued throughout the Group in 2017 within the context of the compliance management system of Austrian Post (see above).

Confidentiality and data integrity

Business customers provide Austrian Post with data to ensure the smooth processing of transport and delivery services. Recipients of mail items also transmit personal data to Austrian Post. Accordingly, confidentiality as well as information and data security are extremely important issues for Austrian Post.

For this reason, Austrian Post identified the following issue as being of material importance in the area of confidentiality and data integrity.

DISCLOSURE
103-1

MATERIAL TOPICS IN THE AREA OF CONFIDENTIALITY

DATA PROTECTION AND SECURITY

— Data protection and security

DISCLOSURE
103-2

Due to technical developments as well as the large volume of data, Austrian Post implements extensive measures to ensure the confidentiality and integrity of customer and company data as well as the integrity and availability of the IT systems operated by Austrian Post.

In compiling, using and processing personal data, Austrian Post strictly adheres to the legal regulations pertaining to data protection (e.g. Data Protection Act., Telecommunications Act, Trade and Industry Code).

Austrian Post attaches great importance to raising awareness among employees about data protection and data security. In order to ensure that data protection is practiced by all employees, Austrian Post established a data protection organisation consisting of data protection managers in all departments at Austrian Post and the data protection officers in the subsidiaries.

DISCLOSURE
418-1

There were no major complaints with respect to violating data protection regulations or the loss of customer data in 2017.

DISCLOSURE
103-3

After approval of the General Data Protection Regulation (GDPR) by the EU, Austrian Post initiated a project to implement the stipulations contained in the new law. Within the context of this project, a target-performance analysis is being carried out to determine the need for changes to Austrian Post's existing systems, products and services. At the same time, Austrian Post is working on different guidelines pertaining to specific data protection issues.

In the year 2017, Group Security organised nine information events on the issue of data security.

In addition, the Mail Solutions business area of Austrian Post set up its own Data Academy for business customers in 2017. Customers are informed about the legal situation and provided with specific assistance and individual solutions in dealing with their own data, amongst other services.

Austrian Post has defined targets, which are revised on an annual basis, in order to measure its success and progress in its field of data protection and data security as well as to document and manage its achievements (refer to Page 33 of the Non-Financial Report in the Annual Report 2017).

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Dialogue with political decision makers

Austrian Post continually exchanges views with political interest groups and decision makers and is committed to ensuring that the political framework is commensurate with the demands imposed upon Austrian Post as well as the needs of its customers. Accordingly, Austrian Post has a justified interest in making sure that its concerns are conveyed to legislators with regard to laws and decisions affecting postal market regulations, parcel delivery, transport and logistics, business location policies, e-government and many other areas. The underlying goal is to ensure that its concerns are actually taken into account and are optimally put into practice.

DISCLOSURE
103-1
103-2
103-3

— Transparency with respect to lobbying and interest representation

According to the Lobbying and Interest Representation Transparency Act (LobbyG) which took effect on January 1, 2013, companies and employees are required to register and disclose cases in which they represent their interests or have their interests represented in the political arena.

The interests of Austrian Post are represented by its own employees as well as membership in associations (e.g. Austrian Federal Economic Chamber, Federation of Austrian Industries, PostEurop, International Post Corporation, EMOTA) as well as consulting companies (e.g. pantarhei advisors Europe) which monitor and report to Austrian Post about relevant political developments on a national and EU level.

All relevant information pertaining to the lobbying activities of Austrian Post, for example the names of company lobbyists, the lobbying expenditures of Austrian Post which exceed EUR 100,000 annually or its lobbying positions are publicly available.

Austrian Post has not only been listed in the Lobbying and Interest Representation Register of the Austrian Ministry of Justice (<http://www.lobbyreg.justiz.gv.at>; registration number LIVR -00196) since November 2014 but is also listed in the voluntary EU Transparency Register.

Supplier management

Austrian Post aims to take responsibility along the entire value chain. Internal processes are not the only decisive factor for Austrian Post enabling it to live up to its ambitions. It is equally important with whom the company works and how these business relationships are defined with respect to responsibility and integrity.

— Responsibility all along the line

DISCLOSURE
103-2

The core business of Austrian Post consists in the acceptance, sorting and delivery of mail items. In order to fulfil these tasks, Austrian Post requires technical equipment, machinery, operating materials, vehicles, IT and other services.

DISCLOSURE
102-9

For this reason, Austrian Post fundamentally distinguishes between purchasing for its core business (infrastructure and logistics) and procurement on behalf of its administration (indirect materials and services):

INFRASTRUCTURE AND LOGISTICS

- Technical systems and machinery
- Technical equipment
- Transport (shipping companies)
- Fleets
- Information technology and telecommunications

INDIRECT MATERIALS AND SERVICES

- Consulting
- Construction
- Facility management
- Furniture and fittings
- Office supplies
- Printed forms
- Marketing
- Philately
- Human resources management
- Travel management

GREEN PROCUREMENT

Within the context of its “green procurement”, Austrian Post takes account of environmental aspects in addition to price, quality and delivery time.

Further information on green procurement can be found in the chapter on the environment starting on page 106.

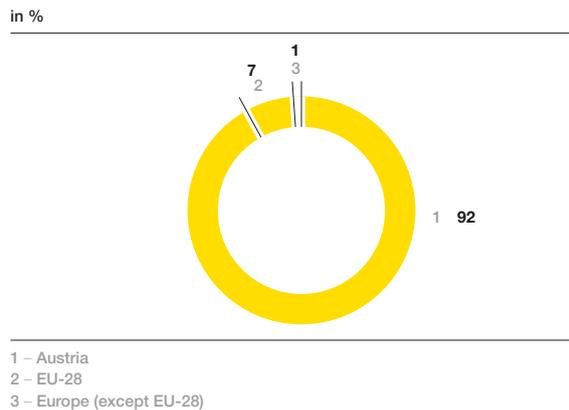
DISCLOSURE
102-9
102-10
204-1
SDG
12

BUSINESS RELATIONSHIPS OF AUSTRIAN POST

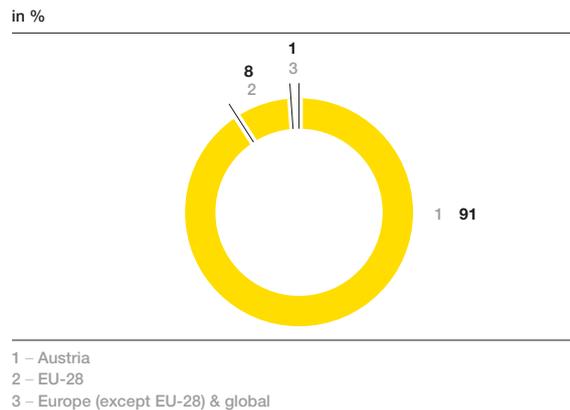
Group Procurement is responsible for an annual order volume of more than EUR 0.5 bn. Accordingly, Austrian Post ranks among the leading purchasers in the Republic of Austria.

The company relies on regional structures in its procurement policy. 92% of the close to 7,000 suppliers of Austrian Post are located in Austria. This means that Austrian suppliers account for more than 90% of the total purchasing volume of Austrian Post. Major changes in the supply chain with respect to its structure, the location of suppliers and their selection did not take place during the reporting period.

SUPPLIERS OF AUSTRIAN POST (ORIGIN)



DISTRIBUTION OF AUSTRIAN POST'S PROCUREMENT VOLUME



CORPORATE PROCUREMENT POLICY AND LOCAL PROCUREMENT POLICY

All purchases made by Austrian Post which exceed a value of EUR 100,000 are subject to Group-wide procurement guidelines (CCP: Corporate Procurement Policy). The Local Procurement Policy (LPP) details the procurement guidelines of Austrian Post for purchases under EUR 100,000 in value.

These two guidelines stipulate that all business relationships have to be oriented to ethical principles and correspond to the requirements of fairness. A further principle contained in the Corporate Procurement Policy is sustainability, stipulating that Group Procurement must carry out its activities in cooperation with environmentally and socially responsible suppliers. Moreover, in procuring products and services, it is important to make sure that the business ties are in accordance with the sustainability strategy of Austrian Post, with particular attention paid to the issues of energy, mobility and CO₂ emissions. The rules in the Corporate Procurement Policy relating to procurement excellence (quality standards, reporting and supplier evaluation) and compliance not only apply to the entire Group Procurement but also purchases which are processed in a decentralized manner by the operating units. The compliance rules also apply for those exceptions (list of exceptions) which are subject to special rules in line with the procurement guidelines of Austrian Post. In its procurement management, Austrian Post also applies internal guidelines in the selection of suppliers.

DISCLOSURE
205-2
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SDG
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16

CODE OF CONDUCT FOR SUPPLIERS

The Code of Conduct for Suppliers of Austrian Post has already been part of the standard documents included in tendering procedures since the year 2012.

In general, suppliers of Austrian Post are subject to the Group's own Corporate Procurement Policy and are required to adhere to the minimum social standards stipulated in the Code of Conduct for Suppliers of Austrian Post.

With respect to all external suppliers with which Austrian Post wants to establish strategically important, financially material or long-term business relationships, a risk assessment is regularly carried out on a medium-term basis in order to minimise the purchasing risk and above all default and dependency risks.

THE CODE OF CONDUCT FOR SUPPLIERS OF AUSTRIAN POST ENCOMPASSES TWELVE AREAS

1. Respect for human dignity
2. Adherence to legal regulations
3. Promotion of equal opportunity and diversity
4. Ban on child labour
5. Ban on forced labour
6. Adherence to national labour laws
7. Support for freedom of association and freedom of assembly
8. Ensuring occupational health and safety
9. Adherence to environmental and safety regulations
10. Adherence to respective national anti-corruption laws
11. Prevention of conflicts of interest
12. Implementation by the contractor, impact on business and contractual relationships

DISCLOSURE

103-3

308-2

414-2

SDG

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VENDOR INTEGRITY CHECK

Starting with an annual net purchasing volume of at least EUR 1 m, or with respect to high risk categories (e.g. management consulting) already starting with a volume of EUR 50,000, suppliers are subject to a vendor integrity check (compliance evaluation: VIC) aiming to ensure that sustainability criteria are taken into consideration. The questionnaire includes questions on the issues of human rights and labour laws, health and safety, sustainability and environmental protection as well as ethics and corporate responsibility.

Up until now, suppliers involved in the Vendor Integrity Check have been asked to provide information on measures they take in the fields of human rights and labour laws, health and safety, sustainability and environmental protection as well as business ethics and corporate social responsibility. In the 2017 reporting year, this information was no longer compiled on the basis of self-disclosures but compiled in the middle of 2018 using system support for the first time in order to enhance data security and quality of the information which was gathered. Subsequently the data was analysed and the supplier was assessed with respect to integrity. All Vendor Integrity Checks are reviewed by the Compliance Department. The supplier is asked to submit a statement if any responses are critically appraised.

If a supplier takes part in the Vendor Integrity Check (VIC) and is given a positive assessment, the supplier will be subject to the VIC again in three years. The situation is different for suppliers which do not fulfil the criteria laid down in the Vendor Integrity Check. Measures are implemented in coordination with the Compliance Department and the extent to which they are successful in complying is evaluated. The supplier is then subject to a renewed Vendor Integrity Check in the following year. The Group's own companies (subsidiaries and sister companies), which perform services on behalf of Austrian Post, and for which invoices are offset are also listed as suppliers but are exempt from the Vendor Integrity Check.

Postal companies in other countries with which Austrian Post has reciprocal cooperation agreements are also exempt. International partnerships and the conditions underlying cross-border postal traffic are regulated by the Universal Postal Union.

DISCLOSURE
103-3
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414-2

— Results of supplier management

Within the context of Austrian Post's supplier management, all suppliers with a significant procurement volume are subject to the Vendor Integrity Check, a supplier assessment (quality audit) and a credit screening by Group Procurement. The Vendor Integrity Check is carried out for all suppliers either surpassing specified value limits and which did not participate in the Vendor Integrity Check in the previous year or for which the assessment of the Vendor Integrity Check turned out to be negative.

SUPPLIER ASSESSMENT

The suppliers are evaluated by the specialist departments and Group Procurement of Austrian Post with respect to commercial criteria, performance and quality as well as innovation and technology. Thanks to the high response rate, 94% of suppliers were fully assessed and 97% reached the required point total.

In consultation with the relevant specialist departments, the suppliers with a lower number of points are either removed from the list or have to initiate improvement measures.

Finally, the suppliers are examined with regard to their financial situation. 98% of the suppliers completely fulfil the credit rating criteria.

Due to the company's conversion to a tool-based method of compiling information, the Vendor Integrity Check will only be carried out in the middle of 2018.

SUPPLIER AUDIT

At present, Austrian Post is carrying out supplier audits on a case by case, event-driven basis. Such an event can be tenders, where not only intensive off-site inspections take place and in which the information received is reviewed but on-site meetings and inspections are also implemented. For example, these on-site evaluations take place in connection with the corresponding complexity or size of the contract or in cases where a higher risk has been identified.

**EXAMPLE OF AN EVENT-DRIVEN AUDIT
CARRIED OUT BY AUSTRIAN POST**

OFF-SITE EVALUATION – REVIEW OF INFORMATION



- Obtain information on the credit rating of the supplier
- Statement of the Credit Protection Association of Austria
- Dun & Bradstreet information
- Examine excerpt from the Commercial Register



- Request list of subcontractors
- Proof of adherence to quality standards (e. g. ISO 9001, ISO 14001, EMAS, ...)
- Other certificates
- Verification of professional liability insurance/business liability insurance (copy of insurance policy or cover note of the insurance company)
- Annual report/annual financial statements for the preceding two years



- References on comparable contract orders
- Evidence of formal professional qualifications of the executives
- Up-to-date criminal record certificate of the managing director
- Up-to-date account statement by the social insurance carrier







ON-SITE EVALUATION – LOCAL INSPECTION

(Visit to production and working areas)



- Subjective evaluation of cleanliness and fire protection
- Subjective evaluation of production facilities and machinery
- Subjective evaluation of occupational safety and working conditions
- Subjective evaluation of security (e. g. access control)



STRATEGY AND OBJECTIVES

Core and sustainability strategy

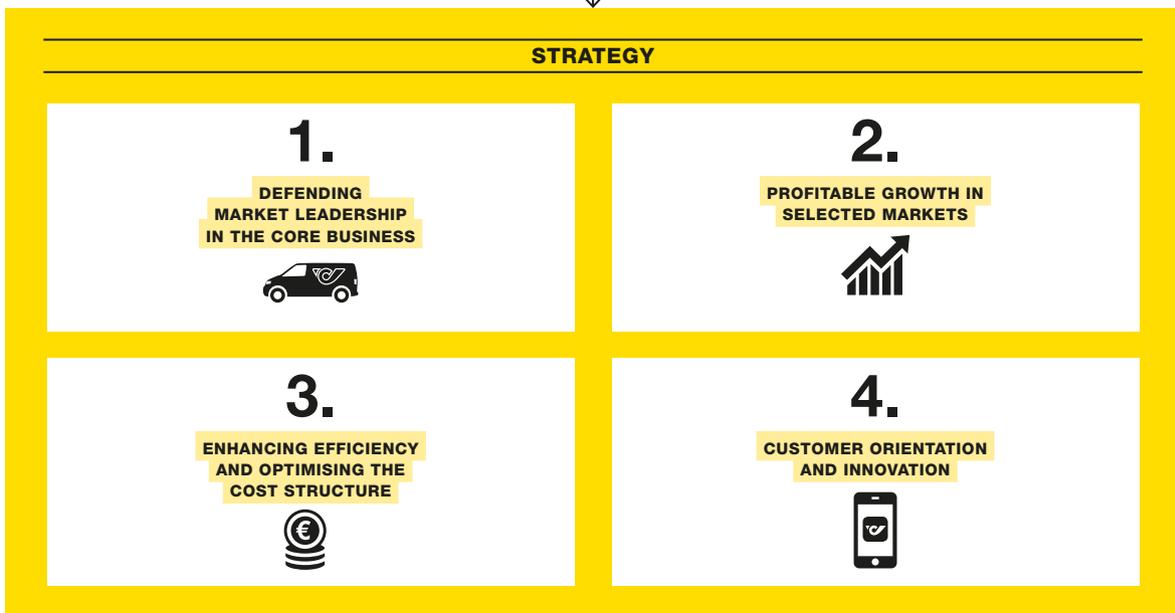
Austrian Post operates on the basis of its business model in an environment characterised by a considerable pressure to change. This is primarily triggered by increasing digitalisation and the internationalisation of markets. Austrian Post has successfully adapted to and mastered these challenges thanks to its core strategy. Also in 2017, this is particularly demonstrated by the stable and sustainable level of profitability of the company.

Changes on the marketplace also open up opportunities. Austrian Post takes advantage of these opportunities to achieve its goals on the basis of its leading market position, close customer proximity and clearly-defined strategy which has proven its value for years. Austrian Post also considers the sustainable orientation of its business operations to be a further opportunity. For this reason, ecological and social factors also play a role in managing the business as a means of safeguarding the long-term success of the company.

— Core strategy

Sustainable profitability will always comprise the top priority of Austrian Post. This is because it serves as the basis for the further expansion of its services for the benefit of customers, the promotion of its international business and the modernisation of the logistics infrastructure. In order to safeguard profitability in the long term, Austrian Post relies on four strategic levers comprising the core of its overall strategic orientation. The mission statement of Austrian Post (starting on page 13) prescribes the core values underlying the strategy and which are binding for all executives and employees.

MISSION	MISSION STATEMENT
<ul style="list-style-type: none"> - We deliver values – reliably, confidentially and personally. - We are the first choice for our customers, partners and employees – yesterday, today and tomorrow. - We are the leading postal and logistics provider in Austria. - As a successful specialist we are growing in Europe. 	<p>The three core values of the mission statement:</p> <ol style="list-style-type: none"> 1. Customer orientation Everything we do revolves around our customers 2. Profitability and sustainability We focus on the future 3. Communication and appreciation We are all Austrian Post <p>The Code of Conduct supports the implementation of shared values. Compliance management ensures adherence to these rules.</p>



— Sustainability strategy

The sustainability strategy of Austrian Post is derived from the core values of the mission statement and the strategic pillars, taking account of stakeholder concerns as well as opportunities and risks. The sustainability strategy covers the four areas of economy, employees, society and the environment.

MISSION STATEMENT	THEMATIC FOCUS	MAIN OBJECTIVES
WE FOCUS ON THE FUTURE		
	Economy	<ul style="list-style-type: none"> – Focus on customers and innovations – Further develop the sustainable business model
	Environment	<ul style="list-style-type: none"> – Protect the climate and preserve resources – Strengthen environmental awareness
EVERYTHING WE DO REVOLVES AROUND OUR CUSTOMERS		
	Society	<ul style="list-style-type: none"> – Ensure reliability of supply and shape underlying conditions – Promote social commitment
WE ARE ALL AUSTRIAN POST		
	Employees	<ul style="list-style-type: none"> – Promote a corporate and leadership culture – Pay attention to health and safety

The individual working groups specify annual sub-targets to complement the main targets in the respective thematic focal points in order to make these main objectives more manageable and pursuable. They divide the main targets into milestones to increase their chances of being achieved. The measures also take account of the issues stakeholders consider to be of importance and are explained in the respective sections of the Sustainability Report.

The existing sustainability programme of Austrian Post is called “PRO ACTIVE! Austrian Post. Sustainable for Austria” to underline the fact that sustainability is not a static state a company achieves once but an ongoing process requiring activities in different areas.

DISCLOSURE

102-18

102-19

102-20

— Responsibility for sustainability

On an organisational level, responsibility for sustainability is directly in the hands of Chief Executive Officer Georg Pölzl in the “Corporate Social Responsibility and Environmental Management Department”.

The Management Board’s task is to integrate sustainability-related issues in the highest decision-making bodies and processes of the company in order to ensure its sustainability-oriented corporate development. Important corporate decisions on social aspects are made in accordance with the mission statement of Austrian Post and on the basis of relevant legal regulations.

In its role as the highest governing and supervisory body, the Supervisory Board performs its duties by taking account of the economic as well as social and ecological responsibility of the company.

Furthermore, there are inter-company working groups for each area which convene at least once a year. Together they deal with current sustainability-related issues, formulate corresponding objectives and define appropriate measures. In this regard, great importance is attached to an interdisciplinary approach and cooperation among the individual areas.

DISCLOSURE
102-12

— Sustainable Development Goals

Austrian Post has been a member of the UN Global Compact since 2007. In implementing its goals and activities, it orients its operations to these principles with regard to human rights, labour laws, environmental protection and anti-corruption. On the basis of its commitment to the Global Compact, Austrian Post has also adopted one of its main objectives, namely implementation of the United Nation's 17 global objectives called the Sustainable Development Goals (SDGs). They took effect in January 2016 and are designed to provide a globally valid framework for sustainability until the year 2030. Austria has also committed itself to pursuing these goals in addition to 192 other members of the United Nations.



Within the context of revising its sustainability strategy in 2016, Austrian Post defined the goal of integrating the SDGs in managing the company. The SDGs are already firmly embedded in the company due to the sustainable orientation of the mission statement developed in 2010, whose cornerstones are economic growth, sustainability, customer orientation and appreciation of employees.

On balance, the measures and programmes carried out by Austrian Post contribute towards achieving eleven of the 17 sustainability goals of the United Nations.

AUSTRIAN POST'S FOCUS ON SUSTAINABLE DEVELOPMENT GOALS

- As a public limited company, a stable economic performance (SDG 8) is at the heart of its business operations.
- As a service company, Austrian Post attaches particular importance to the social orientation of its business activities. Health care (SDG 3) and training programmes (SDG 4), the promotion of gender equality (SDG 5) as well as anti-discrimination and diversity (SDG 10) are firmly anchored in the company.
- As a logistics company, the ecological orientation of its business is becoming increasingly important. The focus is on climate protection (SDG 13), which Austrian Post actively supports by promoting a sustainable infrastructure (SDG 9), using renewable and innovative technologies (SDG 11) and actively promoting environmentally friendly consumption and production patterns (SDG 12).
- In carrying out its business operations, Austrian Post contributes to a sustainable society (SDG 11) and the development of the rule of law (SDG 16).

The individual sections of this report provide details on precisely how the SDGs are implemented by Austrian Post.

DISCLOSURE
102-12
103-2

— Clear commitment to climate protection: Science Based Targets

Since 2016, Austrian Post has been participating in “Science Based Targets”, further strengthening its clear commitment to climate protection in 2016. The Science Based Targets initiative is supported by the World Wildlife Fund and pursues the goal of actively involving companies in climate protection efforts.

Austrian Post has set a scientific climate objective up until the year 2025 within the context of this initiative. This goal is in accordance with the results of the Paris Agreement and thus makes a contribution towards limiting global warming to less than 2°C. More specifically, Austrian Post is committed to reducing its CO₂ emissions by 14 % by the year 2025 (compared to the base year of 2013).

In addition to nominal targets, Austrian Post has also defined relative reduction targets. These objectives not only encompass emissions which Austrian Post can influence as a result of its own operations (Scope 1 and Scope 2) but also CO₂ emissions of suppliers (Scope 3 targets). The commitment to these holistic and scientific goals requires a reduction of CO₂ emissions along the entire value chain. Accordingly, the collaboration with suppliers, who also pay attention to the environmental compatibility of their business processes has become even more crucial.

DISCLOSURE
102-12

— Honours and awards

The fact that Austrian Post operates sustainably from the perspective of the capital market is confirmed by the results of various national and international ratings. Austrian Post was once again involved in the international program “Environmental Measurement and Monitoring System” (EMMS) of the International Post Corporation (IPC) in the year 2017.

CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project (CDP) is the world’s largest database for corporate environmental and climate change information and is extensively used by capital market participants to evaluate potential investments. Austrian Post achieved a major success in 2017. It was the only company in Austria to be included in the “CDP Climate A List”. This recognition not only confirms Austrian Post’s transparent environmental reporting but also serves as evidence of the quality of the initiated climate protection measures.

MSCI ESG RESEARCH

Austrian Post was granted the best possible rating of AAA within the context of the MSCI environmental, social and governance ratings in which the company was evaluated according to the best-in-class approach and compared to other companies in the postal sector. Only 11 % of all postal companies boast this quality standard. The successful reduction of CO₂ emissions, above all the expansion of the e-vehicle fleet, were positively assessed. MSCI also emphasized the attractive remuneration systems at Austrian Post as well as the further education and professional development offering for employees and the good and solid business management structures.

ISS OEKOM RESEARCH

ISS oekom research is one of the world’s leading rating agencies in the field of sustainable investments. Austrian Post was awarded the Prime Status rating within the context of the oekom Corporate Rating of May 2018. As a result, Austrian Post ranks among the leading transport and logistics companies when it comes to sustainability.

IPC SILVER AWARD 2017

Austrian Post actively participates in international programmes such as the “Environmental Measurement and Monitoring System (EMMS)” of the International Post Corporation (IPC) and was awarded the IPC Silver Award again in 2017.

VÖNIX

From a capital market perspective, the renewed acceptance of Austrian Post for listing on the Austrian sustainability index VÖNIX of the Vienna Stock Exchange for the period 2017/18 confirms the sustainable manner in which Austrian Post operates.

ECOVADIS

EcoVadis awarded its “Silver Recognition Level” to Austrian Post in recognition of its CSR activities. EcoVadis is a sustainability assessment platform, which aims to improve the environmental and social activities of companies by CSR performance monitoring within the supply chain and support companies in improving their sustainability scorecards.

ENERGY GLOBE AWARD

Austrian Post was given the renowned “Energy Globe Vienna” environmental award in 2017 for its project of delivering letter mail with e-vehicles. In the category “Air”, Austrian Post was the winner of the “Energy Globe Austria 2017” award. At the beginning of 2018, Austrian Post won the internationally renowned “Energy Globe World Award” for its e-mobility concept. The Energy Globe Award is bestowed annually for outstanding projects with a focus on conserving natural resources, energy efficiency and the use of renewable energy.

AUSTRIAN SUSTAINABILITY REPORTING AWARD

In November 2017, Austrian Post placed second in the category “Separate sustainability report of large companies” within the context of the Austrian Sustainability Reporting Award (ASRA) in recognition of the best sustainability reports in Austria. The ASRA honours those Austrian companies which fulfil the requirements of operating sustainably in an exemplary manner and transparently present it in their sustainability reports.

EPCON AWARD

Austrian Post is a pioneer in the field of “green logistics” and was granted the EPCON AWARD in 2017 thanks to its operating the largest e-vehicle fleet in Austria. The EPCON AWARD of the conference and seminar provider IIR is awarded for outstanding energy projects.

BMÖ SUPPLY CHAIN SPECIAL SUSTAINABILITY AWARD

The Federal Association of Materials Management, Purchasing and Logistics (BMÖ) in Austria granted awards to companies for their excellent performance along the value chain at its “Austrian Procurement Forum 2017”. Austrian Post was given the “Recognition Award for Sustainability in the Supply Chain through CO₂ Neutral Delivery” in honour of its e-mobility activities.

Stakeholder Management

As one of the largest employers in the country and as the market leader in providing universal postal service, Austrian Post’s relations with different stakeholder groups are divers. The dialogue with these stakeholder groups helps Austrian Post to fulfil their expectations, identify improvement potential and define specific measures to be implemented.

— In the spotlight

The aim of Austrian Post’s stakeholder management is to get to know the concerns of stakeholders better and integrate these concerns in the company’s strategy. At the same time, stakeholder management also strives to strengthen and expand the very good and open relationships to interest groups.

For this reason, Austrian Post discusses and develops strategic goals, measures and their implementation within the context of a broad-based dialogue with its stakeholder groups. The sustainability goals and measures of Austrian Post are strongly oriented to the demands and expectations of its stakeholders.

STAKEHOLDER GROUPS OF AUSTRIAN POST

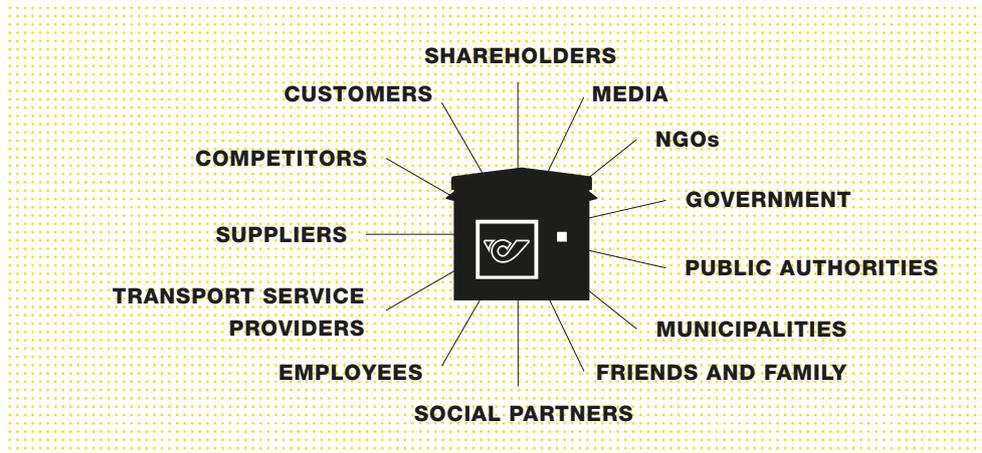
The stakeholder groups of relevance to Austrian Post were evaluated in 2014 and identified in line with ONR 192500, the certified guideline underlying ISO 26000. The identification took place on the basis of several criteria, for example:

DISCLOSURE
102-42

- Who could be impacted by the decisions or activities of the company?
- Who would be likely to object to these decisions or activities?
- To whom does the company have legal obligations?
- Who would be impacted along the value chain?
- Who is basically interested in Austrian Post or influences the company?

The following stakeholder groups were identified on the basis of the above-mentioned criteria:

DISCLOSURE
102-40



ENGAGED IN A DIALOGUE WITH STAKEHOLDER GROUPS

For Austrian Post, ongoing communication with its various stakeholder groups is enormously important to provide a foundation for the step by step development of the company's sustainability strategy. The individual interest groups represent different areas of society and have different expectations of Austrian Post. The analysis and clustering of stakeholder groups contributes to Austrian Post's ability to specifically respond to the demands of the respective interest groups.

Austrian Post involves its stakeholders in different ways:

On the one hand, the natural interface of a service company i. e. the direct contact of Austrian Post employees to customers comprises an important form of dialogue. On the other hand, the specially established sustainability groups of Austrian Post's four focus areas (employees, society, environment and economy), consisting of employees from different departments, are continuously in direct contact with their respective stakeholder groups. The wishes and concerns expressed by the individual stakeholder groups in the course of this dialogue are treated in the respective working groups which convene at least once a year.

Another important form of dialogue is the annual Stakeholder Roundtable of Austrian Post to which the company invites its stakeholders. The roundtable offers customers, employees, NGOs, lobbyists, mayors and small investors a direct and personal opportunity to convey what they believe to be important to Austrian Post as well as what they desire from the company.

In organizing its Stakeholder Roundtable, Austrian Post attaches great importance to creating a balance among the different stakeholder groups participating in the roundtable as well as between men and women. In this way, Austrian Post ensures that stakeholders with different backgrounds and interests confront each other in the individual discussion groups and that there is a lively exchange of views for the benefit of Austrian Post and the stakeholders.

The Stakeholder Roundtable of Austrian Post took place for the seventh time on September 25, 2017. Austrian Post discussed material topics with about 30 stakeholders, and subsequently revised or expanded upon these topics (refer to page 38).

Austrian Post attaches great importance to the opinions expressed by stakeholders on the importance of the different issues, because these issues comprise the foundation of the sustainability strategy. The next Stakeholder Roundtable is scheduled to be held in the autumn of 2018.

Furthermore, there are a series of **OTHER OPPORTUNITIES** for (individual) stakeholder groups to express their opinions, exchange views or participate in the decision-making process, for example:

- Employee survey (every two years)
- Customer service for private customers (available during normal business hours)
- Customer service for business customers (available during normal business hours)
- Customer survey (quarterly)
- Investor Relations Department (available during normal business hours)
- Compliance hotline (available during normal business hours)
- Ombudsperson for employees (available during normal business hours)
- Annual General Meeting (held once a year)
- Separate E-Mail address for issues relating to sustainability (csr@post.at)

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Material topics

Austrian Post worked together with its stakeholders and internal experts at the Stakeholder Roundtable 2017 to revise the most important issues originally defined in the year 2014.

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The objective of the entire process was to re-cluster the material topics, discuss the importance of these topics with stakeholders, and finally, to obtain an assessment of these thematic areas with respect to their impacts on the economic environment, society, employees and the environment.

The participants at the Stakeholder Roundtable were asked about the significance of the topics, and also had the possibility to propose and discuss additional material topics in addition to the ones already identified by Austrian Post. The participants were given the opportunity in the plenary session to vote electronically on the significance of the individual issues. The entire process was supported by an auditor.

After the end of the Stakeholder Roundtable, internal experts assessed the material topics which were identified with respect to their economic, ecological and social impacts.

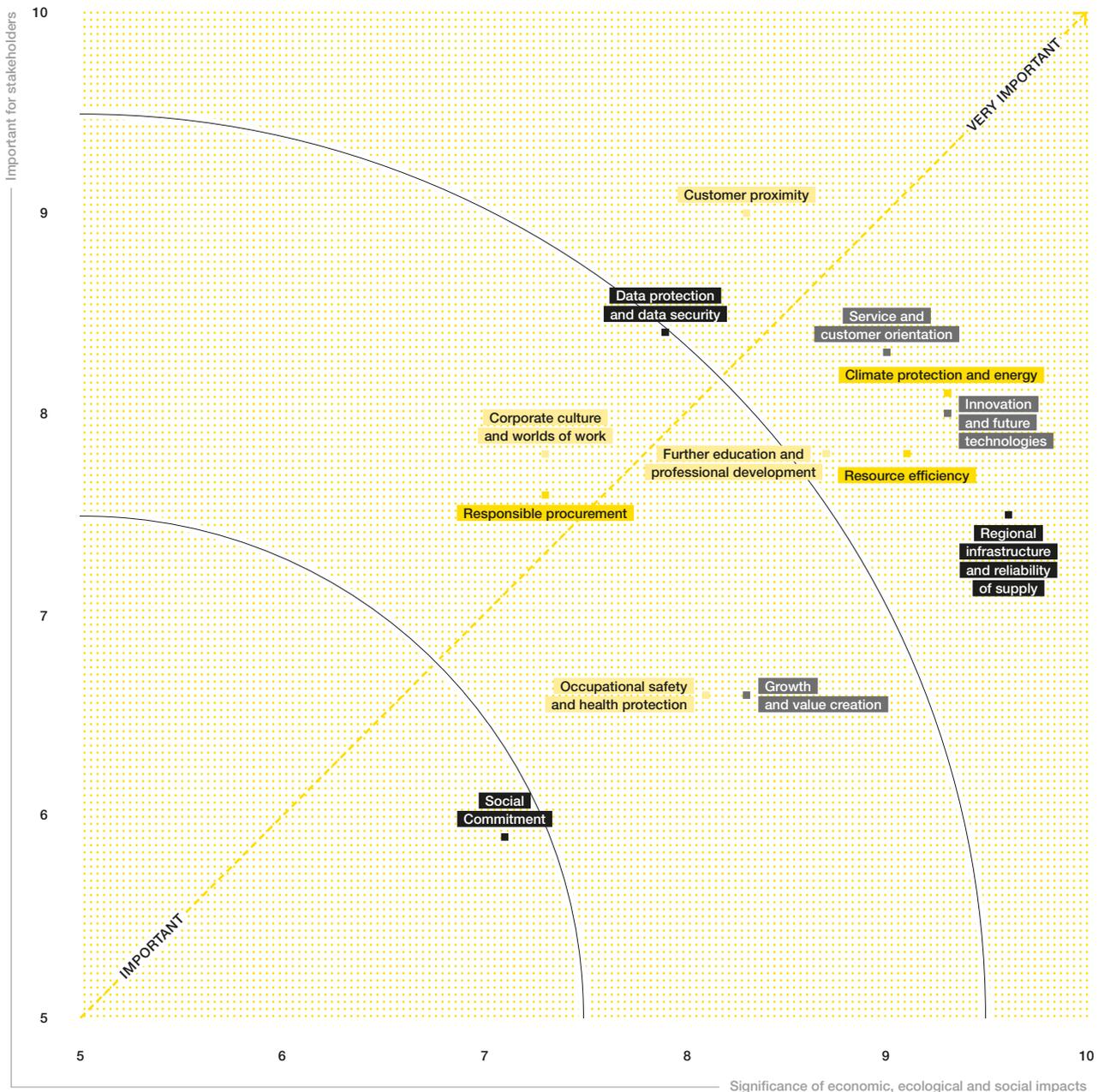
The outcome of both rounds of voting were integrated into a materiality matrix. The revision process for the material topics shows that most topics are considered to be of extensive importance and have a significant impact. The topics of customer proximity, service and customer orientation, climate protection and energy, innovation and future technologies, regional infrastructure and reliability of supply as well as resource efficiency were considered by stakeholders to be the most important and are also believed to have a high impact.

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MATERIALITY MATRIX OF AUSTRIAN POST

- Environment
- Employees
- Society
- Economy



The reasons why these topics are viewed as being important and what impacts they have are presented in the following chart:

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MATERIAL ECONOMIC TOPICS

MATERIAL ISSUES ACCORDING TO THE MATRIX	IMPACTS AND RESPONSIBILITY/ INFLUENCE OF AUSTRIAN POST	GRI STANDARD/INTERNAL PERFORMANCE INDICATORS
Growth and value creation	Growth and value creation are key factors in the economic success of Austrian Post. Other indirect effects arise from the related volume of contract orders, taxes and fees.	GRI 201: Economic Performance GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behaviour GRI 419: Socioeconomic Compliance
Innovation and future technologies	Modern and innovative products and services comprise a crucial pre-requisite of economic success. Other companies, the government and society also profit from innovations and investments in the infrastructure.	Not a material issue according to GRI. An internal performance indicator is currently being evaluated.
Service and customer orientation	Austrian customers, especially customers in the company's core business, directly benefit from the service and customer orientation of Austrian Post. With respect to those areas in which Austrian Post does not perform the services itself but, for example, works together with external delivery staff, the company only indirectly and to a limited extent has an influence on service and customer orientation.	Not a material issue according to GRI. The results of a customer satisfaction analysis (CSI) comprise the internal performance indicator.

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MATERIAL SOCIAL TOPICS

MATERIAL ISSUES ACCORDING TO THE MATRIX	IMPACTS AND RESPONSIBILITY/ INFLUENCE OF AUSTRIAN POST	GRI STANDARD/INTERNAL PERFORMANCE INDICATORS
Regional infrastructure and reliability of supply	Austrian Post safeguards the regional infrastructure and ensures a reliable supply of postal services for the Austrian society and customers in Austria.	GRI 203: Indirect Economic Impacts Other internal performance indicators are the requirements imposed by the universal service obligation (nationwide network of postal service points and stipulated delivery quality).
Social commitment	Socially disadvantaged sections of the population in Austria are supported by social projects carried out by Austrian Post. As a partly privatised company, Austrian Post aims to assume its corporate social responsibility to a special degree.	Not a material issue according to GRI. Internal performance indicators are the total sponsoring expenditures and total amount of donations.
Data protection and data security	Austrian Post is required to take extensive measures to protect employee and customer data. Personal data is an important component of Austrian Post's core business. For this reason, the confidential and proper handling of this data particularly impacts customers of Austrian Post's core business.	GRI 418: Customer Privacy

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MATERIAL EMPLOYEE TOPICS

MATERIAL ISSUES ACCORDING TO THE MATRIX	IMPACTS AND RESPONSIBILITY/ INFLUENCE OF AUSTRIAN POST	GRI STANDARD/INTERNAL PERFORMANCE INDICATORS
Corporate culture and worlds of work	A strong shared image of Austrian Post and a positive corporate culture are important basic prerequisites to create an attractive working environment for employees. This is accompanied by a high level of employee identification and satisfaction. Austrian Post believes that only satisfied employees will be able to optimally contribute to the long-term value creation of Austrian Post.	GRI 401: Employment GRI 402: Labor/Management Relations GRI 405: Diversity and Equal Opportunity
Occupational safety and health protection	Measures to ensure safety at the workplace and health protection positively impact employee health. Only employees who are fit for work can safeguard the reliable supply of postal services in Austria. Austrian Post only has a limited influence on occupational safety and health protection in its partner companies. However, minimum standards are defined in the Code of Conduct for Suppliers.	GRI 403: Occupational Health and Safety
Further education and professional development	Austrian Post employees are given individual support in order to enable them to optimally master their professional challenges.	GRI 404: Training and Education
Customer proximity	Regular contact of employees with customers is of particular importance and an important factor in Austrian Post's ability to achieve a high level of customer satisfaction.	Not a material issue according to GRI. The results of the customer satisfaction analysis (CSI) comprise the internal performance indicator.

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MATERIAL ENVIRONMENTAL TOPICS

MATERIAL ISSUES ACCORDING TO THE MATRIX	IMPACTS AND RESPONSIBILITY/ INFLUENCE OF AUSTRIAN POST	GRI STANDARD/INTERNAL PERFORMANCE INDICATORS
Climate protection and energy	As a logistics company, Austrian Post is associated with direct and indirect (e.g. via partner companies) environmental impacts. Effects on the climate and air quality particularly arise from operating vehicles and the use of energy in operating postal service points and office buildings in Austria.	GRI 302: Energy GRI 305: Emissions
Resource efficiency	As a logistics company, Austrian Post is associated with direct and indirect (e.g. via partner companies) environmental impacts. The conscious use and handling of natural resources, for example energy, water and waste, is a matter of course for Austrian Post in order to further reduce negative impacts.	GRI 301: Material 2016 GRI 302: Energy 2016 GRI 306: Effluents and Waste 2016
Responsible procurement	Austrian Post also assumes its responsibility in the supply chain based on a responsible and primarily regional procurement. In this way, it aims to ensure a socially-oriented, humane and environmentally-friendly supply chain and avoid negative effects on the environment and with regard to respecting human rights.	GRI 204: Procurement Practices GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behaviour GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment

How Austrian Post takes these material topics into account within the context of its sustainability management, which management approaches it pursues in each case, and the progress it has made with respect to the material topics is handled in the company and values section as well as in the four sections dealing with the four thematic priorities of economy, society, employees and the environment.



FOCUS AREAS

44 — Economy

- 46 — What is important tomorrow
- 47 — What Austrian Post already does today
- 50 — Create sustainable value in times of change

58 — Society

- 60 — What is important tomorrow
- 61 — What Austrian Post already does today
- 64 — Austrian Post – reliable and committed

68 — Employees

- 70 — What is important tomorrow
- 72 — What Austrian Post already does today
- 76 — Fit for the future

90 — Environment

- 92 — What is important tomorrow
- 94 — What Austrian Post already does today
- 98 — Consider environmental aspects at all times



ECONOMY

NEW POST RECORD: 97 MILLION PARCELS IN THE YEAR 2017

Similar to prior years, Austrian Post achieved a new parcel record in 2017. The logistics company transported 97 million parcels in the previous year, comprising a rise of almost 20%. This was achieved in spite of increasing competition on the parcel market. Growth is being primarily driven by increasing B2C parcel volumes (parcels to private customers) due to the expansion of e-commerce.

AUSTRIAN POST. PRO ACTIVE FOR THE ECONOMY.



PRO ACTIVE
for the economy

What is important tomorrow

On the basis of its business model, Austrian Post acts in an environment characterised by far-reaching changes. Austrian Post continuously analyses the context in which it operates its business in order to be able to optimally align its services and offerings.

TRENDS AND CHALLENGES

In addition to cyclical and market developments as well as factor cost increases, the development of staff costs is one of the external influencing and success factors Austrian Post has to deal with in the short-term and long-term.

Furthermore, the spread of digitalisation, growing competitive pressure and the internationalisation of markets also pose major challenges to Austrian Post, making it necessary for the company to actively adapt to these changes in order to safeguard the long-term economic success of the company.

For example, digitalisation not only results in a significant drop in letter mail volumes but also increasingly leads to changes in the life style of customers, who want to be able to flexibly access postal services on a 24/7 basis. The challenge for Austrian Post is to open up new business areas to compensate for the loss of revenue from the letter mail business. At the same time, it must create innovative digital solutions to fulfil customer needs.

In essence, the trends impacting Austrian Post and the challenges they pose can be summarised as follows:

DEVELOPMENTS IMPACTING AUSTRIAN POST IN THE FOCUS AREA OF THE ECONOMY

E-SUBSTITUTION – PRESSURE ON THE CORE BUSINESS

Communication is becoming more digital, and the letter mail business is declining. Austrian Post has to offset the loss of revenue in this area by means of new and lucrative sources of income.

GROWING COMPETITIVE PRESSURE

Private customer parcel volumes are rising thanks to the steadily growing importance of online shopping. However, competitive intensity is also increasing.

What Austrian Post already does today

Sustainably successful business management is the top priority for Austrian Post's management as the basis for long-term growth and its ability to continue safeguarding its market leadership position. Only an economically successful company can contribute towards fulfilling social and ecological needs.

DISCLOSURE
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— Management approach of Austrian Post

As the undisputed market leader, Austrian Post resolutely defends its market leadership and aims to profitably grow in the markets it has defined. To ensure its future success, Austrian Post continually invests in the expansion and modernisation of its infrastructure and working processes. In addition, it pursues an attractive dividend policy for the benefit of its shareholders.

Austrian Post attaches great importance to innovation to fulfil the growing demands of its customers, whether senders or recipients. It consistently thinks of both sides. How can the company enhance the added value for senders and improve comfort for recipients? In this case, Austrian Post benefits from being close to its customers and part and parcel of their everyday lives. As a consequence, Austrian Post is aware of what moves customers, and can even frequently anticipate their wishes and expectations and directly integrate this input into its offerings and services. This contributes significantly to Austrian Post's success in holding its own against the competition.

Further information on strategy can be found on page 28 as well as starting on page 6 of the Financial Report 2017.

This strategic direction is in accordance with the material topics stakeholders identified within the context of the materiality analysis in the focus area of the economy.

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MATERIAL ISSUES IN THE FOCUS AREA OF THE ECONOMY

GROWTH AND VALUE CREATION

INNOVATION AND FUTURE TECHNOLOGIES

SERVICE AND CUSTOMER ORIENTATION

Austrian Post relies on new, innovative business ideas and the implementation of efficiency enhancement programmes as a means of generating growth and value creation and being able to offer attractive dividends to its shareholders. Accordingly, Austrian Post works continuously on its processes and work flows to further increase the flexibility of the cost structure and raise productivity but also to improve service quality with the ultimate target of enhancing customer satisfaction.



