

GRI

**SUSTAINABILITY-
REPORT
2012**

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This Sustainability Report refers exclusively to Österreichische Post AG (referred to in the report as Austrian Post). Subsidiaries of Austrian Post were not included in this report. However, if a statement in the report refers to the entire Group (including all subsidiaries), then this will be clearly expressed in the text by using the term Austrian Post Group.



1 SUSTAINABILITY STRATEGY

1.1 Statement by the most senior decision maker in the organisation

At Austrian Post we not only have clearly-defined objectives and an elaborate strategy, but we have also developed a well-founded value structure which serves as the underlying intellectual backdrop of our business activities. Ambitious targets and strategies are important to us, but at the same time we have to consider whether or not we want to pursue this path. It is a question of our long-term orientation and the meaningfulness of what we do – not only on a management level but for every single employee. On this basis we developed a Group-wide mission statement in the year 2010, which provides clear principles with respect to customer orientation, profitability and sustainability as well as communication and respect. Our responsibility is to live these principles on a daily basis.

If we succeed in orienting our activities to the three core values of the mission statement, sustainable corporate management practically arises by itself. If a company is correctly managed with respect to fundamental issues, then it will, so to speak, automatically act in a future-oriented manner and thus sustainably. This not only includes economic aspects but also the social environment, the environment and naturally the employees. All these areas require clearly defined values and objectives to serve as guiding principles enabling the company to be assured of a good future in the long term.

The sustainability strategy of Austrian Post is structured in four dimensions: economy, employees, society and environment. Each of these areas also includes objectives and measures. In defining these goals and measures for the individual areas, considerable importance is attached to ensuring that they fruitfully interact with each other. None of the four areas should be considered on its own. The company can only be managed on a long-term and future-proof basis if all sustainability aspects are taken into consideration. The defined objectives and measures are always consistently oriented to the demands and expectations of Austrian Post stakeholders, to enable the company to further develop for the benefit of all its stakeholder groups.

Against this backdrop, in the year 2007 Austrian Post already joined the UN Global Compact, the sustainability-oriented initiative of the United Nations. Accordingly, the companies are committed to complying with global principles of ethical and ecological business practices. In addition, Austrian Post is also actively involved in sustainability projects in the postal and logistics sectors as well as those being carried out by the International Post Corporation (IPC).

Sustainability process and structure

In organisational terms, responsibility for the issue of sustainability at Austrian Post is directly assigned to Chief Executive Officer Georg Pölzl in the Department of Investor Relations & Corporate Governance. CSR (corporate social responsibility) working groups meet several times a year in order to analyse issues in the company which are of relevance to sustainability and to define objectives and measures which are then proposed to the entire Management Board for their decision.



The four dimensions – society, employees, environment and economy – comprise the sustainability structure of Austrian Post. Specific goals have been defined for each of these main subject areas, which are evaluated each year and supported by corresponding measures. In order to optimise the measurability of its achievement of objectives, quantitative sub-targets have been defined in the individual categories in addition to the primary objectives, which mainly consist of qualitative measurement criteria. These sub-targets are subordinate to the main goals.

Details on the defined objectives as well as the extent to which these objectives have been achieved can be found in the respective sections on the issues of economy (starting on page 38), environment (page 44 ff.), employees (page 58 ff.) and society (page 73 ff.) An overview of all objectives is contained in the thematic and goal matrix on page 82 in compromised form.



An overview of the four main focal points and the corresponding objectives:

Economy: The top priority for Austrian Post’s management is achieving the fundamental goal of ensuring profitability on a long-term basis. Only a successful company can seriously assume its corporate social responsibility on a long-term basis and make an appropriate contribution to fulfilling social and ecological needs.



The aims are a customer-oriented further development of services (revenue increase of 1-2% per year as well as solid profitability), value creation on behalf of all stakeholders, and increasing the company's sustainable total shareholder return.

Employees: As one of the biggest employers in the country, Austrian Post is clearly aware of its responsibility to its employees. Motivated and productive employees are the basis for corporate success, and high value must be placed on the factor "employees", especially in a service company. The objectives are to promote a corporate and leadership culture, create individual future perspectives and promote occupational health and safety.

Society: As a provider of universal postal services, Austrian Post bears a considerable responsibility to society. It makes a decisive contribution towards maintaining and safeguarding the communications infrastructure on the basis of providing reliable, top quality nationwide postal services in Austria. Because of its importance to the country, Austrian Post is also committed to taking an active part in society. The objectives are to expand reliable nationwide postal services, the ongoing further development of solutions to enhance customer convenience, and the promotion of business-related projects and activities which are also of relevance to society.

Environment: Austrian Post operates in a resource-intensive business and thus continually strives to identify optimisation potential in order to minimise its ecological footprint. With the initiative CO₂ NEUTRAL DELIVERY Austrian Post is also playing a pioneering role internationally. The objectives are to reduce CO₂ emissions by 20% from 2010 to 2015 and annually compensate for the remaining emissions, to develop and improve a central environmental management system and to raise the awareness to the need for environmental and climate protection on the part of relevant stakeholders.

1.2 Statement of key impacts, risks and opportunities

Austrian Post operates a comprehensive risk management system integrating all business units and subsidiaries. Opportunities and risks are identified and evaluated in their overall context according to unified criteria and documented by a Group-wide risk management system.

In this regard, risk management is subject to a body of rules developed by the Management Board. These rules define the relevant objectives, principles, functions and responsibilities. In principle, all significant events and developments (legal and regulatory, technical, financial, climatic) within and outside of the company and which have a positive or negative impact on the company's ability to achieve its strategic targets are identified and evaluated within the context of the risk management system.

Thresholds of reporting were established. They take the form of limit values (on the Group level, these amount to EUR 300,000), and are deliberately attuned to the magnitude and responsibilities of Austrian Post and of its business areas and subsidiaries. Opportunities and risks whose scope falls below those levels of significance are in any case the responsibilities of experts comprising the organisational units. They handle the supervision and management of risks. Risks arising from the area of sustainability and being below this value of limitation are, accordingly, monitored by the Investor Relations & Corporate



Governance department, of which the CSR also forms part. Should such be required, these risks are reported to the Risk Management.