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— Achievements in 2017 and targets for 2018

Austrian Post has defined objectives and measures which are revised on an annual basis in order to measure its success and progress in its focus area of the economy as well as to document and manage its achievements on important issues. The economic objectives of Austrian Post were defined for the entire Group. For this reason, the target achievement assessment incorporates Group data. These goals are to:

FURTHER DEVELOP AUSTRIAN POST'S SUSTAINABLE BUSINESS MODEL

The strategic objective is to create value. Austrian Post intends to leverage further growth potential in selected markets through a targeted offering of value-added services, especially in the fields of parcel and logistics and online services. The company aims to generate economically attractive business results from its operations in Austria and abroad in order to strengthen the company's development and provide regular dividend payments to its shareholders.

FOCUS ON CUSTOMERS AND INNOVATION

The strategic objective is to safeguard the company's leading market position. Austrian Post strives to continue offering the highest quality mail and parcel delivery services in its core market of Austria. The company aims to offer additional services, which are related to its core business, to private and business customers above and beyond its basic offering and generate added value for customers.

TARGETS FOR 2017	ACHIEVED IN 2017	TARGETS FOR 2018
FURTHER DEVELOP THE SUSTAINABLE BUSINESS MODEL OF AUSTRIAN POST		
Target of maintaining Group revenue at a stable level in 2017 (2016 revenue of EUR 1.9 bn excl. trans-o-flex)	The target of achieving Group revenue of EUR 1.9 bn was achieved in spite of a challenging business environment	Target of maintaining Group revenue at a stable level in 2018 (2017 revenue of EUR 1.9 bn)
Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency	Measures were continuously implemented again in 2017 to optimise structures, enhance efficiency and reduce costs. As a result, the Austrian Post Group generated an EBITDA margin of 15.2% in the year under review.	Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency
Target of generating stable operating results (EBIT) at the level of 2016 (2016 EBIT of EUR 202.3m)	Operating results (EBIT) of Austrian Post amounted to EUR 207.8m, a year-on-year rise of 2.7%	Target of generating stable operating results (EBIT) at the level of 2017 (2016 EBIT of EUR 207.8m)
FOCUS ON CUSTOMERS AND INNOVATION		
Promotion of online services such as the Post App and the e-letter	Promotion of online services such as the Post App, Postcard App and online parcel stamp	Ongoing promotion of online services such as the Post App and the e-letter
Expansion of the Post pick-up box to achieve the medium-term target of 20,000 units	23,662 Post pick-up boxes are at the disposal of customers	
Expansion of pick-up stations in order to achieve the medium-term target of 300 units	308 pick-up stations are at the disposal of customers	Medium-term doubling of self-service solutions
Expansion of self-service zones in order to achieve the medium-term target of 400 units	351 self-service zones are at the disposal of customers	

The economic performance of Austrian Post is presented in detail in the Financial Report 2017.

Create sustainable value in times of change

Austrian Post is focusing on growth drivers in other business areas in order to compensate for declining addressed letter mail volumes triggered by e-substitution. To ensure its future success, Austrian Post is investing in new service offerings as well as in the expansion and modernisation of its infrastructure and work processes.

— Growth and value creation

A company who wants to generate sustainable value has to operate in an economically sound and profitable manner. The profitability of Austrian Post is reflected in the Group-wide EBIT margin of 10.7 % in 2017. On the basis of existing volume and revenue forecasts and the continuation of its ability to render services efficiently, Austrian Post is striving to achieve a stable operating EBIT in 2018 comparable to the level of 2017.

EARNINGS SITUATION

EUR m	2015 ¹	2016	2017
Revenue	1,756.8	1,746.1	1,780.3
Other operating income and work capitalised	42.9	25.3	101.2
Raw materials, consumables and services used	-329.0	-339.8	-346.8
Staff costs	-958.7	-953.0	-980.8
Depreciation, amortisation and impairment losses	-59.9	-56.0	-57.6
Other operating expenses	-239.0	-233.7	-294.3
Results for financial investments accounted for using the equity method	-128.4	-10.2	-24.6
Earnings before other financial result and tax (EBIT)	84.7	178.6	177.5
Other financial result	2.7	-0.4	9.8
Earnings before tax (EBT)	87.4	178.2	187.3
Income tax	-46.2	57.4	-55.0
Profit for the period	41.2	235.6	132.2

¹ Adjustment due to initial application of RÄG 2014 (Austrian Law on the Changes in Accounting) in the consolidated financial statements as of December 31, 2016

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The income statement of Austrian Post (individual financial statements pursuant to the Austrian Commercial Code) shows the following picture in 2017: **REVENUE** of the parent company Österreichische Post AG (Austrian Post) rose by EUR 34.2 m in the 2017 financial year, from EUR 1,746.1 m in 2016 to EUR 1,780.3 m in 2017. This is mainly attributable to dynamic parcel growth, enabling the company to more than compensate for the revenue decline in the Mail & Branch Network Division. The launch of a simplified product structure as of January 1, 2017, in particular a shipment offering featuring the “Packet” tailored to the requirements of the e-commerce market.

The Mail & Branch Network Division accounts for 76.9% of the revenue of Austrian Post, whereas the Parcel & Logistics Division contributes 21.0% of revenue, and the Corporate Division 2.1%.

Staff costs comprise a large proportion of the expenses incurred by Austrian Post and amounted to EUR 980.8 m in the 2017 financial year, a year-on-year rise of EUR 27.8 m. This increase is mainly due to the higher allocation to provisions for non-operational staff costs. They largely encompass termination benefits and changes in provisions, which are primarily related to the specific employment situation of civil servants at Austrian Post. The above-mentioned increase in the need to allocate provisions resulted mainly from the realignment of the financial services business in the branch network. In the context of the gradual separation of the cooperation with the banking partner BAWAG P.S.K., an initial agreement was concluded with regards to the redimensioning of bank consultancy services for which corresponding provisions were allocated.

Raw materials and consumables climbed 2.0% to EUR 346.8 m compared to the previous year. This was mainly due to higher parcel volumes in the core business.

The results of the financial assets accounted for using the equity method made a negative contribution of minus EUR 24.6 m to earnings due to impairment losses in the financial year. In contrast, there was no same-period recognition of investment income in the 2017 financial year.

Depreciation, amortisation and impairment on intangible assets and property, plant and equipment of Austrian Post rose by 2.8% to EUR 57.6 m in the 2017 financial year.

The year 2017 showed a considerable increase in both other operating expenses and other operating income.

Other operating income and own work capitalised rose to EUR 101.2 m compared to EUR 25.3 m in the previous year. Other operating income in the reporting period included claims related to non-wage labour costs paid in previous periods. Netted against any compensation payments, which are reported under other operating expenses, these claims amounted to EUR 21.0 m in 2017. Furthermore, other operating income also included a payment of EUR 26.9 m from BAWAG P.S.K. as a result of the amendment agreement.

Earnings before the other financial result and tax (EBIT) of Austrian Post totalled EUR 177.5 m and thus continued to show a stable development. Earnings before tax (EBT) increased from EUR 178.2 m in the 2016 financial year to EUR 187.3 m in 2017. This is primarily attributable to the sale of Austrian Post's indirect stake in BAWAG Group AG. Similarly, the other financial result also includes the loss of EUR 3.1 m resulting from the merger with Aktionsfinder GmbH.

The income tax amounted to EUR 55.0 m in the reporting period. The comparative period in the previous year shows a net balance of EUR 57.4 m due to the initial recognition of deferred tax assets as a consequence of the 2014 Austrian Law on Changes in Accounting.

On balance, the net profit for the period equalled EUR 132.2 m for the 2017 financial year.

The consolidated income statement can be found in the Financial Report 2017 (page 90).

— Analysis of value creation

Austrian Post pursues the goal of generating sustainable added value on behalf of its stakeholders and thus for the Republic of Austria. The value generated by the company in 2017 is summarised below and was distributed to the following stakeholder groups:

ANALYSIS OF VALUE CREATION GENERATED BY AUSTRIAN POST (PURSUANT TO THE AUSTRIAN COMMERCIAL CODE)

EUR m	2015 ¹	2016	2017
Origin			
Revenue and other operating income	1,799.7	1,771.4	1,881.6
less advances	-621.1	-622.9	-691.1
thereof raw materials and consumables	-329.0	-339.8	-346.8
thereof other operating expenses	-232.2	-227.1	-286.8
thereof depreciation and amortisation	-59.9	-56.0	-57.6
Value creation	1,178.7	1,148.5	1,190.4
Distribution			
to employees (salaries, social contributions)	958.7	953.0	980.8
to shareholders (dividends)	131.7	135.1	138.5
to the Republic of Austria (taxes)	53.2	32.7	53.8
to creditors (interest)	4.0	4.1	3.3
Balance	31.0	23.6	14.0
Added value	1,178.7	1,148.5	1,190.4

¹ Adjustment due to the first-time application of the Austrian Law on Changes in Accounting (RÄG 2014) in the consolidated financial statements as of December 31, 2016

The revenue of EUR 1,881.6 m generated by Austrian Post in 2017 (incl. other operating income) was offset by advances in the amount of EUR 691.1 m.

The resulting **ADDED VALUE** of Austrian Post in the amount of EUR 1,190.4 m was mainly distributed to employees directly in the form of wages and salaries and indirectly via social contributions. The total amount assigned to employees was EUR 980.8 m.

PAYMENTS OF AUSTRIAN POST TO THE REPUBLIC OF AUSTRIA

The Republic of Austria owns a majority share or 52.85 % of Austrian Post via ÖBIB (Österreichische Bundes- und Industriebeteiligungen GmbH). Accordingly, it received EUR 73.2 m in dividends from Austrian Post in 2017 (52.85 % of EUR 138.5 m). In addition, EUR 53.8 m was paid to the Republic of Austria as taxes and duties.

PAYMENTS OF THE REPUBLIC OF AUSTRIA TO AUSTRIAN POST

Austrian Post benefits from public sector funding within the context of individual projects. For example, Austrian Post has found a partner in the Climate and Energy Fund of the Austrian Federal Government and the "klima:aktiv mobil" programme of the Federal Ministry for Sustainability and Tourism, which supports the company as part of the model region E-Mobility Post with funding as well as know-how in its efforts to further expand its e-vehicle fleet. Austrian Post is currently working on implementation of a funding management programme.

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— Dividend policy

An attractive dividend policy is not only a key cornerstone of the company's investment story, but also the foundation of its entire corporate philosophy. At least 75 % of the Group's net profit should be distributed to shareholders each year. The attractive dividend policy was continued in the 2017 financial year, featuring a dividend of EUR 2.05 per share. On balance, the total dividend payout to shareholders amounted to EUR 138.5 m in 2017.

The dividend policy of Austrian Post is based on a solid business model and strong cash flow from operating activities. In 2017, Austrian Post further improved its operating result. Moreover, the operating free cash flow before acquisitions/securities (before the old/new corporate headquarters) was of a high level despite an extensive investment programme, providing an ongoing solid basis to finance future investments and dividend payments. At the end of 2017, the dividend yield was 5.5%. Accordingly, Austrian Post ranks among the most attractive dividend stocks both in Austria and internationally. This has been the case for several years now, which is proof of the sustainability of Austrian Post's dividend policy.

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— Innovation and future technologies

The development and market launch of innovative products and the expansion of the existing product portfolio in the core business comprise an essential key to sustainable success in a changing market environment. This is why Austrian Post continuously works on complementing and improving its products and services. Furthermore, Austrian Post steadily works on optimising its processes and work flows.

All this requires investments. For this reason, Austrian Post focuses on integrating state-of-the-art technologies, and invests in improving and expanding its operating infrastructure each year. The investments and innovations are not limited to property, plant and equipment but are also designed to improve the way employees work. Modern and up-to-date working models in daily processes also guarantee efficiency and productivity in processes and ultimately satisfied customers in the future.

Resource conservation and energy efficiency in processes and work flows represent one of the research and development priorities. The CSR and Environmental Management Department consults and supports the operating units in their research and development activities when needed. Up until the end of 2017, Austrian Post had invested about EUR 15 m in CO₂ neutral, pollution-free delivery.

On balance, investments of Austrian Post in the 2017 financial year totalled EUR 92.7 m, up by EUR 2.0 m from the prior-year level. This amount encompassed spending of EUR 88.6 m on property, plant and equipment and EUR 4.0 m on intangible assets.

One of the focal points of Austrian Post's investment programme during the period under review was on other equipment, furniture and fittings. In addition to ongoing investments in the vehicle fleet, this area mainly involved investments in branch office equipment and furnishings.

The section on the environment starting on page 99 provides details on the vehicle fleet and the expansion of e-mobility. Another focal point was on property and buildings. This includes investments in the new corporate headquarters completed in the autumn of 2017.

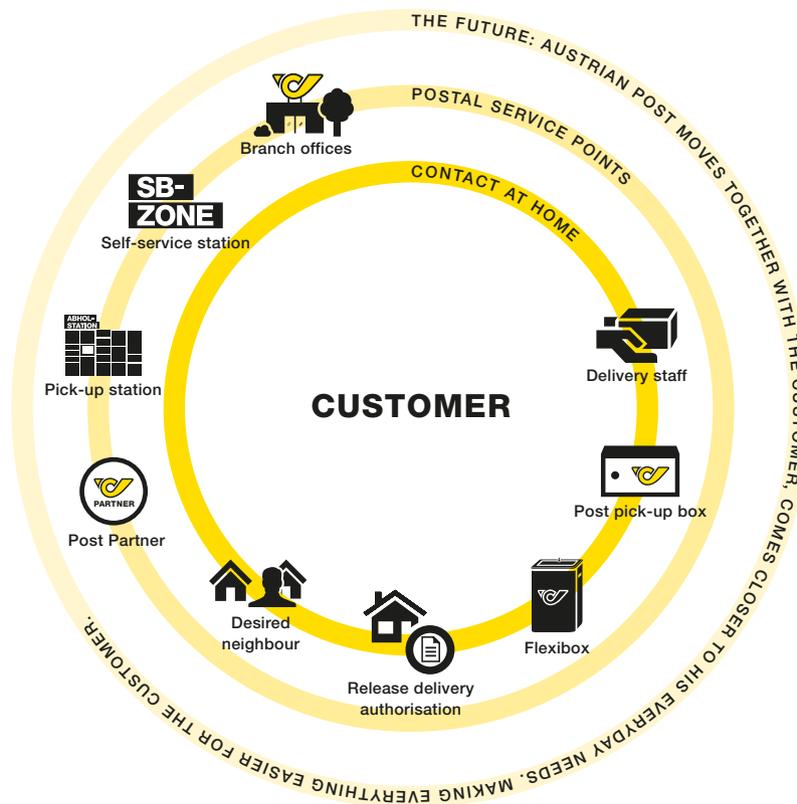
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— Service and customer orientation

Austrian Post knows its customers, a key cornerstone of its success. Only when a company knows what its customers want can it offer innovative and customer-oriented services and thus achieve entrepreneurial success in the long term.

FOCUS ON THE CUSTOMER



RECEIVING AND SENDING PARCELS IS GETTING EASIER AND EASIER

- Book alternative drop-off points online
- Parcel redirection to a desired delivery location
- Post pick-up boxes and Flexiboxes
- More than 300 pick-up stations open 24/7
- More than 370 drop-off boxes available at any time to quickly post parcels
- Post App cockpit for parcel collection including direct service evaluation

NEW IN 2018: THE PICK-UP SERVICE

- Book pick-up of franked items such as return parcels online
- Pick-up either personally, from the Post Flexibox or a desired location
- Pick-up of up to three items with one order



CUSTOMER SATISFACTION – RESULTS IN 2017

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Points comprise the average good CSI level

84%

rated their mail carriers as being “very good” or “excellent”

47%

of the interviewees rated Austrian Post “very good” or “excellent” in the fourth quarter

78%

said their parcel carriers are “very good” or “excellent”

FOCUS AREAS

INFORMATION



CUSTOMER CONVENIENCE AND SERVICE QUALITY BASED ON FLEXIBLE DELIVERY CONCEPTS AND ONLINE SOLUTIONS

In line with its guiding principle, “Everything we do revolves around our customers”, Austrian Post precisely analyses the needs of its customers and constantly works on new products and services which respond to current customer requirements for greater flexibility in a pinpointed manner.

Self-service zones and pick-up stations

Austrian Post has installed self-service zones in its branch offices which are equipped with packing stations, franking machines and drop-off boxes as well as pick-up stations to enable customers to drop off and receive mail items on a 24/7 basis. At the end of 2017, Austrian Post had already installed 351 self-service zones featuring 24/7 services and more than 300 pick-up stations.

Post pick-up boxes and Flexiboxes

In 2017, customers in larger residential complexes had a total of 23,662 pick-up boxes at their disposal, allowing them to pick up their mail items at any time. Moreover, customers can also receive parcels at home without being present. This is made possible by the Post Flexibox. Parcels, packets and large-size letters are simply deposited in the Post Flexibox located in front of the customer’s doorstep. The customer can retrieve the items at any time.

Parcel redirection

If a customer wants to permanently redirect his parcels, he can take advantage of the “permanent parcel redirection” service and automatically redirect parcels to a nearby postal service point, pick-up station or a designated neighbour. The measures contribute to a high first delivery attempt success rate on the part of Austrian Post. About 93 % of the intended recipients receive their mail item on the first delivery attempt.

Pick-up service

Austrian Post also now offers the pick-up of mail items on request. Customers log in with their Post account and commission the pick-up of their mail items on the next day. The time window of the pick-up is shown when the order is placed. The mail carrier also picks up the item when the customer is not at home and has designated a desired pick-up place at his main or secondary place of residence (e.g. garage or cellar). A Post Flexibox can also be chosen as the desired pick-up location.

Post App

The track and trace service enables Austrian Post customers to check the whereabouts of their parcel via the Post App anywhere and at any time and also to be informed about changes in the status of the parcel. Thanks to the mobile “yellow slip”, customers can pick up the parcel without having to pick up a paper slip from their homes first. The parcel redirection service enables parcels to be redirected to a nearby branch office or pick-up station, the designated neighbour or a place at home where the parcel can be deposited. The location finder makes it possible to discover the precise location of nearby branch offices, postal partner offices or letterboxes. The rate calculator helps customers determine the optimal postage rates for letters and parcels.

E-Letter

Austrian Post launched the e-letter in 2017, combining two worlds, namely the flexibility of an e-mail and the security of a letter. The e-letter is particularly tailored to the demands imposed by the EU’s General Data Protection Regulation (GDPR) to securely deliver sensitive documents. The e-letter allows companies and organizations to digitally send confidential information thanks to various selectable security levels.



DISCLOSURE
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103-3

CUSTOMER SATISFACTION

Austrian Post offers its customers the highest quality everywhere and at all times based on new ideas and innovative services. Customers have responded with constantly good customer satisfaction levels. Customer satisfaction was measured on a quarterly basis during the reporting period by the renowned Institute for Empirical Social Research (IFES). The “Customer Satisfaction Index” (CSI) encompassing customer satisfaction and customer loyalty is determined by means of a representative survey with a sample size of $n = 1,000$ per wave.

Measuring customer satisfaction in accordance with the CSI scale considers 50 index points or less to represent a critical level, 51 to 60 points as moderately content, more than 61 points is considered to be good and higher than 71 means very good. An outstanding level of customer satisfaction is for 81 points up to the highest possible score of 100.

The average CSI in 2017 was good, remaining stable at 69 index points. It only fluctuated slightly between 68 and 70 index points over the four quarters of the year. Very high marks (i.e. over 70 index points) were given to the postal service points, shipping and delivery. Young people (age below 30) were the most satisfied. This group of people generally takes advantage of innovations (e.g. self-service zones or the Post App) the most.

On balance, 47% of the interviewees gave Austrian Post the mark of “very good” or “excellent” for its services in the last quarter of the year under review (Q4 2017), and a further 35% gave it a “good” grade.

In 2017, the mail and parcel delivery staff once again achieved top grades from all groups in the population. 84% of the customers in the fourth quarter of 2017 said their mail carriers were “excellent” or “very good”, and 78% of the customers evaluated their parcel delivery staff as being “excellent” or “very good”.

The sustainable development of the company with respect to the environment and the responsibility of Austrian Post to society and its employees were also taken into account in measuring customer satisfaction. The results for 2017 show that the company’s environmental protection activities and social engagement are positively perceived.



SOCIETY

Austrian Post brings 5.6 billion mail items to every doorstep in Austria each year, thus ensuring that the Austrian population is provided with postal services.

With a delivery staff of about 9,000 people along with 443 company-operated branch offices and 1,359 postal partners, Austrian Post offers its services throughout the country and is thus a reliable partner to its customers. Thanks to an extensive offering of online and offline services, Austrian Post takes account of customer needs and integrates them into its core business based on practical, everyday solutions.

AUSTRIAN POST. PRO ACTIVE FOR SOCIETY.



What is important tomorrow

The postal business is subject to major changes. New and changing conditions require continuous customer-oriented adjustments on the part of Austrian Post in order to be able to ensure the long-term supply of postal services to the Austrian population.

Austrian Post closely monitors social trends and challenges and adjusts its business accordingly as a means of applying a suitable management approach to deal with these developments.

DISCLOSURE
102-15
103-2

TRENDS AND CHALLENGES

Various social developments impact the way Austrian Post perceives and structures its public service obligation. This is because society is becoming increasingly complex and customers are becoming more demanding. This is a responsibility Austrian Post has to accept time and again every day. The universal service obligation is directly linked to Austrian Post's core business. For this reason, challenges pertaining to society are closely related to economic factors. The challenges in the focus area of society mainly result from the following social trends which influence consumer behaviour:

MEGATRENDS IMPACTING THE POSTAL BUSINESS IN THE FOCUS AREA OF SOCIETY

DEMOGRAPHIC CHANGE

Whether people are old or young, Austrian Post has to fulfil all customer requirements in a target group-oriented manner.

DIFFERENTIATED LIFE STYLES

Austrian Post has to constantly offer innovative services – online and personal, 24/7 and on time.

SUSTAINABILITY AND ENVIRONMENTAL AWARENESS

Society is changing. Austrian Post has to live up to its pioneering role based on its commitment to society.

What Austrian Post already does today

Austrian Post's top priority is to ensure the nationwide supply of top-quality postal services throughout the country. This is because the company plays a decisive role in Austria's communications infrastructure.

DISCLOSURE
103-2

— Management approach of Austrian Post

Austrian Post has optimally tailored its services to reflect the material topics identified as part of its ongoing dialogue with stakeholders as a means of optimally dealing with the above-mentioned challenges in the focus area of society.

The following topics were determined to be material in the focus area of society:

DISCLOSURE
103-1

MATERIAL TOPICS IN THE FOCUS AREA OF SOCIETY

REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

SOCIAL COMMITMENT

DATA PROTECTION AND DATA SECURITY



 p. 19

The issue of **DATA PROTECTION AND DATA SECURITY** is dealt with in the section on confidentiality and data integrity on page 19 of this report.

Austrian Post is continuously developing its nationwide network of postal service points consisting of company-operated branch offices and postal partners in order to ensure the reliable supply of top-quality postal services throughout Austria.

The company deals with demographic change by changing along with its customers. It offers up-to-date products and services tailored to different customer groups and linking the physical and digital worlds of communication.

Austrian Post works continually on innovative products and services to fulfil current customer requirements as effectively as possible in response to changing life styles. Today's customers want to take care of their postal business in a flexible manner and at different times. This is precisely what Austrian Post makes possible thanks to its 24/7 concepts. The result is outstanding service quality and greater convenience for customers.

This includes the project of the "feel-good branch offices" initiated in the year 2015. Austrian Post wants to make the stay in the branch offices as pleasant as possible for customers. In addition to taking account of the practicality and efficiency of its services, Austrian Post attaches great importance to the experience itself, the customers' feeling of being in good hands and the overall atmosphere of a place. It considers all these elements to naturally be part and parcel of the approach needed to literally give customers the space they need. Austrian Post is convinced that concepts focusing on people and personal interaction stand out, especially in this day and age of digitalisation and mass communication. Thanks to the customer-friendly ticket concept, there is no longer any need to wait in some bothersome queue in the "feel-good branch offices. Instead, comfortable seating amidst cosy lounge atmosphere invite people to relax while waiting. Alternatively, customers can stroll through the shopping area. Moreover, infoscreens and the Post's own radio programme provide some entertainment. On balance, a total of six branch offices in urban and rural areas have already been redesigned in accordance with the feel-good branch office concept and more of these branch offices scheduled to be added in 2018.

Austrian Post takes the growing trend towards sustainability and environmental awareness into account on the basis of its CO₂ NEUTRAL DELIVERY initiative described in detail in the chapter on the environment (refer to page 94).

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Furthermore, Austrian Post is committed to society beyond the company's boundaries, supporting a range of business-related social projects and activities. In this regard, Austrian Post attaches great importance to ensuring that its social commitment is clearly linked to its core business and that it can meaningfully contribute its core expertise to support socially disadvantaged people.

DISCLOSURE
103-3

— Achievements in 2017, targets for 2018

Austrian Post has defined objectives and measures, which are revised on an annual basis, in order to measure its success and progress in its focus area of society as well as to document and manage its achievements on important issues.

ENSURE RELIABLE SUPPLY OF POSTAL SERVICES AND SHAPE UNDERLYING CONDITIONS

The reliable and stable nationwide supply of premium postal services to the Austrian population is one of the main goals in the focus area of society.

PROMOTE SOCIAL COMMITMENT

The promotion and support of socially relevant projects and activities through which Austrian Post does its share with respect to socially relevant issues is the second main goal in the focus area of society.

TARGETS FOR 2017	ACHIEVED IN 2017	TARGETS FOR 2018
ENSURE RELIABLE SUPPLY OF POSTAL SERVICES AND SHAPE UNDERLYING CONDITIONS		
Reliable delivery	95.4 % of letters were successfully delivered on the first working day after the letters were posted	Safeguard reliable delivery at all times and surpass legally stipulated performance targets
Safeguard the nationwide network of postal service points exceeding legal requirements	Austrian Post surpassed legal stipulations: the network amounted to 1,802 postal service points at the end of 2017	Continuation of support for social projects on the basis of Austrian Post's logistics competence
PROMOTE SOCIAL COMMITMENT		
Support for social projects on the basis of Austrian Post's logistics competence	Austrian Post supported various social projects in 2017	Continuation of support for social projects on the basis of Austrian Post's logistics competence

Austrian Post – reliable and committed

As one of Austria's flagship companies, Austrian Post not only plays an important role in the economy but also in society. This responsibility is directly linked to the company's core business of providing the Austrian population with postal services and is thus taken very seriously by Austrian Post. In addition, Austrian Post supports a range of social projects and develops innovative services to meet new societal demands.

DISCLOSURE
203-1

— Regional infrastructure and reliability of supply

As a supplier of universal postal services, Austrian Post is responsible for the reliable, nationwide supply of postal services as well as in maintaining and safeguarding the country's communications infrastructure.

EXCEEDING REQUIREMENTS OF THE UNIVERSAL SERVICE OBLIGATION

Austrian Post fulfils its mandate in outstanding quality thanks to its operation of six letter mail distribution centres and seven parcel distribution centres as well as 260 letter and parcel delivery bases. In 2017, 95.4% of all letters were delivered on the next working day, and 97.3% of parcels within two working days. Both levels are higher than what is legally stipulated within the context of the Universal Service Obligation.

Austrian Post also surpassed the good performance achieved in the previous year with respect to the first-time delivery success rate for parcels. The first-time delivery success rate is a very important factor determining customer satisfaction. In 2017, 97.2% of parcels were successfully delivered on the first attempt.

DISCLOSURE
102-7

In order to ensure the optimal supply of postal services to customers, the definition of the Universal Postal Service Obligation in Austria also requires Austrian Post to operate a nationwide network of at least 1,650 postal service points. Austrian Post also clearly surpasses the statutory requirements in this respect. The company provides its services on a nationwide basis, featuring a network encompassing 1,802 postal service points at the end of 2017, including 443 company-operated branch offices and 1,359 postal partners. Accordingly, Austrian Post operates one of the country's largest private customer networks, which can be optimally reached by every customer.



TRIPLE-WIN SITUATION OF THE POST PARTNER CONCEPT

The postal partner concept of Austrian Post plays a decisive role in its nationwide network. The postal partners also ensure the availability of postal services for customers when no branch office is nearby. They ensure more service, shorter distances and improved opening hours.

At the same time, a sustainable supply of postal services to the population is ensured and economic structures in rural areas are strengthened. This is due to the fact that a majority of postal partner locations are local businesses such as food stores, petrol stations or pharmacies, which offer Austrian Post's products and services in addition to their own product line and can thus generate additional income. This means the post partner concept is an advantage for customers, the postal partners and for Austrian Post itself.

Austrian Post also cooperates with postal partners in the social sector, for example charitable organisations. These partnerships are particularly successful because they have a two-fold social effect. For one thing, they make a contribution towards ensuring the supply of postal services. At the same time, they help employees of these organisations to be reintegrated into the job market. The postal partners in the social sector include the company Lebenshilfe Soziale Dienst GmbH or the association Hand in Hand.

RESPONDING TO DEMOGRAPHIC CHANGE AND DIFFERENTIATED LIFE STYLES

Within the context of ensuring a reliable supply of postal services, Austrian Post takes account of the two societal trends of "demographic change" and "differentiated life styles".

Austrian Post has to fulfil customer demands in a target group-oriented manner as a consequence of demographic change. Increasing digitalisation leads to changing life styles, requiring Austrian Post to meet these changing requirements. Customers want to be able to have access to postal services everywhere and at any time and take care of their postal business as comfortably as possible but in a secure manner.

Austrian Post links these major trends with its postal service obligation and responds by continually expanding existing services and regularly launching new online solutions. In this way, Austrian Post enables its customers to access postal services on a 24/7 basis.

DISCLOSURE
103-2

— Social commitment

As one of Austria’s flagship companies, Austrian Post believes it has the social responsibility to stand up for people, who are socially disadvantaged and who require support. Austrian Post also takes this responsibility very seriously, linking this commitment to its core business particularly by utilising its nationwide delivery of mail items and Austrian distribution network for social or charitable purposes.



SOCIAL COMMITMENT
IN 2017

425,000

mobile phones for the “Ö3 Wundertüte”

7,000

children received “gift parcels for the Christ Child”

3,000

school boxes are sent out each year throughout the country

26

pupils took part in the Post Workshop during the “Children’s Business Week”

19

girls participated in Austrian Post’s “Vienna Daughter’s Day”



“GIFT PARCELS FOR THE CHRIST CHILD” CAMPAIGN

COMMITMENT TO THE SOCIALLY DISADVANTAGED

One example is the **Ö3 WUNDERTÜTE** initiative, which Austrian Post has already been supporting for thirteen years. In 2017, as in the year before, Austrian Post directly delivered the Ö3 Wundertüte in the form of a red paper bag to every household in the country. In this way, consumers were able to give away their old mobile phones and return them free of charge. The net proceeds from recycling these devices were donated in equal parts to the emergency aid funds of “Licht ins Dunkel” (“Light into the Darkness”) and the Caritas. On balance, the campaign yielded donations of EUR 640,000 in 2017, thus providing support to people in the most difficult life situations.

Since July 2017, the oldest bookstore in Vienna, Kuppitsch Buchhandlungs GmbH, has served as a postal partner and is thus the contact point for many customers wanting postal services in Vienna’s

first district. A **VERY SPECIAL CAMPAIGN** for the Christmas season was conceived by this postal partner. In order to give a great deal of pleasure to children in need, parcels were filled with children's books made available by the book shop and sent to a total of nine social institutions, one in each of Austria's nine federal provinces.

Within the context of the **“GIFT PARCELS FOR THE CHRIST CHILD”** initiative, Austrian Post once again cooperated with the Workers' Samaritan Foundation in 2017 to ensure that no child in need in Austria would have to celebrate Christmas without getting a present. Anyone, who wanted to send a present to one of the more than 400,000 children in Austria exposed to the risk of poverty, could order a prepaid parcel stamp online free of charge, stick it on the gift parcel and drop it off at a postal service point. Austrian Post sent the parcels to collection centres of the Workers' Samaritan Foundation, where full-time and voluntary Samaritans personally delivered the parcels to children in social welfare institutions and families in need. Nationwide, a total of 7,000 parcels were sent.

The **FUNDRAISING LETTER** ranks among the most successful ways to solicit donations in Austria. It is an indispensable communications tool for charitable organisations, offering people a convenient possibility to inform themselves about the work of NGOs and support their actions. To increase awareness for this type of communication, Austrian Post, in collaboration with the Austrian Fundraising Association, once again searched for the most popular fundraising letter of the year in 2017. The NGO shortlist was published in the advertising envelope KUVERT. Austrians had the opportunity to vote up until Christmas, either online or by using a free postcard. The winner was the organization *Herzkinder Österreich*, which supports children with a heart condition. The Austrian Red Cross came second, and DEBRA Austria placed third.

COMMITMENT TO THE NEXT GENERATION

Austrian Post is also involved in promoting the well-being of children within the context of its social activities. For this purpose, various projects have been initiated and support has been provided to existing initiatives related to the company's core competence.

In 2017, Austrian Post already participated for the sixth time in the **“CHILDREN'S BUSINESS WEEK”** organised by the Austrian Federal Economic Chamber. The one-week event enables pupils to gain an insight into how different companies operate. On balance, 26 children attended the “Post Workshop”, where they playfully and vividly experienced the path a letter or parcel takes from the time it is dropped off until the time it is delivered.

The involvement of Austrian Post in the **VIENNA DAUGHTER'S DAY** shows how diversity is embedded and practiced at Austrian Post. This begins at an early age. 19 girls spent one day at Austrian Post in April 2017. The initiative aims to motivate girls to select professions requiring training which are either new or in some cases unusual for them when making their career choice. The girls followed the way their own hand-made postcards took from the parcel centre to the point of delivery. Afterwards, they were invited to take a spin in an Austrian Post delivery lorry on the company grounds. A final competition was held in which the girls could demonstrate their accuracy and speed in mapping test letters and win great prizes.

In order to acquaint children with Austrian Post in a playful manner, the company developed so-called **“MINI POST STATIONS”**, where children can imitate what goes on in a real post office. The activities include sorting, stamping, drawing, packing, transporting and shipping. In the meantime, six such MINI POST STATIONS exist in Austria.

Under the title **“AUSTRIAN POST MAKES CHILDREN CLEVER”**, Austrian Post sends about 3,000 school boxes to primary schools each year. These appealingly designed teaching materials aim to stimulate pupils to read and write, while at the same time giving them a better understanding of what Austrian Post does.

COMMITMENT TO CULTURE

The **“POST CULTURAL ASSOCIATIONS”** (seven bands and two choirs throughout Austria) have about 400 members. They include many Post employees, but not only. Other music enthusiasts can also take part. This is because playing music together ensures a good atmosphere and strengthens the sense of community. Austrian Post and the *post.sozial* association support the Post cultural associations financially, for example in purchasing instruments and uniforms.



EMPLOYEES

The time for Austrian Post to move finally arrived at the end of 2017 after a good two years of construction. With its new corporate headquarters located directly at the Rochus market in Vienna, Austrian Post has laid the foundation for a fresh work culture and a new type of cooperation emphasising working together. There are fewer walls and no permanent workplaces but open spaces and flexible worlds of work, which promote communication and an exchange of views as well as focus rooms and quiet zones ensuring necessary peace and quiet and concentration when working.

The new building is a further milestone in the forward-looking development of the company – with employees at the heart of it all. The performance of every employee should be appreciated, and every effort should be made to provide support to enable them to work effectively and give them room for new ideas.

AUSTRIAN POST. PRO ACTIVE FOR THE EMPLOYEES.



PRO ACTIVE
for employees

What is important tomorrow

Austrian Post is a service provider. For this reason, its success as a company is essentially linked to the skills, motivation and commitment of the employees. Changing markets and conditions make ongoing development necessary; a process involving the company as a whole, its products and services but also its employees.

DISCLOSURE
102-15
103-2

TRENDS AND CHALLENGES

Changing customer needs arising as a consequence of digitalisation, demographic change and increasing mobility and flexibility on the part of customers also impose new demands on employees. Austrian Post will only be able to fulfil the changed service and quality demands with qualified employees, who actively shape the further development of the company as well as the innovations leading to new services.

Employees also perceive the consequences of digitalisation in their daily work. Revised processes require new mindsets and competencies. In turn, this leads to new requirements with respect to executive development as well as the further education and training of employees. As one of the largest employers in the country, Austrian Post has to adapt to this new situation.

At the same time, the needs of employees are also changing. The attractiveness of a company as an employer plays a much more important role today than it did in the past. Additional benefits offered by the company alongside salaries, further education and professional development opportunities enabling employees to enhance their professional and personal skill sets, and working time models enabling them to harmonise their work and private lives, are also crucial.





All in all, the main trends and challenges facing Austrian Post in the focus area of employees can be summarised as follows:

MEGATRENDS IMPACTING THE POSTAL BUSINESS IN THE FOCUS AREA OF EMPLOYEES

DEMOGRAPHIC CHANGE – MAINTAINING EMPLOYABILITY

Working into old age requires target group-oriented training and healthcare programmes.

INCREASING COMPLEXITY AT WORK – OFFERING PROFESSIONAL DEVELOPMENT MEASURES

Employees can only manage increasingly complex tasks if they are continuously given appropriate training.

PRESSURE TO BE EFFICIENT – SOCIAL COMPATIBILITY OF ADJUSTMENTS

Economic pressure has to be counteracted by suitable efficiency and flexibilisation measures.

AUTOMATION – MINIMISATION OF ACCIDENT RISKS AND PROTECTION OF EMPLOYEES

The advance of technology in the postal business imposes high demands on occupational safety and health protection.

WORK-LIFE BALANCE – ENHANCING MOTIVATION AND EMPLOYEE RETENTION

Employees are more motivated and productive if there is a proper balance between work and free time.

What Austrian Post already does today

Human resources management is of particular importance for Austrian Post as a service provider. Its measures make a decisive contribution to the company's success and future viability. In this regard, a good working environment, attractive career opportunities, workplace safety and occupational healthcare also play a significant role. This is because satisfied and healthy employees, who feel comfortable at their workplaces, are more motivated and are able to give their best for the benefit of the company.

DISCLOSURE
103-2

— Management approach of Austrian Post

Mutually shared visions and values are important for employees as the basis for acting in a targeted and sustainable manner against the backdrop of an environment so strongly impacted by changes and in a state of flux. The mission statement is the foundation for Austrian Post's activities and business operations and the basis for its corporate culture characterised by respect, openness, trust and appreciation. The promotion of a corporate and leadership culture is a key concern of Austrian Post's human resources work and is actively supported by numerous measures.

The services rendered by Austrian Post are perfectly aligned to the material topics identified in the dialogues with stakeholders as follows:

DISCLOSURE
103-1

MATERIAL ISSUES IN THE FOCUS AREA OF EMPLOYEES

CORPORATE CULTURE AND WORLDS OF WORK

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

CUSTOMER PROXIMITY

DISCLOSURE

102-7

102-8

102-41

SDG

8

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As one of the largest employers in the country, Austrian Post bears a particular responsibility to its employees. In 2017, the workforce of Austrian Post consisted of 17,225 employees (annual average, full-time equivalents). Of this staff, 7,056 employees were civil servants, 9,991 were salaried employees, 77 were trainees and 179 were temporary staff (holiday replacements with a maximum employment period of twelve weeks). All employees with the exception of the temporary staff and holiday replacements are subject to an Austrian collective wage agreement. The temporary staff or holiday replacements are subject to the stipulations of the Postal Services Structure Act (Section 19 Para. 5 PTSG) and are thus employed in line with the Austrian General Civil Law Code (ABGB).

Detailed information on the staff structure can be found in the facts and figures section starting on page 108.

CORPORATE CULTURE AND WORLDS OF WORK

Leadership guidelines were developed on the basis of the mission statement in order to create a good working atmosphere and performance-enhancing working conditions. These guidelines are designed to help contribute to an ongoing further development of the corporate and leadership culture. Establishing an open and modern corporate and leadership culture as a means of actively integrating and involving employees in transformation processes is of enormous importance to Austrian Post. The annual “A Day Visiting Customers” is one of the most successful measures implemented to embed and sharpen the understanding of leadership.

In addition to unified leadership guidelines and an open communication culture, the offering of additional social services via the association post.sozial rounds off the motivating and performance-enhancing working conditions at Austrian Post.

Diversity in the staff also makes a major contribution to an open corporate culture because it serves as the basis for integrating different points of view and ways of thinking. For this reason, Austrian Post promotes diversity in the company and resolutely opposes prejudice and any type of discrimination.

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

The health and safety of employees are important to Austrian Post. The objective is to preserve and promote the health and safety of employees as well as to prevent accidents and work-related illnesses. Austrian Post attaches great importance to informing and instructing its employees in the interest of a comprehensive approach to employee protection in line with the motto “Employee protection is a management priority”. Newly developed guidelines provide an overview of the key principles of employee protection and behavioural rules in order to help achieve these goals and define responsibilities to ensure compliance with these rules.

Occupational safety is firmly embedded on an organisational level due to its crucial importance for Austrian Post and is dealt with in occupational safety committees.

In addition, Austrian Post aims to preserve and promote the health and well-being of its employees. For this reason, it offers a series of measures and initiatives focusing on health protection.

FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

Austrian Post attaches great importance to ensuring that every single employee has the opportunity to contribute his competencies and skills and is able to actively shape the future of the company in accordance with the guiding principle “We are all part of Austrian Post”. This is the only way for Austrian Post to guarantee the further development of the company and its services oriented to customer requirements, in light of the fact that the high quality of services and products results from the dedication, know-how and innovative strength of employees.

A great deal of emphasis is placed on further education and training in all areas of the company. This is designed to create reliable future perspectives for the employees and ensure they have the right qualifications for their particular work.

Employees affected by restructuring measures are supported by Austrian Post via its “Internal Labour Market”, offering employees new career opportunities inside or outside the company.

S p. 82



CUSTOMER PROXIMITY

The topic of customer and service orientation is incorporated in the mission statement of Austrian Post and is thus important to all employees. All employee development measures also have a positive impact on the topic of customer proximity. In line with the guiding principle “Everything we do revolves around our customers”, well-trained employees offer optimal service and thus contribute to increasing customer satisfaction. In order to cater to the changed life styles and demands of customers, Austrian Post steadily works on innovative services to expand its product and service portfolio. In this regard, customer comfort and service quality are always at the forefront of the company’s efforts. For example, thanks to Saturday delivery and the option to return parcels via the delivery staff, Austrian Post employees are close to their customers and offer high quality service. This is confirmed by the good customer satisfaction ratings, which are measured by an external institute on a quarterly basis.

Further information on the topic of service orientation and customer comfort can be found in the section on the economy starting on page 57.

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DISCLOSURE
103-3

— Achievements in 2017, targets for 2018

Austrian Post manages and assesses its achievements and progress in the focus area of employees based on the defined targets and the related measures:

PROMOTE A CORPORATE AND LEADERSHIP CULTURE

An open and modern corporate and leadership culture enables employees to be creative and innovative and to act flexibly and independently as well as in a target-oriented and sustainable manner. The mission statement provides the most important reference point. The executives of the company are responsible for identifying the potential of their employees, promoting their individual development and creating productive working conditions enabling employees to optimally unfold their skills. For this purpose, Austrian Post makes sustainable investments in the quality of its executives and has given them special training within the framework of the Executive Academy since 2012.

PAY ATTENTION TO HEALTH AND SAFETY

Even if employees are naturally called upon themselves to preserve their own health, Austrian Post supports these efforts by means of target group-oriented and thematic occupational healthcare programmes. The issue of safety at work is also extremely important in light of the fact that many employees involved in delivery and at the distribution centres perform physically demanding and strenuous work. Furthermore, many of them use machines and vehicles and have to be particularly mindful. Thanks to regular instructions and training, employees are aware of the safety risks related to their work and can counteract these risks by correct behaviour.

TARGETS FOR 2017	ACHIEVED IN 2017	TARGETS FOR 2018
PROMOTE A CORPORATE AND LEADERSHIP CULTURE		
Training for executives (Executive Academy, area and team leaders)	3,129 person-days of trainings and seminars were carried out for executives	Holding of at least 1,000 person-days of training and seminars for executives
A Day Visiting Customers	More than 370 executives took part in the programme "A Day Visiting Customers"	Participation of at least 250 executives in the programme "A Day Visiting Customers"
"Career and family" audit	Continuation of the re-audit	Continuation of the re-audit
Employee survey	The employee survey was carried out in 2017	
PAY ATTENTION TO HEALTH AND SAFETY		
Heart rate variability analyses	320 hear rate variability analyses were carried out at 22 sites	Implementation of heart rate variability analyses and health workshops at a minimum of five sites
Health-related activities	About 1,000 health consultations and 17 Health Days were held	Conducting of at least 1,000 health consultations and 15 Health Days
Development and continuation of health projects	"A healthy heart and you", first aid trainings for executives, healthy lifting and carrying and healthy nutrition	Austrian Post is on the move – "The right exercise is good for everybody": creation of ten short films and a brochure about correct exercise including training campaign
Evaluation of psychological stress	Development of measures for the branch offices and delivery bases. Data evaluation for distribution centres and delivery bases for Parcel Logistics Austria	Development of measures for Parcel Logistics Austria and distribution centres
Accident prevention		Wearing of safety helmets for delivery staff on bicycles made compulsory
Safety and health at the workplace – employee protection	Drawing up of guidelines on "Safety and health at the workplace"	Creation of a brochure including checklists for the individual management levels and areas for the simple handling and implementation of employee protection

Fit for the future

More than anything else, economic success means one thing: companies and employees have to constantly evolve and adjust to new circumstances. It is important to design a corporate culture and working environment stimulating employees to be creative and innovative and supporting them in implementing new ideas.

— Corporate culture and worlds of work

 p. 13

To order to effectively position itself for the future, Austrian Post initiated a cultural transformation in the year 2010, laying the foundation for it with a new mission statement (see p. 13). The three value categories of customer orientation, profitability and sustainability as well as communication and appreciation and one central principle for each provide clarity and guidance as to which values should characterise the way every employee acts and which values are to serve as the basis for the corporate strategy. The mission statement is put into practice and embedded in the daily work of all employees through a broad range of measures.

Executives have a special role to play because they act in this process like navigators. Their task is to create productive working conditions and a good working atmosphere in which employees can optimally unfold their skills as well as to identify the potential of their employees and promote their individual development.

These navigators require a mutually shared understanding of leadership in the company as a means of being able to give employees a unified direction in their role as guides. For this purpose, Austrian Post has developed leadership guidelines on the basis of the mission statement in order to further develop the corporate and leadership culture. The leadership guidelines of Austrian Post are based on the four guiding principles, “Assume responsibility”, “Provide orientation”, “Promote cooperation” and “Build confidence”.

PROMOTION OF THE LEADERSHIP CULTURE THROUGH EXECUTIVE TRAININGS

Since the year 2012, executives have been regularly trained on how to handle their tasks within the context of individually adapted trainings at Austrian Post’s own Executive Academy. The trainings held as part of a long-term professional development programme support executives and key employees to implement the leadership guidelines in their daily work routines.