The evaluation of the opportunities and risks occurs quantitatively according to the probability of occurrence and to the possible impact upon EBIT (earnings before interest and tax). The criterion employed in the setting of the level of significance is the financial effect. Individual limits of significance have been set for the Group, key corporate units and subsidiaries. This enables the independent assessment of the ramifications upon the entire Group. Individual evaluations thus constitute the basis for an assessment of the cumulative risks on the Group level.

The analysis of risk is to be followed by an establishment of further ways of handling them. This includes the determination of measures capable of preventing or reducing risks.

The risk management system of the Group reports to the Management Board on a quarterly basis – or on ad-hoc basis if risks unexpectedly arise – on the opportunities and risks and their development. The Supervisory Board and Audit Committee are also provided with regular information about the status of the risk management.

Further details on risk management as well as on the internal control system can be found in the Annual Report 2012 Part 2 – Facts & Figures, pages 36 to 42.

The identified and evaluated risks and opportunities are integrated into the process of defining sustainability targets and developing corresponding measures. A list of the detailed objectives and corresponding measures are presented in compromised form in the thematic and goal matrix found on page 82.

1.2.1 Description of risks

Risks to the company

As a provider of universal postal services, Austrian Post bears a considerable responsibility to society. It makes an important contribution towards maintaining and safeguarding the communications infrastructure on the basis of providing reliable, top quality nationwide postal services in Austria. This responsibility means that Austrian Post is confronted with a variety of risks as well as opportunities. Moreover, due to the high relevance of Austrian Post to society, it is affected to an above-average degree by societal trends which influence consumer behaviour.



Regulatory and legal risks

The Universal Postal Service Obligation requires Austrian Post to provide standardized postal services of comparable quality across the country, and ensure a nationwide distribution network of at least 1,650 postal service points. Austrian Post is only allowed to convert company-operated post offices manned by its own staff to postal partner offices following a regulatory approval process. The possibility that Austrian Post will be required to continue operating unprofitable postal branches, at least in the short term, cannot be excluded.

The Postal Market Act stipulates that Austrian Post is the only postal services provider in Austria required to provide Universal Postal Services. Compensation for the net costs of providing Universal Postal Services will take place on the basis of a public equalization fund, which will be financed on a pro-rata basis corresponding to the market share held by Austrian Post and other licensed postal operators. Only postal providers whose annual revenue derived from their licensed business operations exceeds EUR 1m will be required to contribute to the equalization fund. Moreover, the net costs of providing Universal Postal Services will only be refunded in case these costs exceed 2% of the entire annual costs incurred by Austrian Post. Assuming that Austrian Post continues to have a significant market share even after the full liberalisation of the postal sector, it will be obliged to assume the lion's share of the net costs for providing Universal Postal Services and administering the equalization fund.

The possibility of significant downward pressure on future earnings cannot be excluded, if the process of postal sector liberalisation is not accompanied by uniform regulations relating to employment contracts and performance standards applying to both Austrian Post and its competitors, and if no adequate compensation for universal postal services is forthcoming.

The public relations activities of Austrian Post have made it a priority to engage in an ongoing dialogue with all its stakeholders with respect to the issue of liberalisation. The company considers itself responsible for making people aware of the insufficient compensation for providing universal postal services and the problems arising as a result of an asymmetric market liberalisation.

In order to optimally avoid as far as possible any potential adverse effects on earnings resulting from regulatory and legal risks, Austrian Post strives to expand its value added chain and product portfolio in its core processes, as a means of offering its customers even better services and achieving an optimisation of service quality.

Risks relating to cooperations

Austrian Post cooperates with a large number of partners. These ties lead to a dependency on the general public's perception of these partners' reputation and credibility. A risk arises if these cooperation partners are exposed to events leading to negative publicity for them. This would result in a bad light being cast on Austrian Post as well. The only way to minimise this risk is by intensively scrutinizing potential candidates for such partnerships with Austrian Post. Thanks to this, the partnerships – to give examples - with Caritas, Ö3 and Mondi (all in conjunction with the Ö3 Wundertüte bags) have been extremely



successful. The partnerships with these well-situated and reliable partners will thus be set forth. Risks arising from working relationships with Austrian Post's major partners - including BAWAG P.S.K. and Telekom Austria- are depicted in the risk management system of the company.

Reputation risks

The transport sector is generally considered to be one which negatively impacts the environment, in which case damage to the reputation of the company could arise. As a result, private individuals and companies are increasingly doing without the physical shipment of letters and direct mail items, and are changing over to alternative forms of shipment or advertising. This could lead to a decline in revenue, in which case the fixed cost structure of the company could not be adjusted in the short-term to reflect this situation.

Austrian Post counteracts this risk on the basis of its initiative CO₂ NEUTRAL DELIVERY and has been offering "green" products throughout Austria since 2011. This means that all shipments (letter mail and direct mail items, magazines, parcels) are being delivered in a climate-neutral manner in Austria since 2011.

Risks resulting from e-substitution

Postal companies are confronted with the general trend that annual letter mail volumes are continually but slightly declining (3-5% annually) due to electronic substitution. This decrease has been correspondingly taken into account by Austrian Post in developing its business model. However, there is the risk that this development will be intensified by an environmentally-driven change in communication behaviour, for example sending e-mails instead of letters.

In this connection Austrian Post is also striving to counteract this development on the basis of its CO₂ NEUTRAL DELIVERY, and has now been delivering all mail items (letters, direct mail items, magazines, parcels) in a climate-neutral manner since 2011.

Moreover, within the context of its membership in different trade and professional associations and in the governing bodies and working groups of these associations, Austrian Post regularly communicates its views on issues which impact the business activities of Austrian Post, and also states its concerns. The focus of Austrian Post is to provide postal services throughout the country for the benefit of the Austrian population. This has to take place in a modern and service-oriented manner. In this regard a key issue is the field of electronic postal delivery.