Leadership skills are imparted via various modules and with the help of specially trained coaches in order to convey leadership competencies and promote the individual’s personal development. In 2017, 422 executives took part in the Executive Academy and 318 area managers and team leaders also took advantage of relevant leadership trainings. The target group-oriented programmes to promote the professional development of executives will be continued in 2018.

A STRONG CORPORATE CULTURE BASED ON AN EXCHANGE OF VIEWS AND APPRECIATION

A Day Visiting Customers

A change of perspective can help executives to know what their employees are concerned with and what their jobs involve. The annual “A Day Visiting Customers” is one of the most successful measures implemented to embed and sharpen the understanding of leadership. Within the context of this programme, more than 370 executives were once again given the opportunity to spend one

day in 2017 gaining insights into the daily work of their colleagues i.e. mail and parcel carriers on the delivery staff, employees in the branch network or in the customer service centre as well as at the subsidiaries Systemlogistik and feibra. This measure enables executives to familiarise themselves with the work of employees, who are in daily contact with customers, and more effectively assess the challenges they face. Moreover, this initiative, “A Day Visiting Customers”, promotes the exchange of views between employees and executives, mutual understanding and thus supports key cornerstones of Austrian Post’s mission statement i.e. customer orientation, appreciation and open communication.

Teamwork 2018

Change processes best succeed if people work together. Austrian Post is also aware of this and designs its working environment to motivate employees to develop new ideas and take personal responsibility. One example of this is the “Teamwork 2018” concept originally designed to coordinate the reorganisation of mail distribution. The focus of this realignment is to establish a new leadership structure and downsized teams. Those teams are headed by a “playing captain”, who works on the delivery staff himself, and is thus very familiar with the day-to-day work of his colleagues. The flattening of hierarchies promotes direct communication between executives and employees, which in turn improves the information flow and the feeling of belonging and thus increases motivation. 207 delivery bases have already been realigned in line with the “Teamwork” concept, with roll-out at the remaining 37 sites planned in the course of 2018.

DISCLOSURE
102-43

Dialogue with employees

The corporate and leadership culture reflected in the open dialogue cultivated with employees by Austrian Post is based on respect, appreciation, honesty and trust. This also entails Austrian Post informing employees in a timely and regular manner about major developments and changes in the company, for example by means of department and team meetings as well as one-on-one interviews.

DISCLOSURE
102-44

Employee survey 2017

In 2017, an employee survey was once again carried out following similar surveys implemented in 2013 and 2015. 40 % of Austrian Post employees used the employee survey to express their opinion about the company and submit proposals on how to improve everyday work.

The overall level of satisfaction declined slightly from 2.6 to 2.7 (on a scale of 1–6, with 1 being the highest value). The findings of the survey serve as the starting point for the development of improvement measures once again with the objective of further enhancing employee satisfaction with the company. Accordingly, initial, specific proposed measures, which can be implemented on the spot, were elaborated together with employees. At the same time, the results served as the basis for determining which improvement measures can be implemented centrally.

New worlds of work – Post am Rochus

At the end of 2017, Austrian Post moved into its new corporate headquarters at its Rochusplatz location with about 1,100 employees. Here, the focus is also on an exchange of views and a fresh work culture. Austrian Post created flexible worlds of work tailored to the multifaceted activities and different needs of its employees, offering various types of space and a balance between communication and concentration. Workplace groups are designed for conventional desk jobs, whereas creative spaces and quiet zones enable spontaneous interaction. Scheduled meetings take place in separate rooms. Focus rooms provide space for undisturbed work. The open, communicative working environment transcends departmental boundaries and motivates employees, increases productivity and quality, and enables problems to be resolved more quickly.

Further information can be found in the Magazine of the Annual Report 2017 on pages 42–43.

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ADDITIONAL EMPLOYEE BENEFITS

In addition to unified leadership guidelines and an open communication culture, Austrian Post believes that motivating and productive working conditions also include offering a variety of additional services to all Austrian Post employees, regardless of their age, gender and the extent to which they are employed.

Employee profit sharing

Austrian Post is one of the few companies in Austria with an employee profit-sharing scheme, which has been in effect for more than ten years. Austrian Post voluntarily pays employees an annual EBIT bonus as well as a special bonus. The gross EBIT bonus for the 2017 financial year was EUR 840 per employee, and the special bonus amounted to EUR 35. Part-time employees receive a pro rata share depending on their annual working time.

DISCLOSURE
401-2

post.sozial: Customised social services for Post employees

The joint welfare association “post.sozial“ was founded in line with the Austrian Association Act in 2005 on the basis of an internal agreement between the Central Works Council and the Management Board of Austrian Post. It reflects the social responsibility of Austrian Post to its employees based on providing additional social services above and beyond legally stipulated obligations. The non-profit association was established to provide social support to active employees of Austrian Post and its subsidiaries as well as to retired employees, family members and surviving relatives of employees.

These services range from financial support to employees faced with unusually high costs arising as a result of illness or natural disasters and discounted tickets for cultural and sports events to more favourably priced holiday deals as well as child care and day care services during vacations. Furthermore, support is provided by post.sozial for health care measures and recreational activities contributing to maintaining the health of employees and preventing illness.



KEY FACTS POST.SOZIAL 2017

POST.SOZIAL

6.23

EUR m in total funding

HELFENS.WERT

666,308

EUR paid in financial assistance

FAIR.REISEN

52,666

overnight stays

SEHENS.WERT

22,517

discounted admission tickets

HELFENS.WERT

3.95

EUR m (value of the food coupons)

SEHENS.WERT

178

events offered

On balance, 1 % of the total wage bill paid by Austrian Post and its subsidiaries are devoted to funding the association. Total funding amounted to EUR 6.23 m in 2017. The joint welfare association is also supported by third-party donations.

DISCLOSURE
103-1
103-2

— Diversity and equal opportunity

Social diversity is a cornerstone of progress. Austrian Post promotes social diversity and constructively seeks to benefit from this within the context of its diversity management. Diversity lived and practiced at Austrian Post is based on respect and equal opportunity, promotes the capacity for innovation and creativity, helps to open up international markets and simultaneously improves the company’s image.

Austrian Post not only aims to accept the individual differences among employees, but particularly highlight them in the spirit of promoting mutual esteem and respect. This creates a productive overall atmosphere in the company. In order to ensure equal opportunity at work, it resolutely opposes any kind of discrimination, mobbing and sexual harassment.

CHARTER OF DIVERSITY

Austrian Post attaches great importance to diversity in the company. In order to make it visible to the outside, and to send out a clear signal in favour of more tolerance and fairness, Austrian Post signed the Charter of Diversity in 2013. Accordingly, Austrian Post made a clear commitment to creating and promoting a working environment which is free of prejudices (refer to the section on equal opportunity on page 82).

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DIVERSITY IN FIGURES

A total of 17,225 people was employed at Austrian Post in 2017 on average. Diversity at Austrian Post can also be demonstrated by looking at the figures.



EMPLOYEES OF AUSTRIAN POST

2,598

Austrian Post employees
come from a total of

91

different nations
(excl. Austria).

41

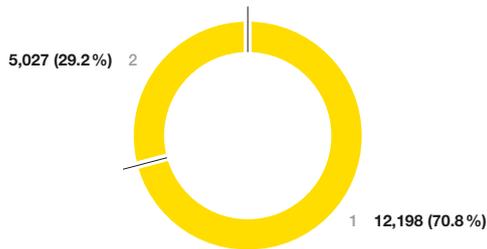
Post executives
come from

12

nations.

**EMPLOYEES
BY GENDER**

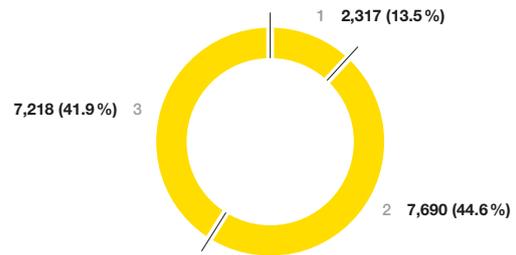
Nominal (in %)



1 - Male
2 - Female

**EMPLOYEES
BY AGE GROUP**

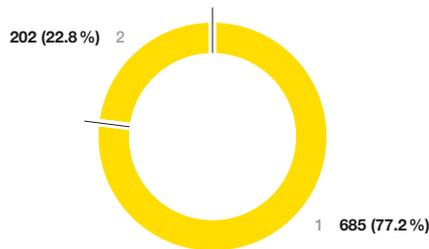
Nominal (in %)



1 - Under 30
2 - 30-50
3 - Older than 51

**EMPLOYEES IN MANAGEMENT POSITIONS
BY GENDER**

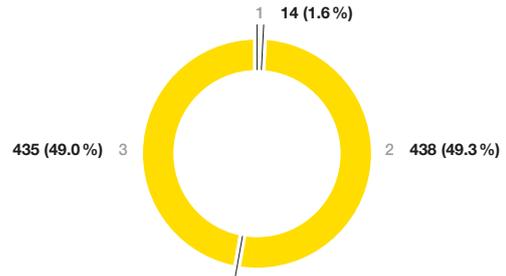
Nominal (in %)



1 - Male
2 - Female

**EMPLOYEES IN MANAGEMENT POSITIONS
BY AGE GROUP**

Nominal (in %)



1 - Under 30
2 - 30-50
3 - Older than 51

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Further employee indicators can be found in the facts and figures section starting on page 108. For information on diversity in the Management Board and Supervisory Board, reference is made to the section on corporate governance starting on page 11 and the Financial Report 2017, pages 20-24.

EQUAL OPPORTUNITY

In order to ensure equal opportunity at work, it resolutely opposes any kind of discrimination, mobbing and sexual harassment. Equal opportunity at work and equal treatment of employees without reference to their gender are a matter of course at Austrian Post. The recruiting process strictly observes the principle of equal treatment of women and men.

Women have been promoted to management jobs on the first and second reporting levels in numerous business areas and held about 23% of senior management positions at Austrian Post in 2017. On balance, women comprised 29% of the workforce throughout the Austrian Post Group. The strategic objective is to achieve the best possible diversity at the highest management level and gradually increase the share of women in executive positions.

For this purpose, the programme “Mentoring for Women at Austrian Post” was initiated in 2017. Approximately 25 selected female junior executives (mentees) have an experienced executive from another company at their disposal to serve as their mentor for career and development issues. The focus is on the personal and professional development of the mentees as well as a mutual exchange of experience. Edith Hlawati, Chairwoman of the Supervisory Board, and Edeltraud Stiftinger, Deputy Chairwoman of the Supervisory Board, assumed the patronage of the mentoring programme, which was launched on January 1, 2018.

COMPATIBILITY OF FAMILY AND CAREER

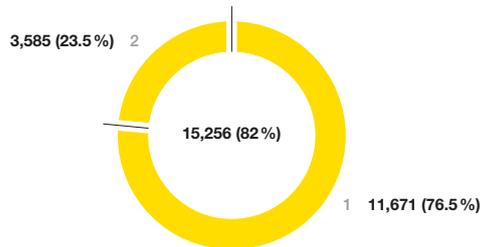
Measures are taken, in particular, to promote the compatibility of career and family and create corresponding career opportunities in order to position Austrian Post as an attractive employer for women. In 2016, Austrian Post was once again given the “Career and Family” quality seal by the Federal Ministry of Families and Youth, which is valid until 2019. Austrian Post offers flexible working time models, integrates employees on leave in the internal information network and has set up a comprehensive information platform on issues such as parental leave and child care.

The Austrian Post programme to promote the career advancement of women was overhauled in 2017. The underlying objective of the plan is to ensure equal opportunities for women and men in the company on the basis of the Federal Equal Treatment Act (B-GIBG) and to increase the proportion of women in areas in which they are under-represented. One of the measures to achieve the designated target is an annual equality check to help evaluate the implementation of the programme to promote the career advancement of women at Austrian Post and its subsidiaries. The mail and parcel logistics centre as well as the goods transport operations in Vienna-Inzersdorf invited girls to the Vienna Daughter’s Day in 2017 for the tenth time to help increase the proportion of women working in technical fields in the future. The objective of this event is to give young girls aged 11 to 16 an insight into technical fields of work before they make a career choice or educational decision.

DISCLOSURE
102-8
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**FULL-TIME
EMPLOYEES**

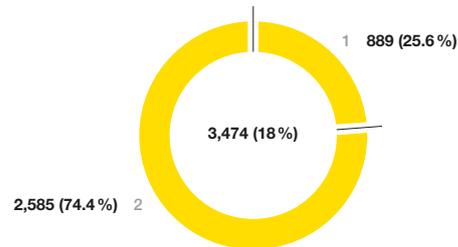
Nominal (in %)



1 – Male
2 – Female

**PART-TIME
EMPLOYEES**

Nominal (in %)



1 – Male
2 – Female

EQUAL TREATMENT

The principle of equal treatment implies that no person should be discriminated or put at a disadvantage because of their gender, age, ethnic origin, religion or ideology, sexual orientation or disability.

This principle of equal treatment applies to the working world but also other areas as well and is designed to ensure that all people can equally participate in society.

It is important to Austrian Post to ensure that people with disabilities can take part in working life on an equal footing with others. It is so important that in past years Austrian Post more than fulfilled its legally stipulated employment obligations towards people with disabilities. In the year 2017, 1,243 people with special needs were employed by the company. People with disabilities work in a diverse range of positions, for example as executives, Central Works Council representatives, on the delivery staff or in the branch network.

In order to underline this position, Austrian Post voluntarily took part in a “Disability Performance Check” in the years 2016 and 2017 to evaluate whether it effectively enables barrier-free access in different areas of the company. The results show that the issue is considered to be very important and measures have already been taken in many areas. They are designed to support employees with disabilities at their workplaces, but also to provide barrier-free access for customers to Austrian Post services.

Equal rights also apply to the salaries of men and women. Both, the civil servants employed by Austrian Post, salaried employees subject to the stipulations of the “old” collective wage agreement and those subject to the “new” collective wage agreement (effective August 1, 2009) are paid in accordance with the respective remuneration scheme or pay scale. Each position in the company is assigned to a specified classification within the context of this remuneration schemes or pay scale, which apply to all employees regardless of gender. As a consequence, there are no salary differences between men and women with the same education and training who perform the same work.

CONTACT POINT FOR EMPLOYEES

Austrian Post offers a large number of programmes and initiatives designed to promote and support employees and contribute to a positive working climate. Nevertheless, personal issues can have a significant impact on an employee’s motivation and his or her ability to perform well on behalf of the company. Since 2014, employees have been able to confidentially turn to an internal ombudsperson when they require assistance to deal with personal problems in their working environment or with respect to compliance with the values of Austrian Post as defined in the mission statement.

— Occupational safety and health protection

Only healthy employees are able to do their best for the benefit of the company and actively contribute to the further development of the company and satisfaction with it. For this reason, Austrian Post attaches great importance to offering employees a working environment in which they are protected from risks and dangers when carrying out their tasks. Moreover, Austrian Post aims to preserve and promote the health and well-being of its employees.

Austrian Post also included the importance of the issues of health and safety in its mission statement. Austrian Post believes that it is the responsibility of executives to ensure adherence to all legal regulations designed to protect their employees. For this reason, the Management Board decided to appoint each executive to serve as a first responder and provide them with suitable training. In the year 2017, 341 executives were trained as first responders, far beyond statutory requirements.

DISCLOSURE
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DISCLOSURE
103-2

HEALTH MANAGEMENT –**FOCUS ON PREVENTIVE MEASURES AND CONSULTING**

Within the context of its healthcare management programme, Austrian Post continually offers preventive measures at different sites to maintain and promote the health and capacity to work of its employees. This includes vaccinations, anti-smoking initiatives and eye examinations. In addition, regular health consultations and Health Days take place.

„A Healthy Heart and You“ campaign

The focus in 2017 was on the further development of the project “A healthy heart and you” to prevent heart disease. Occupational physicians at Austrian Post offered health counselling sessions at about 140 sites around the country. The health counselling enabled Austrian Post employees to measure their blood pressure, blood sugar and cholesterol levels, as well as to try out their steadiness and coordination skills on the MFT Challenge Disc. Within the context of personal consultations, they were informed about their individual risk profile for cardiovascular diseases and prevention measures. Flu vaccinations were also given on request. On balance, these measures involved a total of approx. 1,800 employees. About 1,000 employees took advantage of personal health consultations.

Stress management and heart rate variability analyses

In 2017, employees once again had the opportunity to measure their heart rate variability as part of the project “Stress management check to promote health at work”. Their capability to manage stress and their regenerative capacity were measured in a scientifically sound manner. This measure was complemented by comprehensive information talks and workshops. All in all, a total of 320 heart rate variability analyses were carried out at 22 sites.

Health Days

In addition to the health counselling services, Health Days were offered at 17 company locations. Supported by external health counsellors, employees had the opportunity to test their hearing and lung capacity as well as to determine their fat and muscle mass and body’s water content by means of the body composition analyser. Furthermore, these days also provided comprehensive information on healthy diets, relaxation with chair shiatsu and biofeedback. The Health Days were positively received by employees. On balance, the different services were visited more than 1,100 times.

Evaluation of psychological stress

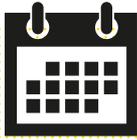
Austrian Post began conducting an in-depth evaluation of psychological stress. Representative groups of employees were formed for different types of work, for example delivering mail on foot or using a moped. This was designed to identify the psychological stress factors impacting each specific group. Numerous workshops were held in the branch network, distribution centres and delivery bases of the Mail & Branch Network Division and Parcel & Logistics Division. Measures aimed at counteracting these stresses and strains were defined in cooperation with employee representatives. These measures are currently being discussed and implemented at the individual sites.

Promotion of sporting activities

Jogging keeps people fit and is a good way for office employees to compensate for their desk work. Austrian Post and the post.sozial association get involved by paying the registration fees for various running events and providing specially designed Austrian Post running wear in order to support employees in their athletic activities.

This offering is welcomed by employees. On balance, 4,002 Post employees took part in 17 running events throughout Austria in 2017. The Vienna City Marathon attracted the most Austrian Post participants. 700 colleagues took part in 2017, including 120 marathon runners, 400 half-marathon runners and 180 relay runners. The number of participants in the Austrian Women’s Race also rose sharply in 2017, increasing to 400 female Austrian Post employees.

HEALTH MANAGEMENT 2017 AT A GLANCE



HEALTH DAYS

17

Health Days

On balance, the different service stations were visited more than

1,100
times.



HEALTH CONSULTATIONS

About

140

sites offered health counselling

for approx.

1,000
participants.



PREVENTION

1,547

vaccinations
(thereof 1,191 flu vaccinations)

73

eye examinations

OCCUPATIONAL SAFETY 2017 AT A GLANCE



COMMITTEES

24

occupational safety committees and a central occupational safety committee have been set up. More than 35% of all Austrian Post employees are impacted by the measures derived from their work.



TRAININGS

700

Trainings



INSPECTIONS

3,541

workplace inspections

1,171

evaluations

OCCUPATIONAL SAFETY – FIRMLY ESTABLISHED IN THE COMPANY

In their daily work, Austrian Post employees use devices, machinery, equipment and vehicles. Relevant physical and mental skills are required and need to be maintained. For this reason, Austrian Post attaches immense importance to occupational safety.

Due to its crucial importance, occupational safety is firmly embedded at an organisational level in Austrian Post. Safety is dealt with in formal occupational safety committees in which safety experts, occupational physicians, safety officers, employee representatives and the employer are represented.

DISCLOSURE

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Austrian Post has set up a central occupational safety committee and 24 regional occupational safety committees for sites with more than 100 employees or where certain dangers exist. Guidelines are contained in Sections 88 and 88a of the Employee Protection Act. Improvement suggestions are developed to individual safety and health issues, and the implementation of appropriate measures is discussed. The minutes of each meeting are compiled and made available to the regional occupational safety committees and the central occupational safety committee.

In line with legal stipulations, counselling on occupational safety is carried out by the appropriate occupational safety bodies at smaller company sites. In this way, the entire workforce of Austrian Post is supported in ensuring safety at work by safety experts and occupational physicians.

In addition to legal regulations on occupational safety and accident prevention, there are also internal organisational rules and instructions as well as leaflets designed to contribute to enhancing occupational safety in the company. The trade union and the Works Council of Austrian Post are included in all important matters relating to safety at work and accident prevention and are also represented in the occupational safety committees. The main document containing relevant internal rules is the organisational directive 6/2018 “Safety and Health at the Workplace”.

OCCUPATIONAL SAFETY FOCUSES ON RISK MINIMISATION AND TRAININGS

Many of the measures carried out by Austrian Post aim to raise awareness on the part of employees for potential dangers at work. This is designed for their own safety, but also to protect their colleagues. Before commencing work as well as in regular intervals, employees are informed and sensitised about possible safety risks and potential dangers through instructions and trainings. In this way, they are capable of avoiding accidents by behaving correctly. New findings and dangers are regularly identified via workplace inspections and assessments. Measures are defined in collaboration with executives to further improve the working situation of employees and prevent dangers from arising. Supervisors have an up-to-date reference guide consisting of safety and health protection documents, leaflets, instruction manuals, work instructions etc. at their disposal to support them.

In 2017, the team of safety representatives carried out about 3,540 workplace inspections and advised site managers about potential dangers and matters relating to the safety and protection of employees and also customers of Austrian Post (e.g. in the branch offices). In this regard, more than 1,170 workplace assessments were implemented. The results led to improvement suggestions and measures, which could be carried out by the responsible workplace managers, and related, for example, to the working environment and work flows. In addition, about 700 trainings were carried out by safety experts and occupational physicians, which involve repeated workplace instructions pursuant to Section 14 Employee Protection Act in cooperation with supervisors as well as in special purpose or incident-related instructions, for example in connection to the Maternity Protection Act, Youth Protection Act, or trainings following accidents and for using new equipment or facilities.

SICK LEAVE AND ACCIDENT STATISTICS

In the reporting year 2015, Austrian Post introduced a new reporting system in line with the International Post Corporation Standard, in which accidents on the way to and from work are no longer included in the accident statistics of Austrian Post. 617 occupational accidents were reported in 2017.

The company must be immediately informed in-house about all accidents at work (including those incurred by leased personnel) and accident reports have to be prepared in cases where there is a legal obligation to report the occurrence to the responsible regulatory bodies.

The documented circumstances and sequence of events with respect to the accident help the company to analyse the causes of the accident in detail and derive relevant measures to prevent such accidents from taking place again in the future. Responsibilities and reporting processes are regulated in detail by the organisational directive 6/2018 “Safety and Health at the Workplace”.

Sixteen accidents occurred at work in 2017 involving leased personnel, comprising an accident frequency rate of 4.9%. There were no fatalities as a result of accidents.

DISCLOSURE

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DISCLOSURE

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SICK LEAVE AND ACCIDENT INDICATORS

	2015	2016	2017
Employees on sick leave (FTEs ¹ in %)	8.4	8.9	10.1
thereof women (in %)	28.3	35.7	26.6
thereof men (in %)	71.7	64.3	73.4
Days lost per sick leave (working days)	10.1	10.5	11.3
thereof women	8.5	8.4	8.8
thereof men	11.1	11.7	12.9
Number of occupational accidents ^{2,3,4}	646	654	617
thereof women	241	235	236
thereof men	405	419	381
Average number of (calendar) day lost per accident ^{2,3,4,6}	23.4	20.5	17.8
thereof women	18.5	19.6	17.7
thereof men	26.3	21.0	17.8
Accident frequency ^{2,3,4,5}	3.6	3.8	3.6
thereof women	4.6	4.6	4.7
thereof men	3.2	3.4	3.1
Fatalities resulting from occupational accidents	0	0	0

¹ FTE = Full-time equivalents.

² New method of reporting since 2015 in line with the International Post Corporation Standard.

³ Accidents beginning with one working day lost (including commuting accidents during work).

⁴ Subsequently reported occupational accidents are assigned to the actual year in which the accident took place, so that annual follow-up corrections of previous years are necessary.

⁵ Number of occupational accidents beginning with one working day lost including commuting accidents during work per 100 FTE.

⁶ The number of days lost are reported for occupational accidents taking place in the reporting year, taking account of the number of days lost until January, 31 of the following year.

⁷ All occupational accidents at Austrian Post reported up to January 31, 2018 were included.

DISCLOSURE
103-2

— Further education and professional development

The increasingly demanding market environment in which Austrian Post operates continuously places new demands on Austrian Post and thus on each individual employee. Austrian Post accepts this challenge, establishing target group-oriented and competence-oriented training and further education programmes, which are designed to identify and fully leverage the existing potential of the approx. 17,200 employees and sustainably safeguard corporate success.

DISCLOSURE
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8

INDIVIDUAL PROMOTION OF SKILLS BASED ON TARGET-ORIENTED FURTHER EDUCATION AND TRAINING

Austrian Post wants to offer its customers outstanding service and innovative solutions in order to make it even more comfortable for them to use the company's services. Austrian Post can only do this on the basis of qualified and highly motivated employees who move the company forward thanks to their skills and commitment.

For this reason, Austrian Post offers its employees a series of opportunities to develop themselves both personally and professionally. In addition to the Executive Academy, the target group-oriented and competence-oriented further education and training of employees was intensively continued in 2017. These measures encompassing specialised instruction, continuing education courses, coaching and training in all business areas of the company comprise an important focal point of Austrian Post's human resources management.

In the year 2017, a total of 1,066 seminars were held for Austrian Post employees. A total of 6,092 employees took part in these events. 34.3 % of the participants were women and 65.7 % were men. On balance, each female employee spent an average of 8.6 hours being trained per year, and each male employee 6.3 hours annually. (These figures do not include internal on-the-job training nor trainings on occupational safety and health.) Employees of Austrian Post took part in a total of 131,894 seminar hours.

INDIVIDUAL DEVELOPMENT PLANNING

The regular performance reviews and staff appraisals between employees and their supervisors make an important contribution to the individual professional development of employees. They help to determine personal work priorities and goals as well as to reach an agreement upon support measures in the form of further education and training measures.

These employee reviews comprise a platform for partners to interact on a personal level as well as to build up and promote trust.

The employee reviews have two main objectives: on the one hand, to put together a "scorecard" about the employee's success in carrying out the assigned tasks and the effectiveness of the cooperation. On the other hand, there is a looking ahead to the future to define priorities and to formulate goals and support measures.

The Human Resources Department recommends that executives hold such performance reviews with each employee at least once a year.

DISCLOSURE
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FURTHER EDUCATION AND TRAINING INDICATORS¹

	2015	2016	2017
Number of seminars	932	1,048	1,066
Number of participants	5,424	5,136	6,092
thereof women (in %)	33.1	32.5	34.3
thereof men (in %)	66.9	67.5	65.7
Person hours	81,500	100,442	131,894
Average annual number of person hours for women	4.3	5.9	8.6
Average annual number of person hours for men	4.1	5.0	6.3

¹ 2015 and 2016 figures for employees of Austrian Post incl. national subsidiaries. Figures for 2017 for employees of Austrian Post excl. national subsidiaries.

TRAINEE PROGRAMME

In June 2017, ten trainees successfully concluded the last trainee programme of Austrian Post initiated in the autumn of 2016.

As part of the programme, the young talents were subject to a comprehensive modular training programme in which they familiarised themselves in detail with the work of different departments in accordance with the rotation principle.

Various seminars complemented the practical part of the training. For example, just like Austrian Post executives, they took part in the “A Day Visiting Customers” initiative. They also visited distribution centres and attended events such as the Annual General Meeting of Austrian Post and the Logistics Dialogue. The multi-faceted trainee programme has proven to be of great value in promoting talented employees.

Eight new trainees began the programme at Austrian Post in September 2017. In order to facilitate their entry into the programme, former trainees participated in a final project during their trainee period, which was to organise a team building for the new trainees. More than two dozen trees were planted at the Bad Ischl holiday resort together with the new trainees. There were also all sorts of creative activities to help the participants get to know each other.

APPRENTICESHIP TRAINING

Austrian Post has already been offering young people an “apprenticeship with a secondary school diploma” for seven years. In 2017, a total of 77 apprentices were being trained as retail salespeople with a focus on telecommunications.

The high quality of training for young people was confirmed in a survey of 30 employers by the independent consulting company Uniforce. Austrian Post was granted the “place to perform” seal 2016 for companies training apprentices in January 2017. The list of questions developed by the Institute for Economic Psychology at the University of Vienna focused on work activities, the social and working environment, learning aspects and satisfaction and motivation.



COOPERATION WITH UNIVERSITIES

Austrian Post also offers exciting areas of activity and diverse professional development opportunities to college graduates. Accordingly, within the context of a partnership with the Centre of Excellence of the Vienna University of Economics and Business, Austrian Post supports prospective graduates with an outstanding academic performance and intensively promotes them over a period of two years.

Furthermore, Austrian Post supports the program of the Delta Academy of Montanuniversität Leoben, offering additional, high-quality education to selected students.

Austrian Post also maintains contact to the WING students at the Vienna University of Technology, the Graz University of Technology and various universities of applied sciences with WING courses of study.

In addition, Austrian Post is already a corporate partner for the second time of the University of Technology talents programme, designed to enable high potentials to gain a deeper insight into the company within the context of Company Days. Joint networking events promote the closeness of Austrian Post to the students and provide the company with the opportunity to present itself as an attractive employer. However, Austrian Post also works together with the students on a practical level within the context of real corporate projects.

AUSTRIAN POST LABOUR MARKET

Increasing competition and prevailing market conditions require the company to implement ongoing efficiency improvement measures as well as adjustments to the personnel structure. In these situations, Austrian Post considers responsible corporate behaviour to entail reacting to the resulting changes and taking appropriate measures. Austrian Post attaches great importance to implementing and actively supporting these measures in a socially acceptable manner.

For this reason, Austrian Post provides support to employees impacted by restructuring measures to reposition themselves on the job market. The “Internal Labour Market” platform offers career guidance and vocational orientation to employees. A structured questionnaire as well as personal consultations help employees to develop an individual skills profile.

In addition, the platform provides assistance to employees looking and applying for a specific job, whether for newly advertised positions at Austrian Post (internal recruiting) or for jobs outside of the company.

Furthermore, the Austrian Post Labour Market supports the temporary employment of people who have lost their jobs with Austrian Post by third party companies. In practice, personal initiative and the personal interest displayed by employees also play a decisive role. Austrian Post has its own rules for temporary employment to ensure that the Post employee is paid in conformity with prevailing rates i.e. in accordance with the collective wage agreement for the respective sector. This also serves as the basis that the leased personnel are fully integrated in the particular company and trained by the leasing partner to do their work.

The focus of the measures implemented by the Post Labour Market is on sustainable and viable solutions aimed at optimally reconciling the interests of employees with those of Austrian Post.

Since 2016, Austrian Post has implemented its own training initiative entitled post.qualified, which targets all employees who have lost their jobs. This tool enables the participants in the training initiative to upgrade their IT user qualifications to a certified level in demand on the external labour market. post.qualified is supervised by trained career counsellors, who also arrange for interested employees to take part in suitable trainings and courses tailored to a specific job profile.

THE “AUSTRIAN POST EMPLOYEES TO THE FEDERAL PUBLIC SERVICE” INITIATIVE

One success model for a responsible and socially compatible way to deal with excess staffing capacities is the initiative “Austrian Post employees to the federal public service”. By the end of 2017, a total of 644 (former) civil servants at Austrian Post had transferred to different federal agencies. The majority assumed positions in the Federal Ministry of Internal Affairs, Revenue Office, the Federal Office for Immigration and Asylum, the Ministry of Justice and the Ministry of Education. These figures show that the competencies acquired at Austrian Post are very much in demand at the ministries and that the programme has opened up new areas of work featuring interesting career perspectives for Austrian Post employees.

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ENVIRONMENT

Austrian Post has won awards for its commitment to environmental protection. In 2017, the project for delivering letter mail with e-vehicles was given the renowned “Energy Globe Vienna” environmental award. Moreover, Austrian Post also climbed on the podium as the winner of the “Energy Globe Austria 2017” award in the category “Air”. At the beginning of 2018, Austrian Post received the internationally prestigious “Energy Globe World Award” at a globally broadcast TV gala for its e-mobility concept. The Energy Globe Award is bestowed annually in recognition of outstanding projects with a focus on resource conservation, energy efficiency and the use of renewable energies.

Construction work on the new corporate headquarters “Post am Rochus” also placed an emphasis on the issue of energy efficiency. It was built in a manner ensuring low energy consumption and deploys new technologies such as LED lighting and concrete core activation for room cooling.

AUSTRIAN POST. PRO ACTIVE FOR THE ENVIRONMENT.



PRO ACTIVE
for the environment

What is important tomorrow

As a logistics company, Austrian Post bears a huge responsibility. In order to fulfil its responsibility, Austrian Post consistently analyses environmental developments and challenges and correspondingly tailors its measures in this area.

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TRENDS AND CHALLENGES

Logistics is a significant growth market. Increasing globalisation leads to a rise in international trade volumes. At the same time, parcel volumes are increasing as a result of the e-commerce boom. As a result, there is a growing demand for logistics services and innovative solutions. These developments, which do not only impact Austrian Post's business success, are being monitored by the company. The logistics solutions offered by Austrian Post connect people, regions and countries, create jobs and generate added value. However, they also have a major impact on the environment and the climate, especially due to emissions of climate-changing greenhouse gases such as CO₂.

In the fight against climate change, the EU Commission stipulated national targets for EU member states for the first time within the context of implementing the Paris Agreement. These goals, valid for the period lasting up until 2030, are designed to reduce the level of greenhouse gas emissions. Austria is called upon to reduce its greenhouse gas emissions by 36% by 2030 compared to 2005. Austrian Post wants to actively contribute towards achieving these goals. On the basis of its participation in Science Based Targets with the support of the World Wildlife Fund, the company has submitted an emissions reduction target foreseeing a 14% drop in emissions by 2025 compared to the base year of 2013.

Against this backdrop, Austrian Post has a two-fold task to carry out. As the largest logistics company in the country, the challenge for Austrian Post is not only to reduce climate-changing greenhouse gases such as CO₂ but to avoid generating them in the first place and thus to minimise environmental impacts to the greatest possible extent. Moreover, as one of the country's flagship companies, Austrian Post bears a special responsibility to actively participate in the efforts to achieve the climate protection goals and to do its share.

There are also environmental megatrends which impact Austrian Post and its business operations and pose challenges:

MEGATRENDS IMPACTING THE POSTAL BUSINESS IN THE FOCUS AREA OF THE ENVIRONMENT

GLOBAL CLIMATE CHANGE – IMPACTING DELIVERY OPERATIONS

Climate change leads to changed weather conditions, such as somewhat heavier rains and extremely hot or cold temperatures. Austrian Post and its employees are directly exposed to these conditions.

LOCAL EMISSIONS – E-MOBILITY AND A MODERN VEHICLE FLEET

Logistics services have to be provided in a pinpointed and timely manner – with as minimal an environmental burden (dust, noise, NOx) as possible.

ENERGY TRANSITION AND CONSEQUENCES – NECESSARY ECOLOGICALISATION OF ENERGY SOURCING

The energy transition forces large logistics companies such as Austrian Post to save energy and purchase green electricity.

SHORTAGE OF NATURAL RESOURCES – INDISPENSABLE INCREASE IN ENERGY EFFICIENCY

long-term rises in prices of natural resources require the company to continually assess whether these resources are used efficiently enough. This issue is extremely important, especially in the vehicle fleet.

URBANISATION – SMART CITY LOGISTICS SOLUTIONS

In steadily growing cities with increasingly dense structures, postal service providers require new approaches for transporting goods or mail items from A to B.

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ENVIRONMENTAL RISKS

Risks cannot be excluded in a diverse area such as the environment, which is shaped so much by natural events. The management of environment risks is embedded in the Group-wide risk management system.

Environmental risks primarily arise from natural influences such as the consequences of climate change as well as regulatory changes and economic factors.

For example, changes to and a tightening of applicable environmental laws could result in higher investments: In addition, higher taxes or increasing energy costs relating to a shortfall of natural resources could lead to higher costs.

Climate change and the related effects on the weather impact the infrastructure in Austria. In turn, the consequence could be detours, interruptions and losses of time with respect to freight transport and delivery services. Additional financial obligations could arise if the company is unable to fulfil its legal obligations to provide nationwide postal services over a given period of time as a result of natural disasters.

Risks relating to CO₂ emissions arise from technology and emissions trading. In turn, this affects the reputation of Austrian Post, which has defined ambitious goals in its climate policies. Unreliable or immature technologies could slow down the modernisation of the vehicle fleet, preventing Austrian Post from achieving its climate target. A financial risk exists in emissions trading should prices of emission certificates increase.

More information on the extent to which Austrian Post's energy-intensive activities lead to environmental risks can be found on page 52 of the Financial Report.

What Austrian Post already does today

Austrian Post has been consistently integrating environmental protection activities in its core business for many years in order to decrease its ecological footprint from year to year.

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— Management approach of Austrian Post

As the country's largest logistics company, Austrian Post bears a special responsibility to the environment which it aims to fulfil on the basis of Group-wide environmental protection measures.

These measures are tailored to reflect the material topics defined within the context of its dialogue with stakeholders and which are designed to minimise environmental risks and optimally exploit opportunities:

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MATERIAL ISSUES IN THE FOCUS AREA OF THE ENVIRONMENT

CLIMATE PROTECTION AND ENERGY

RESOURCE EFFICIENCY

RESPONSIBLE PROCUREMENT

The focus of Austrian Post's environmental protection measures is the CO₂ NEUTRAL DELIVERY initiative, which Austrian Post launched in the year 2011 to continually and extensively reduce its environmental impacts, especially the greenhouse gas emissions it generates.

THE INITIATIVE CONSISTS OF THREE SYNCHRONISED STEPS:

1. Efficiency increases in the vehicle fleet and buildings
2. Alternative technologies (renewable energies and e-mobility)
3. Compensation of remaining emissions

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The success of this initiative is demonstrated by the results. Austrian Post has been delivering all mail items within Austria in a CO₂ neutral manner since 2011. Accordingly, it is a leader in this area in the international logistics sector (additional information starting on page 94).

Moreover, Austrian Post actively takes part in projects such as the “Environmental Measurement and Monitoring System” (EMMS) of the International Post Corporation (IPC).

All 24 postal companies in the International Post Corporation (IPC)¹ are working on systematically recording the impacts of their business activities on climate change and on cutting their CO₂ emissions. The objectives and measures of the International Post Corporation are published annually in the IPC Sector Sustainability Report and on the IPC Website.

A further cornerstone of the company’s efforts is the implementation and expansion of the environmental management system according to the ISO 14001:2015 standard. After the launch and certification in 2016 of an environmental management system pursuant to ISO 14001 at the Vienna Mail Centre, the company’s largest single operating unit, the environmental management system was also initiated and certified in accordance with ISO 14001 at the Vienna site of the Austrian Post subsidiary Medien-Zustell GmbH.

Consistent monitoring of CO₂ emissions as well as the already initiated measures to save energy contribute to Austrian Post achieving its environmental targets and in cutting energy costs at the same time.

Austrian Post pays attention to the repercussions of its procurement decisions in its delivery chain. For this reason, it stringently demands compliance with environmental and social standards within the context of its Code of Conduct for Suppliers as well as the Vendor Integrity Check (refer to page 23).

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¹ In addition to Austria, the member states are Germany, Ireland, Belgium, Spain, Portugal, Cyprus, Greece, Finland, Sweden, France, Italy, Hungary, Norway, Denmark, Luxembourg, Netherlands, Great Britain, Switzerland, Iceland, Australia, New Zealand, Canada and the United States.



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— Achievements in 2017 and targets for 2018

Austrian Post considers environmental protection to be an ongoing process.

CLIMATE PROTECTION AND CONSERVE RESOURCES

Within the context of its business operations, Austrian Post has succeeded in recent years in significantly decreasing the emissions it generates as well as its energy consumption, and reached its first and second target much earlier than planned. The first objective to achieve a CO₂ reduction of 10% in the period 2007–2012 was already reached in 2010. The company defined an even more ambitious target to cut its CO₂ emissions including external freight forwarders by 20% in the period from 2010 to 2015. Austrian Post also achieved this goal. For this reason, another objective was specified in the year 2016, namely to reduce emissions by a further 14% by the year 2025 compared to the base year of 2013. Up until 2017, emissions had already been cut by 4.7%.

STRENGTHEN ENVIRONMENTAL AWARENESS

In 2017, Austrian Post further rolled out its environmental management system pursuant to the ISO 14001 standard and certified a site of Medien.Zustell GmbH accordingly. In addition, Austrian Post launched an employee campaign to continue providing information about environmental issues.



TARGETS FOR 2017	ACHIEVED IN 2017	TARGETS FOR 2018
PROTECT THE CLIMATE AND CONSERVE RESOURCES		
CO ₂ reduction target Reduction of CO ₂ emissions by 14% by 2025 (base year: 2013)	Reduction of CO ₂ emissions by 4.7%	CO ₂ reduction target of reducing CO ₂ emissions by 14% by 2025 (base year: 2013) and evaluation of potential CO ₂ reduction target for subsidiaries
CO ₂ NEUTRAL DELIVERY Continuation of the CO ₂ NEUTRAL DELIVERY initiative	The CO ₂ emissions and their compensation were confirmed by TÜV Austria again in 2017	Continuation of the CO ₂ NEUTRAL DELIVERY initiative and evaluation of potential expansion to subsidiaries
E-mobility Expansion of the e-vehicle fleet to more than 1,450 vehicles by the end of 2017	1,423 e-vehicles were deployed at the end of 2017	Ongoing expansion of the e-vehicle fleet to more than 1,800 vehicles by the end of 2020
Green Vienna Completion of the "Green Vienna" project by the end of 2017	98% of the "Green Vienna" project was completed in 2017	Expansion of the project to other provincial capitals and urban areas
Energy efficiency Energy efficiency measures in the fields of lighting, room heating, thermal renovation and water heating	Energy efficiency measures were carried out in the fields of lighting, room heating, thermal renovation and water heating at Austrian Post and subsidiaries	Further energy efficiency measures at Austrian Post and subsidiaries
Waste and recycling management Pilot project for the optimisation and quality assurance of waste management	Optimisation and quality assurance projects implemented at Austrian Post, Medien.Zustell GmbH and feibra GmbH	Evaluation of further optimisation and quality assurance potential
STRENGTHEN ENVIRONMENTAL AWARENESS		
Environmental management system Expansion of the environmental management system pursuant to ISO 14001:2015 to the subsidiary Medien.Zustell GmbH	Environmental management system pursuant to ISO 14001:2015 was implemented at one site of Medien.Zustell GmbH	Roll-out of the environmental management system pursuant to ISO 14001:2015 to other sites of Austrian Post and Medien.Zustell GmbH, evaluation of other sites
Employee awareness raising Publication of an employee brochure to raise awareness of environmental issues	Employee campaign in the Intranet and in the employee newspaper	New campaign via Internet and Intranet

Consider environmental aspects at all times

The delivery staff of 8,954 mail carriers deliver 5.6 billion mail items each year to more than four million households and companies throughout the country. All in all, their delivery routes lead them to circle the globe several times over each day – on foot and by bicycle but also using mopeds, automobiles and lorries.

However, the six mail and seven parcel distribution centres, 260 delivery bases, 443 branch offices and 1,359 postal partner offices also require a great deal of energy. For this reason, the company has specified a variety of measures to keep the ecological footprint of its business operations to a minimum – but without making compromises on the quality of its services or its ability to fulfil its legal mandate to supply the population with postal services.

— Climate protection and energy

The CO₂ NEUTRAL DELIVERY initiative plays a key role in the company's efforts. Within the context of this initiative, the first step is taking measures to ensure greater efficiency in core processes, for example energetically optimising buildings and lighting and continually modernising the vehicle fleet.

The second step involves the increasing use of alternative technologies. Austrian Post has already been procuring its entire electricity needs from renewable energy sources since 2012 and all its energy from renewable energy sources in Austria since the beginning of 2017. Moreover, Austrian Post also operates three photovoltaic facilities.

All the remaining unavoidable CO₂ emissions at this time are offset in a third step by supporting national and international climate protection projects. The result of these three steps is that Austrian Post delivers all mail items in Austria in a CO₂ neutral manner. This is confirmed each year by TÜV Austria.

This initiative is also important as a means of raising the environmental awareness of employees, customers and other stakeholder groups. For example, since the beginning of 2012, interested business customers of Austrian Post have been able to request a certificate to confirm the CO₂ neutral delivery of all their mail items in the previous year. Austrian Post issued about 400 such certificates in 2017.



THE CO₂ NEUTRAL DELIVERY INITIATIVE TAKES PLACE VIA THREE STEPS

1.
Enhancing efficiency in core processes, e. g. through a modern vehicle fleet
and the energetic optimisation of buildings
 2.
Intensified use of alternative technologies, e. g. electricity from renewable energy sources
and expansion of the e-vehicle fleet
 3.
Compensation for unavoidable CO₂ emissions
- Result:**
All mail items in Austria are delivered by Austrian Post in a
CO₂ NEUTRAL manner!
This is confirmed each year by TÜV Austria.
More than 130 customers make use of this logo in their own
communications activities.

The CO₂ NEUTRAL DELIVERY initiative is an important factor in sensitising employees, customers and stakeholders for environmental matters. Thus, if Austrian Post's business customers wish so, they can request a certificate confirming their business mail has been delivered in a CO₂ neutral manner last year.

More than 130 customers already use the logo in their communications in light of the fact that this initiative contributes towards improving their climate scorecard as a consequence of the CO₂ neutral delivery of their mail items.

Austrian Post continuously works to raise awareness of environmental issues, not only externally, but in-house. Media such as internal info screens, the Intranet and the employee magazine provide regular information about the CO₂ NEUTRAL DELIVERY initiative and other CSR-related measures.

— Ecological transport

If Austrian Post wants to avoid CO₂ emissions as a logistics company, the focus will have to be on its transport operations because this is the area it can influence the most and use as the basis for significantly reducing emissions.

For this reason, the main goal is to structure its transport operations to be as environmentally compatible as possible.

The delivery staff can reach about 20% of the delivery areas on foot or by bicycle – which is as environmentally-friendly as one can get. The other delivery areas can only be reached using motorised vehicles. That is why the challenge is to find solutions, which are just as or almost as environmentally compatible. Two key aspects are route planning and the vehicle fleet with the objective of increasing efficiency in both areas.

GREATER EFFICIENCY FROM A MODERN VEHICLE FLEET

The condition of the vehicles plays a key role in the efficiency of the vehicle fleet. For this reason, Austrian Post focuses on deploying modern vehicles and carrying out regular maintenance work as a means of optimising efficiency in the vehicle fleet. The number of vehicles in the lowest emission classes Euro 5, Euro 5 EEV and Euro 6 increased from 5,357 in 2016 to 6,380 in 2017.