Furthermore, Austrian Post is continually developing innovative, new solutions in order to fulfil customer requirements and wishes. Austrian Post continually assesses its private customer focus and the feasibility of the measures being implemented. Accordingly, innovative online solutions are constantly being developed in order to link the physical and digital worlds of communication.



A key aspect entailed in the risk of e-substitution is the changing communications behaviour of younger generations. The mail business – and primarily the writing and sending of letters – is a key part of societal life. Despite this, the knowledge possessed by children and adolescents of this topic is progressively disappearing. For this reason, the risk exists that the younger generations especially will cease to make use of the societal institution of mail. Such persons are increasingly replacing the writing and sending of letters with different forms of electronic communication. It is for this reason that Austrian Post regards its scope of responsibilities to include informing such people about its spectrum of activities and to ensure the high status and importance of Austrian Post in the future. In order to achieve this, Austrian Post establishes partnerships in order to foster a modern image for the company among Austria's young people and to promote a culture of writing and reading letters. Under the title "Die Post macht Schule", Austrian Post has developed educational materials for primary schools which present the responsibilities, tasks and services of Austrian Post, and which is designed to stimulate pupils to read and write.

Risks relating to employees

As one of the biggest employers in the country, Austrian Post is aware of its considerable responsibility to its approximately 20,000 employees. In the service sector so-called human capital is the most important success factor. A service company can only succeed on the market with qualified and motivated employees. Due to the high relevance of employees for corporate success, this area also entails a series of risks. On the other hand, an effective human resources policy which supports and encourages employees opens up numerous opportunities.

Risks relating to structural changes

Much of Austrian Post's business (above all the sending of letters) is characterised by declining volumes. For this reason, a key aspect of the company's business strategy is to continually become more efficient. Austrian Post continuously tries to develop solutions based on the increased application of technologies in order to accelerate or optimize procedures and processes. This is precisely the reason why Austrian Post attaches considerable importance to ensuring future career perspectives for its employees within and outside of the company in the light of a constantly changing working world. However, a large proportion of the employees have employment contracts which make it more difficult to adapt to these changes.

Austrian Post counteracts employment-related structural problems by promoting increasingly flexible working processes and working time models. Employees impacted by restructuring can take advantage of a social plan in effect since the year 2011 which is designed to cushion them against the impact of these measures.



Risks caused by a high rate of attrition and the age structure of employees

The service sector is subject to extensive natural attrition, which nevertheless poses the challenge to maintain the high quality of services offered. For this reason Austrian Post offers target group-oriented and competence-oriented further education and professional development measures for all employees, such as specialised trainings, continuing education courses and coachings as well as trainings in all areas relating to the company's business operations.

The topic of "appreciation" is viewed as being of central importance, as it increases the recognition accorded to employees. This topic is of great relevance to the schooling of managers. They receive special training in courses held at the Management Academy. This enables them to carry out their duties in a performance-oriented manner, showing appreciation of services rendered.

The distribution of ages is changing, and that gives rise to risks. The share accounted for by employees who are more than 50 years old is increasing annually. Many of the activities in the postal business are work-intensive. The result is the risk of not being able to fully retain the capability of older employees to satisfy the requirements ensuing from their occupations. To counter this risk, Austrian Post has established personnel development and health promotion programs. The opening up of new areas of activity is being accompanied by the configuring of work to take the age structure of employees and the needs of the aged into account. This also applies to target group-oriented further education programs and professional development programmes designed to create and strengthen overall health awareness as well as to maintain and strengthen the ability of employees to work.

The targeted recruiting of new employees and the promotion of young "high potentials" round off the necessary age management measures taken by Austrian Post as a consequence of demographic developments.

Risks relating to insufficient occupational safety

The very large number of staff members engaged in performing physical tasks necessitated by the delivery and sorting of shipments makes the topics of occupational safety and protection of health of the utmost importance. The relevance of the measures preventing accidents and protecting health stems from their ability to maintain and strengthen the capability of employees to work, with this extending well into old age. The identification and assessment of risks to health and safety ensuing from places of work and the determination of any requisite protection measures guarantee secure and ergonomic work environments. The providing of information and the holding of training programs on a regular basis on the topic of occupational safety ensure that employees are aware of the risks associated with their activities. Their proper conduct contributes to their minimization.

Further details on employee-related risks can be found in the Annual Report 2012, Part 2 – Facts & Figures, pages 37 to 40.



Environmental risks

Austrian Post operates in a very energy-intensive business. With over 9,000 vehicles, the company boasts the largest vehicle fleet in the country. Moreover, the buildings used by Austrian Post consume some 150m kWh of energy each year. Austrian Post is subject to risks due to its high degree of dependence on fossil fuels. Moreover, the delivery staff of Austrian Post and thus a large proportion of its employees work outside, and can thus be influenced by changing weather conditions.

Risks relating to changes in environmental standards

Alterations in Austria's exhaust emissions law could lead to a withdrawal of the permission to operate held by a portion of the delivery vehicles now being employed. These vehicles would then have to be replaced ahead of schedule. As a general rule, Austrian Post's vehicles have to be replaced after eight years of use. This means that the programme of normally replacing vehicles would have to be complemented by further investments. This risk is being minimised by the replacement of vehicles as part of the current program of fleet modernisation. This limits excess costs. Over the past few years, the share of vehicles meeting the Euro 4 and Euro 5 emissions standards in Austrian Post's fleet has been consistently increased.

Risks related to rising prices for climate protection certificates

Austrian Post has set a goal of compensating for all CO₂ emissions caused by its business operations and which cannot be reduced. Within the context of its initiative CO₂ NEUTRAL DELIVERY, all mail items (letters, direct mail items, magazines, parcels) are delivered in Austria in a climate-neutral manner. This initiative is being implemented in a three-phased program: the top priority is always to avoid emissions in the company's core processes i.e. primarily in its buildings and vehicle fleet. The second step is for Austrian Post to increasingly rely on alternative energy sources. Thirdly, all emissions which cannot be avoided at the present time will be compensated by support provided to recognised and certified climate protection projects.