MORE ALTERNATIVE DRIVE SYSTEMS ENSURE LOWER EMISSION LEVELS

Moreover, Austrian Post increasingly relies on alternative drive systems in its delivery operations and once again expanded its fleet of e-vehicles in the year 2017. Supported by the funding program “klima:aktiv mobil” launched by the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management and the Climate and Energy Fund of the Austrian Federal Government, Austrian Post now operates 1,423 e-vehicles today, including 982 single track e-vehicles and special vehicles (quads and trikes) as well as 441 electric cars. Two IVECO Daily Electric Transporters have also been deployed for parcel delivery purposes since 2016. Accordingly, Austrian Post is the largest e-fleet operator in the country. By 2020, the company intends to deploy 1,800 e-vehicles in its vehicle fleet.

The main areas of operation for the e-vehicles at present are populated areas, especially Vienna as well as provincial and district capitals. In its “Green Vienna” project, Austrian Post defined the goal of delivering all mail and direct mail items to private customers in Vienna in a “green” or CO₂ neutral manner. This project is part of the CO₂ NEUTRAL DELIVERY initiative but goes a step further, because delivery operations for mail and direct mail items in Vienna are to be carried out entirely without the use of fossil fuels. Conventional mopeds or automobiles are no longer used. Instead, delivery is carried out completely on the basis of the staff’s own muscle power or electrical energy. In the meantime, the project has almost been completed, with 98 % already converted to green delivery. The project was extended to other provincial capitals in 2017. Electric vehicles already take care of all mail deliveries in Eisenstadt today. Nine out of ten private mail items are delivered in an eco-friendly manner in St. Pölten, Innsbruck and Wiener Neustadt and all the other provincial capitals are well on track towards offering exclusively green delivery services. In the future, this concept is to be expanded to rural areas as well. Only e-vehicles or vehicles with alternative drive systems are to be deployed in the medium term.

The fact that Austrian Post makes an important contribution to climate protection is confirmed by the latest awards granted for the project involving the delivery of letter mail with e-vehicles. The company was given the “Energy Globe Vienna” environmental award followed by Austrian Post being declared the winner of the “Energy Globe Austria 2017”. And at the beginning of 2018, Austrian Post received the internationally prestigious “Energy Globe World Award” at a globally broadcasted TV gala for its e-mobility concept. The Energy Globe Award is bestowed annually in recognition of outstanding projects with a focus on resource conservation, energy efficiency and the use of renewable energies.

MORE ENVIRONMENTAL AND CLIMATE PROTECTION, ALSO IN TRANSPORT LOGISTICS

When it comes to transporting freight, Austrian Post has also undertaken major efforts in recent years to protect the environment and the climate. The primary focus is on rejuvenating its vehicle fleet and thus applying modern technologies. The deployed lorries have an average age of 3.8 years.

In order to reduce fuel consumption and emissions, optimisation measures are carried out to ensure greater capacity utilisation of lorries to reduce the number of kilometres, optimising route planning to cut emissions and the deployment of needs-oriented vehicles on routes with lower utilisation levels.

In addition to conventional, diesel-powered lorries, Austrian Post is also interested in innovative drive technologies. For example, the lorries were already refuelled with rapeseed oil. At present, a long-term test is being carried out with liquid gas. Austrian Post continues to focus on alternative technological developments and is involved in research projects.

Furthermore, Austrian Post also relies on driver trainings. Before beginning work for Austrian Post, every driver has to take specified training course. Within the context of the C95 trainings, drivers are taught how to drive in a fuel-efficient manner. One of the derived measures is the obligatory check of tyre pressure every time the lorry needs to be refuelled. This has also led to a more efficient use of fuel.

High priority is also attached to the issue of safety in transporting freight. The certificates of good conduct are checked before contracts are concluded. Employees are only permitted to enter their designated areas with personalised access cards.

Information on the composition of the vehicle fleet and mileage, two factors which are responsible for the main environmental impacts from transport operations, is provided in the facts and figures section starting on page 111.

Significant environmental impacts from transport are shown via the reported CO₂ emissions (page 104). Other substantial ecological effects from the transport of products or goods and materials as well as the transport of employees are not known to Austrian Post.

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— Resolutely save energy

Similar to avoiding CO₂ emissions, the issue of saving energy also impacts the vehicle fleet and buildings. For this reason, it basically encompasses the same measures. The measures taken with regard to the vehicle fleet are described in the previous section.

LOWER ENERGY CONSUMPTION REDUCES EMISSIONS

Austrian Post continually strives to reduce the energy consumption of its building infrastructure and thus reduce the level of greenhouse gas emissions. It consistently monitors energy consumption and is successively converting the lighting systems in its logistics centres to LED lighting solutions.

In 2017, the company continued to exploit much of the energy savings potential identified in an energy audit in 2015, for example converting heating systems to district heat or installing efficient heating and warm water systems. The success of systematic energy saving measures is demonstrated by the decrease in energy consumption by about 6% or eight million kWh between 2015 and 2017.

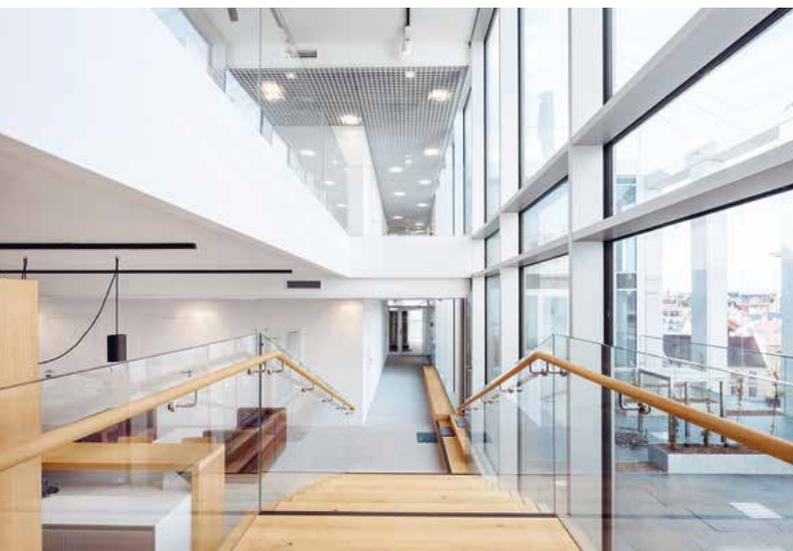
POST AM ROCHUS

The corporate headquarters “Post am Rochus” at the Rochusplatz location in Vienna’s third district takes account of ecologically and energy-efficient construction approaches, and the building was constructed to ensure low energy consumption. The innovative building technology features concrete core activation for room cooling in addition to thermal groundwater use, displacement ventilation, free cooling, air humidification and heat exchangers.

The building is also equipped with energy-saving LED lighting combined with presence detectors and adaptive lighting. Sensor-controlled automatic sun shading counteracts overheating on warm days. Individual natural ventilation of rooms is possible by means of the ventilation flaps in the façade.

The construction method and additional support by building technology keeps energy consumption for generating heat and refrigeration low. The “Post am Rochus” building was recognised as being energy-efficient by the Austrian Sustainable Building Council (ÖGNI).

The building was also planned to be sustainable and environmentally compatible with respect to mobility. The connection to public transportation is almost a perfect one. An underground station is close by, and the next train station can be reached by foot. E-mobility at Post am Rochus is also being promoted in an exemplary manner. The building contains one of the first Austrian quick charging stations with 150 kW.



MORE RENEWABLE ENERGY SOURCES FOR FEWER EMISSIONS

Since January 1, 2012, Austrian Post has been exclusively deriving “green” electricity from renewable energy sources for company-owned buildings and leased buildings for which it can impact the supply of electricity. Since 2017, this renewable electricity is completely derived from Austrian producers. The low amount of electricity from unknown sources relates to postal partner offices and leased buildings without known electricity suppliers.

However, Austrian Post not only procures electricity from renewable energy sources but produces electricity itself. It has been operating one of the largest rooftop photovoltaic facilities in Austria located on the Vienna Letter Centre since the autumn of 2013, boasting an output of 882 kilowatt peak (kWp). A second photovoltaic facility with an output of 496 kWp has been generating solar power on the roof of the Allhaming Logistics Centre in Upper Austria since 2014. A third photovoltaic plant with 24 kWp on an office building in Vienna was put into operation at the beginning of 2018. The energy produced by facilities amounting to about 1.5 m kWh is sufficient to provide the entire e-vehicle fleet of Austrian Post with clean solar energy, free of greenhouse gas emissions.

Furthermore, the roofs of Austrian Post buildings provide a natural home for all kinds of animals. For example, the green roof of the Vienna Letter Mail Centre has become a breeding place for the crested lark, and swarms of wild bees have settled there.

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ENERGY INDICATORS BUILDINGS¹

	2015	2016	2017
Total energy consumption (kWh million)^{1,2}	133.7	125.2	125.5
Natural gas	34.2	33.2	32.3
Heating oil	3.9	3.1	3.1
District heat	35.2	32.6	34.5
Electricity (total)	60.4	56.3	55.6
thereof electricity from renewable energy sources	56.1	52.8	52.4
thereof electricity from own photovoltaic plants	1.5	1.3	1.5
thereof grey electricity	4.3	3.5	3.1
Building space (m²)	1,075,048	1,053,200	1,048,295

¹ The figures for buildings include the subsidiary Scanpoint GmbH. Other national and international subsidiaries are not taken into account.

² The energy indicators for buildings applying to the year 2017 are based on real data as of January 31, 2018. The remaining share is based on forecasted figures.

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ENERGY INDICATORS VEHICLE FLEET¹

	2015	2016	2017
Total fuel consumption: petrol, super grade, diesel, natural gas (litre million)	22.1	22.5	21.9
Electricity consumption e-mobility (kWh million)	– ²	0.6	1.1
Kilometres driven (million)	157.8	160.2	162.2

¹ The vehicle fleet figures only include Austrian Post. Subsidiaries are not taken into account.

² The figure for 2015 is not available because this indicator was first separately calculated starting in 2016.

— Emissions

The resolute and ongoing implementation of energy-saving measures as well as the increased use of alternative forms of energy lead to a considerable decline in emissions.

As a result, based on specifying a CO₂ reduction target, Austrian Post reduced its CO₂ emissions by 21 % in the period 2010 to 2015, although, for example, it had the pleasant challenge of dealing with the steady growth of the parcel business. The new CO₂ reduction target submitted on the basis of the Science Based Targets initiative foresees a further 14 % reduction by the year 2015 (based on the year 2013).

The reporting of Austrian Post with respect to greenhouse gas emissions is limited to CO₂ equivalents since these are important in the context of its business operations as a logistics services provider. Austrian Post reports about emissions caused by internal company activities (Scope 1), from the energy supply (Scope 2), and emissions arising as a result of outsourced transport services such as freight transport and delivery services (Scope 3). Accordingly, Austrian Post presents its emissions via CO₂ equivalents throughout its entire value chain.

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EMISSIONS

in t	2015	2016	2017
Total CO₂ emissions (Scope 1–3)¹ according to the Greenhouse Gas	67,272	67,491	67,069
CO ₂ Scope 1 – Road transport (own operations)	35,214	35,154	35,713
CO ₂ Scope 1 – Buildings	7,924	7,473	7,312
Natural gas	6,865	6,630	6,462
Heating oil	1,059	843	850
CO ₂ Scope 2 – Buildings ^{2,3}	4,971	5,234	6,337
District heat	4,723	5,003	5,401
Electricity	248	231	936
CO ₂ Scope 3 – Partner companies	19,163	19,630	17,707

¹ All gases named by GRI are taken into account in calculating Scope 1, Scope 2 and Scope 3 emissions.

In order to fulfil GRI requirements, the CO₂ emissions for the base year 2013 are listed as follows: CO₂ Scope 1 – Road transport (own emissions: 35,199 t; CO₂ Scope 1 – Buildings: 8,887 t; CO₂ Scope 2 – Buildings: 6,346 t; CO₂ Scope 3 – Partner companies: 19,951 t. These figures refer exclusively to Austrian Post. The difference to previously published CO₂ emission figures for the year 2013 arises by not taking account of Post Wertlogistik GmbH.

² The figures for buildings include the subsidiary Scanpoint GmbH. Other national and international subsidiaries are not taken into account.

³ The calculation of Scope 2 emissions (electricity and district heat) is carried out in line with the market-based method. This means supplier-specific emission factors are used if available. When Scope 2 emissions are calculated using the location-based method (no supplier-specific emission factors, no green electricity), CO₂ emissions for the year 2016 are at 22,823.2 tonnes. This shows the impact of procuring electricity from renewable energy sources.

PROTECTING THE CLIMATE: AUSTRIA AND INTERNATIONALLY

Austrian Post is not only dedicated to climate protection within the company. Within the context of the CO₂ NEUTRAL DELIVERY initiative, Austrian Post provides support for climate protection projects in Austria, such as the replacement of outdated heating systems running on fossil fuels by modern pellet heating or the purchase of e-vehicles for charitable organisations. All this helps avoid CO₂ emissions and support the regional economy via a high indirect profitability. On an international level, Austrian Post also supports numerous certified climate protection projects, such as the generation of renewable energy by solar power facilities in India, or the development of a low-cost and efficient stove for the population in Kenya and Honduras as a means of reducing fuel consumption and minimising health risks, as well as a project to prevent deforestation of the rainforests.

— Resource efficiency

The conscious use of natural resources requires an analysis of the materials used by the Group and subsequently proactive management. In this regard, an effective instrument is the environmental management system in accordance with the ISO 14001 standard applied by Austrian Post since 2016. The largest logistics centre operated by Austrian Post and one site of its Austrian subsidiary Medien.Zustell GmbH are already certified according to ISO 14001. As a consequence, environmental protection and sustainability have gained in importance at both sites and are embedded in the organisation via a regulated management process. The main focus is on increasing awareness of employees for environmental protection, decreasing energy consumption and reducing the volume of residual waste. An improvement of the environmental management system takes place through the annual validation by a certified auditor of TÜV Austria. It is planned to extend this certification to other logistics centres operated by Austrian Post and selected subsidiaries in the year 2018.

Responsible waste and recycling management also plays an important role with respect to the issue of energy efficiency. Similar to other logistics companies, waste at Austrian Post mainly takes the form of used paper, plastic, waste wood (pallets) and residual waste. Austrian Post only has a very limited opportunity to exert an influence on waste volumes, which are primarily impacted by customers or subcontractors commissioned by the company.

However, Austrian Post takes relevant measures in the spirit of ensuring sustainable waste management. If waste cannot be avoided, it is disposed of in an environmentally compatible manner. Waste materials are separated by category, helping Austrian Post to reduce the amount of residual waste. The valuable recycling materials can be re-used in a sensible manner, both economically and ecologically.

Waste management concepts exist for individual sizes with a specified size. For example, several sorting centres have even developed their own waste disposal and recycling concepts for the entire region. For instance, in the Brieflogistik Ost (letter mail logistics centre for the eastern region of Austria), plastics, paper and cardboard can be remunerated at the logistics centres. However, the disposal of reusable scrap materials must be paid for at the delivery bases, where smaller quantities of waste are generated. The reusable materials in the delivery bases are separated in accordance with the waste disposal concept and delivered to the logistics centre for recycling and then handed over to a waste disposal company. Unused capacities in the delivery vehicles transporting goods are used for this purpose. This comprises a two-fold advantage. The concept not only benefits the environment but results in cost savings.

The waste generated by offices mainly involves scrap paper. The concept underlying the new corporate headquarters also places a strong emphasis on avoiding waste in offices. At its largest office site, Austrian Post pursues the concept of a paperless office. Printing zones and paper baskets were strongly reduced and were replaced instead by larger monitors at the workplaces and large screens in the meeting areas.

Up until now, optimisation and quality assurance projects were carried out for the eastern region of Austrian Post and subsidiaries. However, Austrian Post has decided not to disclose any Austrian-wide data on this issue for the time being. An expansion of this project to other areas within Austrian Post and its subsidiaries is now being evaluated.

DISCLOSURE
306-2
SDG
12

— Responsible procurement – Optimise procurement

Austrian Post not only strives to minimise the environmental impacts of its business operations within the context of its high sustainability standards. A shared understanding with respect to environmental protection and responsibility is also important in the selection of business partners.

Austrian Post is aware of its role in the supply chain as well as of the follow-up effects of its purchase decisions. For this reason, Austrian Post demands adherence to environmental and social standards through its Code of Conduct for suppliers and the Vendor Integrity Check (see p. 23).

 p. 23

Key suppliers were systematically scrutinised as part of the company’s supplier management in 2017. The further upgrading of the Vendor Integrity Check from information provided by the supplier itself to a tool-driven method of compiling information, which is taking place at the present time, underlines the ongoing improvement of processes and Austrian Post’s monitoring of the supplier assessments.

For further information on supplier management, refer to the chapter on the company and values starting on page 22.

 p. 22

PROCUREMENT OF ENERGY AND VEHICLES

As a logistics company, the sourcing of energy and purchasing of vehicles is of immense importance to Austrian Post and its core business. Since 2012, Austrian Post has only been procuring electricity from renewable energy sources IN Austria for company-owned and leased buildings in which the origin of the electricity supply is known.

Environmental compatibility is also a priority when it comes to new acquisitions for the vehicle fleet. Austrian Post purchases vehicles in the lowest emission classes i. e. Euro 5, Euro 5 EEV and Euro 6 and also focuses on alternative drive systems in its delivery processes and the continual expansion of its e-vehicle fleet.

PROCUREMENT OF MATERIALS

Paper consumption is of primary importance within the context of material use. That is why Austrian Post pays attention to ensuring purchases from responsible sources such as those featuring the FSC and PEFC seal.

DISCLOSURE
301-1
SDG
8
12

PAPER

in t	2015	2016	2017
Total paper consumption	5,255	6,302	5,539
thereof sustainably produced paper (PEFC and FSC paper)	4,214	5,443	5,372

INFORMATION

108	—	Facts & Figures
113	—	GRI Index
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Facts & figures

This section contains further GRI-relevant indicators in the focal areas of employees and the environment. They are bundled here, as they complement the information contained in the main sections and are to be regarded more as background information.

— Employee Indicators

STAFF OF AUSTRIAN POST

The staff of Austrian Post in the year 2017 consisted of an average of 17,225 employees (annual average, full-time equivalents).

DISCLOSURE
102-8
SDG
8

EMPLOYEE INDICATORS OF AUSTRIAN POST

	2015	2016	2017
Total number of employees (FTE ¹)	17,983	17,448	17,225
thereof women (FTE in %)	29.3	29.0	29.2
thereof men (FTE in %)	70.7	71.0	70.8
Civil servants (FTE) ³	8,040	7,642	7,056
thereof women ⁴	–	–	1,037
thereof men ⁴	–	–	6,019
Salaried employees (FTE) ³	9,714	9,582	9,991
thereof women ⁴	–	–	3,913
thereof men ⁴	–	–	6,078
Employees pursuant to the Austrian Civil Code (ABGB, FTE) ^{2,3}	230	225	179
thereof women ⁴	–	–	77
thereof men ⁴	–	–	102
Full-time employees (total)	16,201	15,512	15,256
thereof women (in %)	23.9	23.5	23.5
Part-time employees (total)	3,265	3,395	3,474
thereof women (in %)	80.6	75.9	74.4
Average tenure of civil servants (years)	31	32	33
Average tenure of salaried employees (years)	11	11	10

¹ FTE = Full-time equivalents

² Due to the stipulations contained in the Postal Services Structure Act (Section 19 Para. 5 PTSG), they are not subject to the collective wage agreement.

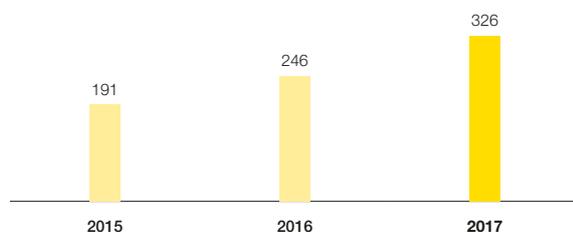
³ All civil servants are employed for an unlimited period of time. Salaried employees are also employed for an unlimited period of time for the most part. In 2017, 370 FTE were employed for fixed periods of time (including employees undergoing a trial period and who then receive a permanent employment contract. Employees pursuant to the Austrian Civil Code are principally employed for fixed periods of time.

⁴ The subdivision into the categories of women and men is first reported for the 2017 reporting year.

TEMPORARY STAFF

Austrian Post also employs external leasing personnel when needed. These employees are not included in the employee indicators of Austrian Post. If the leased staff were included in the employee indicators, the share of leasing personnel as a percentage of the total staff would be 1.9% in 2017.

TEMPORARY STAFF AT AUSTRIAN POST



DISCLOSURE

102-48

401-1

EMPLOYEE TURNOVER IN 2017

	2015	2016	2017
Employee attrition (total staff departures)¹	1,961	2,072	2,309
thereof women	854	879	885
thereof men	1,107	1,193	1,424
By age group			
under 30	466	475	651
30–50 years	812	755	764
over 51	683	842	894
Employee attrition (staff departures in %)^{1,2}	10.2	11.1	12.3
thereof women	43.5	42.4	38.3
thereof men	56.5	57.6	61.7
By age group			
under 30	23.8	22.9	28.2
30–50 years	41.4	36.4	33.1
over 51	34.8	40.6	38.7
New employee hires (total)¹	1,199	1,548	– ³
thereof women	525	702	– ³
thereof men	674	846	– ³
By age group			
under 30	700	889	– ³
30–50 years	464	607	– ³
over 51	35	52	– ³
New employee hires (in %)^{1,2}	6.2	8.3	– ³
thereof women	43.8	45.3	– ³
thereof men	56.2	54.7	– ³
By age group			
under 30	58.4	57.4	– ³
30–50 years	38.7	39.2	– ³
over 51	2.9	3.4	– ³

¹ Persons leaving or hired for the permanent staff who have been employed by the company for at least six months. All forms of staff departures are taken into account.

² Persons leaving or hired in relation to the average number of employees.

³ New employee hires to permanent staff employed for a period of at least six months. Due to the internal definition at Austrian Post, new employee hires for the 2017 financial year cannot be disclosed in light of the fact that the current Sustainability Report was already published in June. New employees hires for this reporting year will be included in the Sustainability Report for 2018.

DISCLOSURE
405-1

DIVERSITY INDICATORS OF AUSTRIAN POST

	2015	2016	2017
Employees with special needs (total as of December 31st)	1,242	1,226	1,243
Employees (FTE¹) by age group			
under 30	2,031	2,068	2,317
30–50 years	9,116	8,241	7,690
over 51	6,836	7,139	7,218
Employees (FTE) by age group in %			
under 30	11.3	11.9	13.5
30–50 years	50.7	47.2	44.6
over 51	38.0	40.9	41.9
Employees in management positions (total)^{1,2}	1,105	921	887
thereof women	274	213	202
thereof men	831	708	685
By age group			
under 30	21	11	14
30–50 years	617	480	438
over 51	467	430	435
Employees in management positions in %^{1,2}	6.1	5.3	5.1
thereof women	24.8	23.1	22.8
thereof men	75.2	76.9	77.2
By age group			
under 30	1.9	1.2	1.6
30–50 years	55.9	52.2	49.3
over 51	42.3	46.7	49.0

¹ FTE = Full-time equivalents

² Management Board members, management team (reporting directly to the Management Board), expanded management team (direct reporting to the management team or executives) and leadership conference (employees of BE 2 to 5 responsible for at least three employees) as well as all other executives, who are responsible for at least three employees.