The risk is that the growing number of companies taking part in emission trading and the lower volume of certificates distributed on the free market will increase the price of a ton of CO₂. Thus a rise in the price levels means Austrian Post will have to bear the added costs for climate protection certificates. In the years 2011 and 2012, Austrian Post decided to purchase CO₂ certificates at a low price level until 2015, at least managing to counteract this risk in the medium-term.



Risk in not achieving stipulated environmental objectives

Austrian Post is aware of its responsibility to the environment and thus continually strives to identify optimisation potential in order to minimise its ecological footprint. In addition to comprehensive climate protection measures it implements on its own, it also actively participates in projects such as the "Environmental Measurement and Monitoring System (EMMS)" of the International Postal Corporation (IPC), which aims to reduce greenhouse gas emissions. Within the context of the "Greenhouse Gas Reduction Programme", Austrian Post agreed to reduce its CO₂ emissions by 10% in the period 2007 to 2012. This target was reached as planned. Now Austrian Post has defined an even more ambitious goal: its CO₂ emissions, including those of the shipping companies it uses, should be reduced by a further 20% in the period 2010 to 2015.

The risk here is that the stipulated reduction targets cannot be reached, which would subsequently damage the company's reputation. This is aggravated by the ongoing technologisation of the postal and logistics business, which makes it necessary to deploy more efficient machinery and thus increase energy consumption. Austrian Post is on the right track when it comes to fulfilling its objectives thanks to a consistent monitoring of CO₂ emissions as well as the measures which have already been introduced, such as the complete conversion to "green electricity" and the promotion of e-mobility.

Risks related to weather and natural disasters

Ongoing climate change could give rise to an increase in the incidence of natural disasters. Such weather-caused phenomena such as heavy rain, hail, landslides, floods and the like can occur more often. The consequences and after-effects of these are damage to property and persons. This causes a need for further maintenance and repair work. A further factor is Austrian Post's legal obligation to ensure a nationwide supply of postal services. In cases in which natural disasters result in the company being unable to fulfil this obligation over a long period of time, further financial obligations can ensue.

Austrian Post precludes this risk to safe workplaces by inspecting its buildings and making investments in their maintenance on an ongoing basis. Employee safety is also enhanced by the fleet of modern vehicles and by driver training.

Risks relating to weather conditions in winter

Global warming is melting the Arctic ice. Recent studies suggest that a consequence of this could be cold and snowy winters in the Northern Hemisphere. Accidents during work (primarily mishaps occurring on paths during delivery) and days lost to sickness are closely related to the weather conditions prevailing during the winter months. By way of an example, there was a significant increase in accidents at work in the winter of 2009-2010. It was caused by the season's heavy snows.

A fleet of modern vehicles and training employees in driving techniques enhance staff safety. The provision of service and protective clothing and the conducting of nation-wide campaigns of flu vaccinations help minimise the risks arising from unfavourable weather.



Risks relating to rising energy costs

Austrian Post largely depends upon its vehicle fleet to transport and deliver shipments. That means that increases in fuel prices and in other costs of energy lead directly to reductions in margins. The risk exists that increases in taxes levied on energy or a scarcity of resources could cause fuel prices and other costs of energy to rise beyond the level taken into account in corporate plans. This risk is countered by very conservative planning assuming a rise in the costs of energy.

Economic risks (market and competitive risks)

Austrian Post generates most of its revenue in Austria. If current economic growth forecasts have to be revised downwards, this would force a change in the planning assumptions upon which the company operates.

In addition, the company generates a considerable share of its revenue from a small number of large customers. The sustained and successful existence of these large customers is an important prerequisite in ensuring the stable development of Austrian Post. Large customers are not contractually required to have their mail handled by Austrian Post, and could decide on a medium-term basis to contract the delivery of at least part of their mail items to competitors within the postal services market.

Traditional letter mail is being increasingly replaced by e-mail or other electronic media. The increasing electronic substitution of letter mail and the trend towards electronic mail delivery have been intensified by the economic crisis in recent years, and will likely continue in the future. This development could lead to a significant decline in mail volumes and earnings.

The letter mail and parcels business of Austrian Post is subject to increasing competition. In particular, the B2C parcel business, in which Austrian Post has a leading position in the Austrian market, is dependent on the economic development of its customers as well as increased competition, which arises on the basis of market penetration of alternative providers. The possibility of a further decline in revenue cannot be excluded. The company is working hard to maintain customer loyalty by offering an attractive range of services.

Austrian Post has taken steps to counteract the decline in mail volumes resulting from the greater use of electronic media by developing new products and services, for example in the Infomail Business Area or in the B2B (business-to-business) segment, but above all, along the value chain. The possibility cannot be excluded that a change in legal regulations with regard to the delivery of government mail will put responsibility for delivering some of these mail items in the hands of competitors and not only Austrian Post. Diversifying business operations into different markets enables Austrian Post to more effectively spread or minimise risks in individual segments.

A key feature of Austrian Post's business strategy is to achieve growth through selective acquisitions and cooperation agreements. In this regard, it is important to identify suitable acquisition targets and to successfully integrate acquired companies. The future profitability of these projects depends, to a large extent, on investment requirements, acquisition costs as well as political, economic and legal factors. For this reason, all investments must be made in accordance with strict financial criteria. Earnings from financial services depend



strongly on the market success of Austrian Post's cooperation partner BAWAG P.S.K., whereas its earnings from telecommunications products depend on the product structure of its cooperation partner Telekom Austria.

All the above-mentioned market and competitive risks could lead to significant volume decreases and thus to a corresponding drop in earnings.

Further details on the economic risks can be found in the Annual Report 2012 – Part 2 – Facts & Figures, pages 37 to 40.

1.2.2 Description of opportunities

Opportunities in society

Austrian Post systematically focuses on identifying trends in society, and subsequently develops new products and solutions on an ongoing basis in order to exploit the opportunities that arise. For example, opportunities arise from the sustainability trend as well as in the field of online business.

Customers attach considerable importance to flexibility, and an increasingly important role is being played by the Internet as well as by mobile applications. For this reason, Austrian Post is continually expanding its online service offering. The online services are being well received by customers and are thus being continually further developed and improved. These services underline the fact that Austrian Post is already actively shaping its own future. One of the focal points of its operations is to offer dual solutions which link the digital and physical communications world with each other.