DISCLOSURE

302-1

305-1

305-2

305-3

F p. 33

— Environmental indicators

NOTES ON REPORTING BOUNDARIES, CALCULATION METHODS AND CONVERSION FACTORS RELATING TO GREENHOUSE GAS EMISSIONS GENERATED BY AUSTRIAN POST

Reporting encompasses the parent company Austrian Post and the subsidiary Scanpoint GmbH with respect to buildings emissions. Other national and international subsidiaries as well as international air mail and international rail transport are not included at present. Environmental indicators of national and international subsidiaries were published in the Non-Financial Report 2017 (starting on page 33 of the Financial Report).

Austrian Post does not provide any air mail delivery services within Austria. Emissions from domestic rail traffic are evaluated each year but are not material due to the low volume.

The calculation of CO₂ emissions from road transport is the responsibility of the Group Vehicle Management organisational unit. The basic data for calculating the emissions of Austrian Post are derived from a special SAP production system, which includes vehicle data (type of vehicle and engine etc.) and performance data (kilometres driven and fuel consumption). The basic data or kilometres driven for “external shipping companies” for letter mail come from data bases which distinguish between the fields of distribution and freight traffic. The data for “external shipping companies” for parcels is determined by a calculation of ratios. The parcel delivery volume of the outsourced external companies is compared to the parcel delivery volume of Austrian Post to calculate mileage. This results in a figure for total mileage, which is multiplied by the average fuel consumption of the Austrian Post vehicles taking account of the particular vehicle category. The result is the fuel consumption of the shipping companies.

The Corporate Real Estate organisational unit is responsible for determining the level of CO₂ emissions from buildings. Data compilation includes all buildings and building space (own, leased space or space rented out to third parties) of Austrian Post (including Scanpoint GmbH). Generally speaking, a black box view is chosen, enabling significant energy flows (electrical energy, room heating) to be identified.

The CO₂ conversion factors for natural gas, heating oil, diesel and petrol are derived from the data base of the Federal Environmental Agency. This involves CO₂ equivalents. For this reason, other greenhouse gases are taken into account in addition to CO₂. It is important to mention here that the term “CO₂” is to be equated with CO₂ equivalents. The electricity is green electricity supplied in line with valid contracts. For the remaining grey electricity, the Austrian mix derived from the data base of the Federal Environmental Agency in 2017 is used to calculate CO₂ emissions. Information provided by operators is used in determining emission factor for district heat inasmuch as they seem plausible. The substitute data for implausible data and for small-scale suppliers is also derived from the Federal Environmental Agency in the year 2017. The emission factor from the report of the Federal Environmental Agency on the company Fernwärme Wien in the year 2005 is used for Fernwärme Wien. All emission factors are evaluated on an annual basis.

VEHICLE FLEET AND MILEAGE

The composition of the vehicle fleet which is responsible for the primary environmental effects of the company’s transport operations is presented in the following chart.

VEHICLES

	2015	2016	2017
Vehicles in the Austrian Post fleet	9,326	8,735	8,680
Bicycles	862	807	714
thereof electric bicycles	593	683	613
Mopeds	875	882	809
thereof electric mopeds	181	370	369
Vehicles up to 3.5 t	7,437	6,893	6,996
thereof natural gas-driven vehicles up to 3.5 t	52	2	0
thereof e-vehicles up to 3.5 t	238	334	441
Vehicles over 3.5 t	152	153	161
Motorised vehicles of Austrian Post according to emission class			
Euro 2	609	440	377
Euro 3	125	89	71
Euro 4	2,260	1,338	328
Euro 5	4,900	5,056	4,586
Euro 5 EEV	74	74	74
Euro 6	77	227	1,720

GRI Index

In the following GRI Index, the standard disclosures made by Austrian Post, material topics and at least one related indicator are listed in line with the option “In accordance – Core”. The references to page numbers enable readers to easily find the reported information. If a GRI indicator is linked to a SDG, this is specified in the appropriate place.

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
GRI 101: FOUNDATION 2016						
GRI 102: GENERAL DISCLOSURES 2016						
GRI 102	General Disclosures	102-1	Name of the organization		p. 06	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services		p. 06	
GRI 102	General Disclosures	102-3	Location of headquarters		p. 06	
GRI 102	General Disclosures	102-4	Location of operations		p. 09, Financial Report 2017: pp. 05, 58	
GRI 102	General Disclosures	102-5	Ownership and legal form		pp. 06, 08	
GRI 102	General Disclosures	102-6	Markets served		p. 09 Financial Report 2017: pp. 05, 58-60	
GRI 102	General Disclosures	102-7	Scale of the organization		pp. 06-07, 09, 64, 74, Financial Report 2017: pp. 04, 58, 61-75, 104f.	
GRI 102	General Disclosures	102-8	Information on employees and other workers	SDG 8: Decent Work and Economic Growth	p. 74, 81, 108	
GRI 102	General Disclosures	102-9	Supply chain	SDG 8: Decent Work and Economic Growth	p. 22-23	
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain		p. 07-08, 23 Financial Report 2017: p. 12 ff.	
GRI 102	General Disclosures	102-11	Precautionary Principle or approach		p. 12, Financial Report 2017: pp. 19, 97, 78-82	
GRI 102	General Disclosures	102-12	External initiatives		pp. 32-34, 95	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
						Austrian Post is a member of the following associations and organisations: - Vienna Economic Chamber - Federation of Austrian Industries - Vienna Economic Forum - Austrian Share Issuer and Investor Association - Cercle Investor Relations Austria (C.I.R.A.) - Public Relations Association of Austria - Austrian Retail Association - Austrian Logistics Association - Transparency International - respACT - PostEurope - International Post Corporation (IPC) - Universal Postal Union (UPU) - Austrian Forwarding and Logistics Association - Austrian Corporate Treasury Association - Association for Network Logistics - Logistics Initiative Austria - Zentralverband - Federal Logistics Association
GRI 102	General Disclosures	102-13	Membership of associations			
GRI 102	General Disclosures	102-14	Statement from senior decision-maker		p. 02	
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities		pp. 60, 70, 92-93	
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	SDG 16: Peace, Justice and strong institutions	pp. 13, 16	
GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	SDG 16: Peace, Justice and strong institutions	p. 14	
GRI 102	General Disclosures	102-18	Governance structure		pp. 10-11, 31 Financial Report 2017: pp. 20-26	
GRI 102	General Disclosures	102-19	Delegating authority		p. 11, 31 Financial Report 2017: p. 20 ff.	
GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics		p. 31	
GRI 102	General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	SDG 16: Peace, Justice and strong institutions	p. 12	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	SDG 16: Peace, Justice and strong institutions	p. 11, Financial Report 2017: pp. 20-26	
GRI 102	General Disclosures	102-23	Chair of the highest governance body	SDG 16: Peace, Justice and strong institutions	p. 11, Financial Report 2017: pp. 24-26	
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	SDG 5: Gender Equality SDG 16: Peace, Justice and strong institutions	p. 11	
GRI 102	General Disclosures	102-25	Conflicts of interest	SDG 16: Peace, Justice and strong institutions	p. 11	Reporting on this disclosure is on a voluntary basis and thus only in part.
GRI 102	General Disclosures	102-35	Remuneration policies		p. 12, Financial Report 2017: pp. 26-29	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/Comments
GRI 102	General Disclosures	102-40	List of stakeholder groups		p. 36	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	SDG 8: Decent Work and Economic Growth	p. 73	
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders		p. 36	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement		pp. 37–38, 57, 77	
GRI 102	General Disclosures	102-44	Key topics and concerns raised		pp. 39, 57, 77	
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements		pp. 06, 123 Financial Report 2017: pp. 101–109, p. 170–171	
GRI 102	General Disclosures	102-46	Defining report content and topic boundaries		pp. 06, 40–41, 123	
GRI 102	General Disclosures	102-47	List of material topics		pp. 38–41	
GRI 102	General Disclosures	102-48	Restatements of information		pp. 36, 109, 123	
GRI 102	General Disclosures	102-49	Changes in reporting		p. 123	
GRI 102	General Disclosures	102-50	Reporting period		p. 123	
GRI 102	General Disclosures	102-51	Date of most recent report		p. 123	June 22, 2017
GRI 102	General Disclosures	102-52	Reporting cycle		p. 123	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report		p. 126	
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards		p. 123	
GRI 102	General Disclosures	102-55	GRI content index		p. 113 ff.	
GRI 102	General Disclosures	102-56	External assurance		pp. 123–124	

GRI 201: ECONOMIC PERFORMANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 47	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 46–47	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 48–49	
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	SDG 2: Zero Hunger SDG 5: Gender Equality SDG 7: Affordable and clean Energy SDG 8: Decent work and Economic growth	pp. 51–53	Not applicable: information on this disclosure is not applicable.
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	SDG 13: Climate Action	p. 93	Limitations due to confidentiality: Costs and financial risks or opportunities are not disclosed for reasons of confidentiality.

GRI 203: INDIRECT ECONOMIC IMPACTS 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		pp. 46–47	
GRI 103	Management Approach	103-2	The management approach and its components		p. 47	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 48–49	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
				SDG 2: Zero Hunger SDG 5: Gender equality SDG 7: Affordable and clean Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable cities and communities		
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported		pp. 53, 54	In this case, the investments are commercial in nature.
GRI 204: PROCUREMENT PRACTICES 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 10	
GRI 103	Management Approach	103-2	The management approach and its components		p. 22	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 24, 25	
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	SDG 12: Responsible consumption and production	p. 23	The term "local suppliers" refers to suppliers from Austria.
GRI 205: ANTI-CORRUPTION 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 17	
GRI 103	Management Approach	103-2	The management approach and its components		p. 17	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 18	
GRI 205	Anti-corruption	205-1	Operations assessed for risks related to corruption	SDG 16: Peace, Justice and strong institutions	p. 18	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	SDG 16: Peace, Justice and strong institutions	p. 18, 23–24 Financial Report 2017; p. 48	Further data splitting cannot be collected at this time.
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	SDG 16: Peace, Justice and strong institutions	p. 18	There were no cases of corruption during the reporting period.
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 21	
GRI 103	Management Approach	103-2	The management approach and its components		p. 21	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 21	
GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SDG 16: Peace, Justice and strong institutions		In the year 2017, there were no lawsuits filed against Austrian Post, nor were any sanctions or fine imposed upon the company for reasons of anti-competitive behaviour, formation of cartels or monopolistic practices based on the Federal Act Against Unfair Competition (UWG) or the Austrian Cartel Act (KartG).

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
GRI 301: MATERIALS 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 92, 94	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 96–97	
GRI 301	Materials	301-1	Materials used by weight or volume	SDG 8: Decent work and economic growth SDG 12: Responsible consumption and production	p. 106	
GRI 302: ENERGY 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 92–94	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 96–97	
GRI 302	Energy	302-1	Energy consumption within the organization	SDG 7: Affordable and clean energy SDG 12: Responsible consumption and production SDG 13: Climate Action	pp. 103, 111	
GRI 302	Energy	302-4	Reduction of energy consumption	SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 12: Responsible consumption and production SDG 13: Climate Action	p. 101	
GRI 305: EMISSIONS 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 92, 94	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 96–97	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	SDG 3: Good health and well-being SDG 12: Responsible consumption and production SDG 13: Climate Action	pp. 104, 111	Not applicable: Austrian Post does not generate biogenic CO ₂ emissions. Information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the Austrian Federal Environmental Agency which GWP will be used and the source will be disclosed.

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	SDG 3: Good health and well-being SDG 12: Responsible consumption and production SDG 13: Climate Action	pp. 104, 111	The source of the emission factors (electricity, natural gas, district heat, heating oil, diesel, petrol and super grade petrol, liquid gas) is the Austrian Federal Environment Agency (http://www5.umweltbundesamt.at/emas/co2-mon/co2-mon.html). For Fernwärme Wien, the emission factor is derived from a study relating to district heat in Vienna carried out by the Austrian Federal Environmental Agency in 2005. The information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the above-mentioned government body which GWP will be used and the source will be disclosed.
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	SDG 3: Good health and well-being SDG 12: Responsible consumption and production SDG 13: Climate Action	pp. 104, 111	Not applicable. No biogenic CO ₂ emissions are generated. The source of the emission factors (electricity, natural gas, district heat, heating oil, diesel, petrol and super grade petrol, liquid gas) is the Austrian Federal Environment Agency (http://www5.umweltbundesamt.at/emas/co2-mon/co2-mon.html). For Fernwärme Wien, the emission factor is derived from a study relating to district heat in Vienna carried out by the Austrian Federal Environmental Agency in 2005. The information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the above-mentioned government body which GWP will be used and the source will be disclosed.

GRI 306: EFFLUENTS AND WASTE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 92, 94	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 96	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/Comments
GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	SDG 3: Good health and well-being SDG 12: Responsible consumption and production	p. 105	Limitations due to confidentiality: Waste arises at Austrian Post when making deliveries to customers. This mainly involves cardboard boxes, plastic foils and scrap wood. For this reason, data on the volume of waste is not disclosed for reasons of confidentiality.

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		p. 22	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 24, 25	
GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken		pp. 24–25, Financial Report 2017: p. 46	Limitations due to confidentiality: The total number of certified suppliers and their precise significant negative environmental impacts, as well as the measures derived from this data, are not disclosed for reasons of confidentiality.

GRI 401: EMPLOYMENT 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 72	
GRI 103	Management Approach	103-2	The management approach and its components		p. 72 ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 74–75	
GRI 401	Employment	401-1	New employee hires and employee turnover		p. 109	Not applicable: In line with the internal postal definition, the annual average is used to calculate new employee hires and employee turnover.
GRI 401	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		p. 78	

GRI 402: LABOR/MANAGEMENT RELATIONS 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 72	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 70, 72 ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 74–75	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
GRI 402	Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	SDG 8: Decent work and economic growth		Generally speaking, the rules relating to participation on the part of employee representatives in organisational changes is regulated by the Labour Constitution Act. Moreover, Austrian Post is obliged to comply with the stipulations contained in the Postal Service Works Constitution Act. In line with Section 72 Para. 3/7 of this law, Austrian Post is required to inform employee representatives in a timely manner before organisational changes take place and to promptly negotiate with them. Based on these regulations, organisational changes are coordinated with the employee representatives more than two months on average before they are implemented.
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 72	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 70, 72 ff., 82 ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 74–75	
GRI 403	Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	SDG 8: Decent work and economic growth	p. 84	Limitations due to confidentiality: Occupational accidents are clustered according to their causes. This information is for internal reporting purposes and for developing appropriate measures and is not disclosed for reasons of confidentiality. Not applicable: The reporting region is Austria. Accordingly, a further splitting up of data is not relevant. Not applicable: Data on occupational illnesses is not compiled, because it is not relevant.
GRI 403	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SDG 3: Good health and well-being SDG 8: Decent work and economic growth	pp. 85–86	The information is not available: Presentation of temporary workers according to gender.
GRI 403	Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions	SDG 8: Decent work and economic growth	p. 84	
GRI 404: TRAINING AND EDUCATION 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 72	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 70, 72 ff., 87–89	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/ Comments
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 74-75	
GRI 404	Training and Education	404-1	Average hours of training per year per employee	SDG 4: Quality education SDG 5: Gender equality	p. 87	The information is not available; in line with the data base on professional development and training measures, an assessment according to the specific management level or other functions is not possible (no system interfaces).
GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	SDG 8: Decent work and economic growth	p. 87 ff.	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		pp. 72-73, 79 ff.	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 70, 72 ff., 79 ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 74-75	
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SDG 5: Gender equality SDG 8: Decent work and economic growth	pp. 12, 79-80, 110 Financial Report 2017: pp. 20-24	
GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 10: Reduced inequalities	p. 82	

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 94	
GRI 103	Management Approach	103-2	The management approach and its components		p. 22	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 24, 25	
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 16: Peace, Justice and strong institutions	pp. 23-25	Limitations due to confidentiality: The total number of certified suppliers and their precise significant negative environmental impacts, as well as the measures derived from this data, are not disclosed for reasons of confidentiality.

GRI 418: CUSTOMER PRIVACY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 19	
GRI 103	Management Approach	103-2	The management approach and its components		p. 19	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 20	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Pages in the Report	Reasons for the Omission/Comments
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SDG 16: Peace, Justice and strong institutions	p. 19	There were no complaints filed against Austrian Post in the 2016 reporting year due to violation of customer data protection rules or the loss of customer data.

GRI 419: SOCIOECONOMIC COMPLIANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 10	
GRI 103	Management Approach	103-2	The management approach and its components		p. 14	
GRI 103	Management Approach	103-3	Evaluation of the management approach		pp. 14, 16	
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SDG 16: Peace, Justice and strong institutions		There were no major lawsuits, sanctions or fines imposed upon Austrian Post in the reporting year 2017 relating to alleged violations of social or economic laws or regulations.

OTHER MATERIAL TOPICS WITHOUT AN EQUIVALENT GRI STANDARD

INNOVATION AND FUTURE TECHNOLOGIES

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		pp. 40, 53	
GRI 103	Management Approach	103-2	The management approach and its components		p. 53	Internal performance indicators are currently being evaluated.
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 53	

SOCIAL COMMITMENT

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		pp. 40, 61	
GRI 103	Management Approach	103-2	The management approach and its components		p. 66	Internal performance indicator: Total expenditures for sponsoring and donations.
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 63	

SERVICE AND CUSTOMER ORIENTATION

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		pp. 40, 47	
GRI 103	Management Approach	103-2	The management approach and its components		pp. 47, 54 ff.	Internal performance indicator: Results of the customer satisfaction analysis (CS).
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 57	

CUSTOMER PROXIMITY

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 41, 72	
GRI 103	Management Approach	103-2	The management approach and its components		p. 72 ff.	Internal performance indicator: results of the customer satisfaction analysis (CS).
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 57	

Reporting principles

The Sustainability Report is designed to show how Austrian Post takes responsibility for the environment, employees and society and integrates this into its core business without losing sight of economic criteria. In this regard, Austrian Post reports in line with the following six principles:

DISCLOSURE
102-50
102-51
102-52

The Sustainability Report of Austrian Post is published annually. This report applies to the 2017 financial year, and thus seamlessly continues where the Sustainability Report 2016 published in the year 2016 left off. This is the second report prepared according to the GRI standard “In accordance – Core”.

DISCLOSURE
102-54
DISCLOSURE
102-46

This Sustainability Report refers exclusively to the parent company Österreichische Post AG (referred to in the report as Austrian Post) and its core business in Austria. If a statement in the report refers to a subsidiary or the entire Group (including all subsidiaries), this will be clearly expressed in the text. Due to the coming into effect of the Sustainability and Diversity Improvement Act (NaDiVeG), Austrian Post complemented its financial reporting for the first time by reporting on key non-financial aspects of its business operations when it comes to observing human rights, combatting corruption and bribery as well as environmental, social and employee issues and expanding it to the entire Austrian Post Group. For this reason, non-financial information on the subsidiaries of Austrian Post can be found in the Non-Financial Report starting on page 33 of the Financial Report 2017 of Austrian Post. This Sustainability Report pursuant to GRI does not include the subsidiaries of Austrian Post.

DISCLOSURE
102-45
F p. 33

The material topics were re-clustered in 2017 in cooperation with stakeholders and evaluated with respect to their significance (also refer to the section on involving stakeholders starting on page 36 and material topics as of page 38). This resulted in slight changes made to the sustainability reporting.

S p. 36, p. 38

DISCLOSURE
102-49
DISCLOSURE
102-48
DISCLOSURE
102-56

The measurement methods used were selected in a similar fashion as with the prior sustainability report. If there are individual deviations, this will be noted at the appropriate place.

S p. 124

The data published in the German-language version was checked by an independent auditor. The corresponding confirmation on the part of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft can be found at the end of this report starting on page 124.

DISCLOSURE
102-56

To the Management Board of Austrian Post

Independent Assurance Report on the Sustainability Reporting

We carried out an independent limited assurance engagement of the disclosures and figures on the sustainability performance for the 2017 financial year as contained in the Sustainability Report 2017 (hereafter “Report”) of

**Österreichische Post Aktiengesellschaft,
Vienna**
(hereafter “Company”).

MANAGEMENT’S RESPONSIBILITY

The legal representatives of the Company are responsible for putting together the report in accordance with the relevant reporting criteria. The Company makes use of GRI Standards on sustainability reporting of the Global Reporting Initiative in line with the option “In accordance – Core” as its reporting criteria.

This responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual non-financial disclosures, which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of material misstatements, whether intended or unintended.

AUDITOR’S RESPONSIBILITY

Our task is to express an opinion on the basis of our limited assurance engagement.

Our responsibility is to express a conclusion based on our work performed and the evidences obtained within the scope of our engagement and to state whether anything has come to our attention that causes us to believe that the Report of the Company is not in accordance, in all material aspects, with the GRI Standards Option “Core”.

We conducted our audit in accordance with general accepted accounted principles in Austria relating to independent assurance engagements (KFS/PG 13) and the International Standard on Assurance Engagements (ISAE) 3000 (Revised). These standards require that we comply with professional requirements, including regulations on independence, and plan and perform the assurance engagement to obtain a limited level of assurance, taking account of the principle of materiality.

In a limited assurance engagement, the evidence gathering procedures are more limited in scope than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

The choice of audit activities is subject to the auditor’s own judgement, and in particular, encompasses the following:

- Inquiries of staff on a Group level who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;
- A risk analysis, including a media search, to identify relevant sustainability aspects of the Company in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the sustainability disclosures included in the scope of this engagement, including the consolidation of the data;

- Inquiries of staff at a Group level responsible for providing and consolidating the data and information and carrying out internal control procedures with respect to the data;
- Evaluation of internal and external documentation to determine whether the sustainability performance information is supported by sufficient evidence and whether it is presented in an accurate and balanced manner;
- An analytical review of the environmental data and trend explanations of the quantitative disclosures;
- Evaluation of the consistency of the GRI Standards “Core” option with the disclosures and figures in the Report;
- Evaluation of the overall presentation of the disclosures.

The objective of our engagement was neither a financial audit nor a financial audit review. Our engagement did not focus on revealing and clarifying illegal acts such as embezzlement or other fraudulent actions, nor did it focus on assessing the efficiency and profitability of management activities. Furthermore, it is not part of our engagement to review future-related disclosures and statements from external information sources and expert opinions.

This assurance report is issued based on the assurance agreement concluded with the Company. Our responsibility and liability towards the Company and any third party is subject to paragraph 8 of the General Conditions of Contract for the Public Accounting Professions. The respective latest version of the AAB is accessible at <http://www.kpmg.at/aab>.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFI-report of the Company is not in accordance with the GRI Standards Option “Core”.

Vienna, June 21, 2018
KPMG Austria GmbH

Wirtschaftsprüfungs-
und Steuerberatungsgesellschaft

Peter Ertl
Wirtschaftsprüfer

DISCLOSURE
102-53

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Berichtsmanufaktur GmbH, Hamburg

Project management, editing, organisation/coordination

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Photography

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© Werner Streitfelder,
© Christoph Meissner

Print

AV+Astoria Druckzentrum, Vienna

We have prepared this report and checked the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids.

This report also contains forward-looking assumptions and statements based on the information currently available to us. These are usually indicated by expressions such as "expect", "anticipate", "estimate", "plan" or "calculate". We wish to note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the forecasts contained in this report.

Statements referring to people are valid for both men and women.

Information on data protection can be found at post.at/datenschutz

This Sustainability Report is also available in German. In case of doubt, the German version takes precedence.

Editorial deadline: June 29, 2018