Based on the initiative CO₂ NEUTRAL DELIVERY as well as its pioneering role in the field of e-mobility, Austrian Post stands out as a climate protection partner and clearly distinguishes itself from its competitors. In this manner it can achieve a significant competitive advantage.

Austrian Post transports and delivers letters and parcels everyday to every address and every doorstep throughout Austria. Naturally this is of major importance to the Austrian population and simultaneously offers Austrian Post the opportunity to be closer to its customers and thus to more directly react to customer requirements and wishes.

On the basis of its sponsoring and cooperation activities, Austrian Post is contributing to a change in societal values, for example on the basis of its project "Die Post macht Schule". This project opens up an opportunity for Austrian Post to once again build awareness of Austrian Post as an institution in society to the younger generation and to stimulate them to write letters.



Opportunities with employees

Austrian Post invests extensively in the further education and professional development of its employees, which gives it a competitive edge vis-à-vis its competitors. In addition to a broad range of target-group oriented and competence-oriented further education and professional development programmes, a specially-designed mentoring programme for women targets female “high potentials”.

Moreover, in the year 2010, the new mission statement of Austrian Post was developed featuring the three following value categories:

- Customer orientation: Everything we do revolves around our customers
- Profitability and sustainability: We are future-oriented
- Communication and appreciation: We are all part of Austrian Post.

A variety of measures now serves the purpose of implementing and embedding these new corporate principles in the daily work of all employees. The objective of the corporate principles can only be achieved if they are consciously put into practice i.e. promoting a cultural change in the way employees deal with each other, customers and partners of Austrian Post and the strengthening of employee identification with the company. In order to ensure this transformation in values, Austrian Post developed its own leadership guidelines in cooperation with executives in the company which are based on four guiding values: assume responsibility, provide orientation, promote cooperation and build confidence. Based on these measures, Austrian Post can distinguish itself from its competitors and position itself as an attractive employer for qualified staff.

Opportunities relating to the environment

The increasingly strong consumer trend towards environmentally-friendly or ecological products opens up a variety of opportunities for Austrian Post, in the light of the fact that the company is playing a pioneering role on the basis of its initiative CO₂ NEUTRAL DELIVERY. It can be expected that in the future consumers will attach greater importance to determining whether or not products and services entail ecological aspects as well. The services already offered by Austrian Post since 2011 are carried out in a CO₂ neutral manner, thus giving the company a clear-cut competitive edge compared to other providers. This could lead to additional revenue, particularly in the highly competitive parcels business. Moreover, on the job market highly qualified employees are increasingly focusing on ecological aspects in the selection of their employer. In addition, existing employees perform more effectively if they do something which fills them with pride. A credible sustainability strategy spearheaded by the initiative CO₂ NEUTRAL DELIVERY enables the company to more easily find employees, and also reduces the rate of employee attrition. The greater attractiveness of the company as an employer also means lower costs for job advertisements, and the lower level of attrition leads to lower costs for training measures and a reduced loss of know-how related to employees leaving the company. This prevailing ecological trend opens up opportunities which have a positive effect on the stakeholder relationships to customers and employees.



The world's climate is changing. This gives rise to the possibility of the legislators imposing additional taxes. This would be done to reduce the consumption of energy by households and by companies. These measures would also ramify upon Austrian Post, which would face a rise in prices. However, the measures would also create opportunities for Austrian Post, which has a number of advantages over its competitors. Compared to its competitors, Austrian Post features the largest delivery network in the country. This network covers all of Austria. Volumes of letters and parcels are usually delivered via a single, unified system of transport and distribution. Austrian Post's costs comprise a very low share of energy and/or resource-dependent costs per shipment/unit compared to those of other service providers. Any changes in laws causing energy to become more expensive or resources to become scarcer (and thus also generating rises in energy costs) would result in Austrian Post's experiencing rises in costs per shipment that are less than those of their competitors. This could enable Austrian Post to increase its market shares, since its competitors would be forced to respond to rises in energy costs by increasing their prices. The latter would be greater than those enacted by Austrian Post.

Economic opportunities

Austrian Post is the undisputed market leader in Austria's letter mail segment as well as in the transport and delivery of parcels, particularly to private recipients. In the future Austrian Post will continue to attach particular importance to defending its leading position. Based on its excellent market position, the company has the opportunity to achieve an even higher customer penetration by expanding its range of services along the value chain and thus generate additional revenue.

In the branch network the structural transformation was launched in January 2011 in cooperation with BAWAG P.S.K. by opening the first jointly operated branch offices, and speedily continued in the course of the year 2012. By the end of 2012 there were already 435 jointly operated branch offices. The structural transformation and the merger of the networks of Austrian Post and BAWAG P.S.K. will also be continued in the year 2013 in order to enable Austrian Post to offer its service portfolio throughout the country in a customer-oriented and cost-efficient manner. The joint branch office network not only serves as the basis for exploiting synergies and thus enhancing efficiency, but also addressing new customer groups.

Austrian Post will only be successful in the long-term if it can provide an attractive product and service offering corresponding to the specific needs of its customers. For this reason, the company will focus on targeted innovation in its service offering as well as an attractive and diverse range of services. This objective was pursued once again by Austrian Post in the 2012 financial year by a service and quality offensive focusing on private customers. For example, in particular new self-service solutions were developed, including the automatic franking machine. In addition, the new concept of the self-service branch office was tested in 2012. In the field of logistics solutions, Austrian Post is also continually developing customized customer solutions in warehousing and fulfilment as well as various "value-added services".



2 ORGANISATIONAL PROFILE

Österreichische Post, whose headquarters are located in Vienna, address Haidingergasse 1, is Austria's leading logistics and services provider, with annual revenues of EUR 1.7 bn in the year 2012 (individual financial statements according to the Austrian Commercial Code), and a total of about 19,500 employees. Austrian Post reliably carries out its business, regardless of whether letters, direct mail, print media or parcels are transported. For this purpose, it operates a branch network consisting of 1,931 own or third-party operated postal service points, making it one of the largest private customer networks in the country.

The company makes an important contribution to safeguarding the nation's communications and logistics infrastructure based on its nationwide and reliable supply of high-quality postal services on behalf of the Austrian population and economy. However, the radius of its business operations goes far beyond Austria's borders. In 2012, Austrian Post had operating subsidiaries in twelve European countries.

The Sustainability Report presented here refers exclusively to the parent company Österreichische Post AG ("Austrian Post" in this report). The subsidiaries of Austrian Post are not included in this report. However, if any statements in the report also relate to the entire Group (including all subsidiaries), the text will clearly use the term "Austrian Post Group".

Austrian Post is divided into two operating divisions: the Mail & Branch Network Division and the Parcel & Logistics Division.

MAIL & BRANCH NETWORK	PARCEL & LOGISTICS
	
<ul style="list-style-type: none">• Letters• Addressed/unaddressed direct mail• Newspaper and regional media• Online services• Branch network services	<ul style="list-style-type: none">• Parcels• Combined freight• Express mail• Temperature-controlled logistics• Fulfillment• Value logistics

Mail & Branch Network Division

The core business of the Mail & Branch Network Division ranges from the acceptance, sorting and delivery of letters, postcards, addressed and unaddressed direct mail items and newspapers to various branch network services. The service portfolio is complemented by new services for business and advertising mail, such as address and data management, mailroom management, intelligent scanning and response management as well as online



services. Each year Austrian Post delivers some 6bn mail items, including 1bn letters to 4.3m households and companies. In this regard, Austrian Post guarantees daily nationwide delivery of the highest quality. 96% of the domestic letters are delivered on the next working day.

A total of 1,931 postal service points throughout Austria are now at the disposal of customers, comprising the largest private customer network in the country. Each year, Austrian Post's postal service points register about 60m customer visits. In addition to handling letter mail and parcel products, the branch network also offers financial services, telecommunications products and various retail goods.

Parcel & Logistics Division

The Parcel & Logistics Division of Austrian Post offers its services in eight European countries. In international markets, this consistently takes place via the company's own subsidiaries. The main business of the division is transporting parcels and EMS items for private and business customers. The product and service portfolio also includes a broad spectrum of special logistics solutions, for example so-called combined freight (the joint transport of individual parcels and pallets), temperature-controlled logistics (transport of temperature-sensitive goods in the range of 2 to 8 and 15 to 25 degrees Celsius), cash logistics (cash transport, cash management and self-service machines) as well as various fulfilment services (additional customer-specific logistics services ranging from Webshop logistics to warehousing, commissioning and value-added services).

On its domestic market Austrian Post delivers about 65m parcels and EMS items annually to all households and companies throughout Austria. Accordingly, Austrian Post is the leading service provider for the delivery of mail order parcels featuring nationwide delivery of the highest quality. 96% of the parcels transported within the context of the Universal Service Obligation reach their recipients within the legally stipulated period. In addition to traditional parcel services, Austrian Post also offers a wide range of fulfilment services via its subsidiaries, such as storage, commissioning and returns management.

Locations of the Austrian Post Group

Austrian Post has also proactively taken advantage of the dynamic changes in the European postal market. Starting in 2001, it not only expanded to neighbouring countries in South East and Eastern Europe, but also to Western Europe, and built up a focused business portfolio with a particular emphasis on parcel and logistics services as well as unaddressed direct mail items.

Further expansion steps took place in 2012, particularly the entry into new markets. In November 2012, Austrian Post succeeded in fully acquiring the Romanian company PostMaster s.r.l., in which it had already purchased a 26% stake in October 2011. Now Austrian Post is the sole owner of the top alternative postal service provider in one of the largest CEE markets. In Poland, Austrian Post acquired 100% of Kolportaz Rzetelny, and in Bulgaria it acquired a 26% shareholding in M&BM Express. Kolportaz Rzetelny has a market share of 36%, making it the Polish market leader in the delivery of non-addressed



mail items. M&BM Express in Bulgaria is the number one alternative letter mail service provider, and the market leader in the field of hybrid mail. In the letter mail segment, Austrian post is not only the market leader in Austria but also number one for unaddressed direct mail items in Croatia, Hungary, Slovakia, Poland and Romania as well as the production of direct mail in Germany.

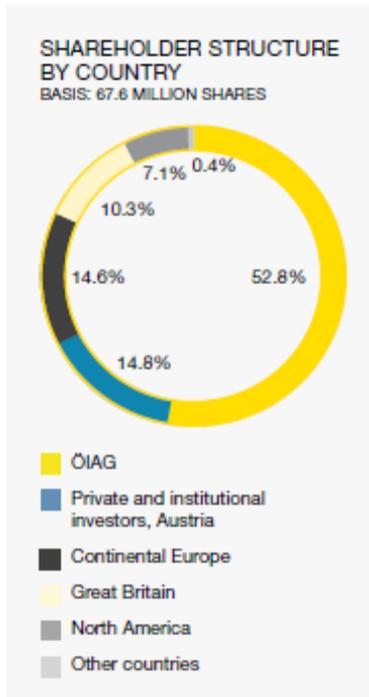
Today, Austrian Post is also active in the Bosnian, Croatian, German, Hungarian, Montenegrin, Serbian and Slovakian markets, offering integrated logistics services. Thus, Austrian Post has successfully positioned itself as a specialist in interesting market niches and regions with high growth potential. For example, it is the top provider in Germany for the fine distribution of shipments in the pharmaceutical sector as well as in the field of combined freight. Austrian Post serves as the leading provider of parcel delivery services for business customers in Slovakia, Croatia, Serbia and Bosnia.



Sites of the Austrian Post Group as at the end of 2012

Ownership structure of Austrian Post

As a consequence of the Initial Public Offering in 2006, 49.0% of the shares were placed with investors. The shareholding held by the Austrian state holding company ÖIAG (Österreichische Industrieholding AG) in the share capital of Austrian Post thus decreased from a 100% stake to 51.0%, or a total of 35.7m of the outstanding shares. In relation to the 67,552,638 shares currently in circulation, ÖIAG holds a 52.8% stake in the company, and thus remains the majority shareholder of Austrian Post.



A shareholder ID carried out in January 2013 concluded that, in addition to the main shareholder ÖIAG, 40% of the shares are held by European investors (plus 1 percentage point compared to the previous analysis of January 2012). All in all, 15% of these shares are held by private and institutional investors in Austria (plus 2 percentage points), 15% in Continental Europe (unchanged) and 10% in Great Britain (minus 2 percentage points). A total of 7% of the shares (unchanged) are currently held by North American investors (USA, Canada), whereas investors in the rest of the world account for much less than 1% (unchanged). Private investors in Austria also include Austrian Post employees, who have a combined share of about 2%.

Awards won during the period under review

The high quality of Austrian Post's reporting was underlined by the recognition granted at the Austrian Annual Report Award of the business magazine "trend". Austrian Post was ranked 1st in the category "Best Reporting" in 2012. For the first time, communications between the company and its shareholders and stakeholders were evaluated in addition to the Annual Report 2011, due to the fact that communications take place using various communications channels and on different levels. For example, the Internet presence and sustainability reports are becoming increasingly important. Similarly, greater emphasis is being placed on issues such as corporate social responsibility, sustainability and transparency. Taking all these aspects into account, Austrian Post was given the highest number of points of all the Austrian companies listed on the Vienna Stock Exchange.

The quality of Austrian Post's letter mail distribution services was also given an award once again during the period under review. Of the total of 21 letter mail distribution centres around the world, the Vienna Mail Distribution Centre and the Hall Mail Distribution Centre in Tyrol both boast the certificate "Excellence in Management and in the Processing of International Mail Items", granted by the International Post Corporation (IPC). Both logistics centres were given this certificate in 2009 for a period of three years. Amongst other factors, criteria such as resource and human resources management, work sequence organization as well as the quality control system and interface coordination with national and international partners are considered. The extension of the certificate for a further three years took place following a renewed evaluation for the Hall Mail Distribution Centre at the end of 2011 and for the Vienna Mail Distribution Centre in the middle of 2012.



Experts on both a national and international level have confirmed the role model effect of the CO₂ NEUTRAL DELIVERY initiative and its positive impact on the global climate by bestowing climate protection prizes on Austrian Post. In 2012 Austrian Post was given the “International Postal Technology Award” in the category “Environmental Achievement of the Year”. In addition, Austrian Post scored top marks in the Carbon Disclosure Project (CDP), the world’s largest database for corporate environmental and climate change information, and became only the second Austrian company to be listed in the important Carbon Disclosure Leadership Index. The ecological commitment of the company has also been acknowledged in Austria. The CO₂ NEUTRAL DELIVERY initiative won 1st place in the VCÖ Mobility Prize category “Climate friendly freight traffic”.



3 REPORT PARAMETERS

The current report refers to the 2012 financial year, and presents the performance and achievements of Austrian Post in the field of sustainability. It thus picks up where the Sustainability Reports 2010 and 2011 left off, and shows how Austrian Post integrates the issues of environmental protection, responsibility to its employees and society together with economic criteria in its core business operations. The Sustainability Report of Austrian Post will be published on an annual basis.

The Sustainability Report 2012 once again encompasses two different but complementary publications this year. The GRI Sustainability Report (Global Reporting Initiative) ensures a high level of transparency to stakeholders and comparability with other companies due to its standardised structure. The complementary Sustainability Report, which will be published as a supplement to the Austrian business magazines “Format” and “Profil” is designed to inform a broad target group about the activities and projects of Austrian Post in the field of sustainability.

Scope of the report

The report refers exclusively to the parent company Österreichische Post AG and does not include its subsidiaries, due to the fact that as things stand today, some sustainability-related data still does not exist in a consolidated form. The objective of Austrian Post is to integrate the subsidiary trans-o-flex, which contributes about 25% of total Group revenue and encompasses about 6% of the group’s employees, in the sustainability reporting within the next three years. The remaining subsidiaries only generate about 5% of Group revenue at the present time, although the number of employees comprises a share of about 10%. It is being evaluated whether and to what extent these subsidiaries can be integrated into the sustainability reporting.

Contents and materiality

The decision on the contents of the report was based on the principle of materiality. The GRI Sustainability Report covers all the sustainability aspects reflecting the significant economic, ecological and social influences on the part of the organisation, or which have a considerable influence on the evaluation and decisions of stakeholders.

The assessment of the significance of sustainability aspects and of individual performance indicators is undertaken by the Investor Relations & Corporate Governance department, of which the Corporate Social Responsibility (CSR) area forms part, along with external consultants. Other topics that are not fully depicted by the indicators but which do affect the development of the sustainability of Austrian Post are established by the CSR working groups. A working group has been constituted for each topic area – employees, society, environment and the economy. The groups are convened on a regular basis (at least twice a year). In a further move, the strategy for sustainability and the corresponding measures are presented once a year to the CSR board, whose members are from various corporate sectors. Members in the working groups and of the CSR board are in close and regular

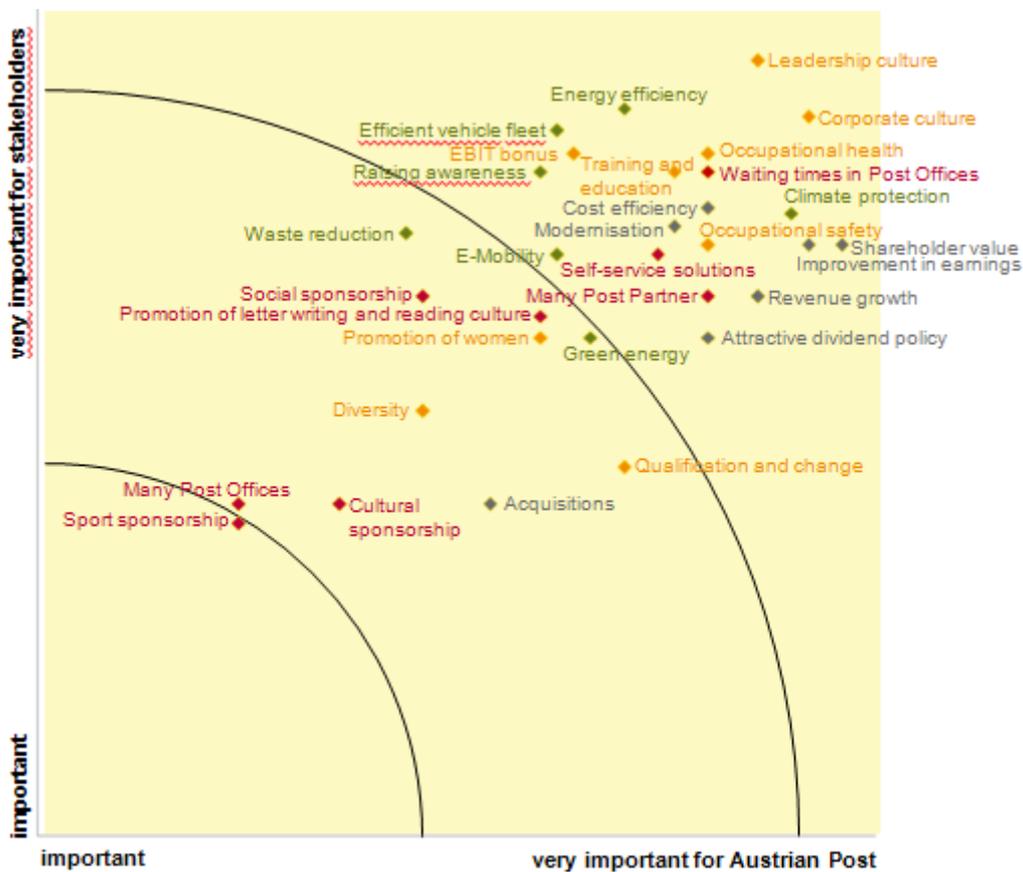


contact with a broad spectrum of stakeholders. This enables them to integrate the input – taking the form of the wide-ranging demands held by these groups – into the discussion forming the basis for the reporting of sustainability. Such stakeholders were also given an opportunity to be directly involved in the sustainability process and in the reporting. This took the form of June 2012’s “stakeholders’ roundtable”. Thirty representatives of a variety of stakeholder groups were invited to attend the roundtable, at which topical sustainability-related topics of central importance to Austrian Post were discussed.

On the basis of these findings, a materiality matrix was compiled for the first time in the 2012 financial year, presenting the core issues for Austrian Post and its stakeholders. On the basis of the discussions taking place during the stakeholders’ roundtable in 2013 and a written survey of the participants, small-scale adjustments were made to the materiality matrix. In the coming year a further survey is planned which will include a broader range of stakeholders in order to further optimize the materiality matrix.

With the context of the current analysis, the following core issues emerged: cost efficiency, energy efficiency, leadership and corporate culture as well as waiting times in the branch offices. Top priority will now be given to these issues.

Materiality matrix of Austrian Post in 2013





Reporting methodology

The GRI Sustainability Report 2012 of Austrian Post was prepared in accordance to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G3.1), and corresponds to the A+ Application Level. Compliance with the related formal criteria as well as the information contained in the report was reviewed and certified by an independent third party and subject to a limited assurance engagement. The Assurance Statement of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. providing independent certification can be found at the end of this report.

Due to the current limited availability of data, Austrian Post is only able to partially report on some important GRI performance indicators (see GRI Content Index). Austrian Post is working on optimising data collection for these indicators, in order to be able to comprehensively report on all performance indicators of material significance in the future.

The compiling and calculation of data in this report was the responsibility of Group accounting and controlling, as well as the departments responsible for the vehicle fleet and building management. The scope of the reporting and the measuring methods which were applied are similar to the last Sustainability Report. It will be noted if there are any deviations from previous reporting.

Statement on GRI Sustainability Reporting Guidelines

The Global Reporting Initiative (GRI) develops globally applicable quality criteria for sustainability reporting in consultation with a wide range of stakeholders drawn from business, employer and employee representatives, civil society, academic institutions and other areas. The GRI Sustainability Reporting Guidelines are designed to serve as a universally valid framework which an organization can use to report on its economic, environmental, and social performance. The voluntary adoption of the criteria set out in the Guidelines increases transparency, credibility, and comparability in sustainability reporting.

The performance indicators supply comparable information on the economic, ecological and social performance of the organisation, and are characterised using the following abbreviations: EC (Economy), EN (Environment), LA (Labour), HR (Human Rights), SO (Society) und PR (Product).

Organizations that use GRI guidelines for their reporting are obliged to declare the extent to which the GRI Guidelines have been utilized. The requirements for reporting on each of the three Application Levels, A, B, and C, are shown in the table below. A “+” following the letter of the alphabet indicates that the report was reviewed by an independent third party.



Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	Disclosures on Management Approach	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
	Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***	Report Externally Assured	Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

The present Sustainability Report 2012 of Austrian Post meets the requirements of the A+ Application Level of the GRI G3.1 Sustainability Reporting Guidelines.



4 GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

4.1–4.10 Corporate governance

4.1 Corporate governance and management structure

Good corporate governance promotes the long-term success of the company and its responsibility to society. Corporate governance not only involves fulfilling legal stipulations. The Management Board and Supervisory Board have the responsibility to ensure a responsible, value-based management and monitoring of the company focused on long-term success. Key elements of good corporate governance include respect for the interests of shareholders and employees, transparency in all company decisions and an appropriate risk management system.

In accordance with the Austrian Stock Corporation Act, the Management Board has sole responsibility for managing the company for the benefit of the enterprise itself and for enhancing enterprise value on a sustainable basis. The members of the Management Board jointly share responsibility for overall business management, and decision upon fundamental issues relating to business policy and corporate strategy. The Supervisory Board as the controlling body has the responsibility to monitor the management of the company and provide support to the Management Board in making decisions of material importance to the company.

The Supervisory Board has resolved to establish committees consisting of its own members to carry out specific functions. The executive committee is responsible for regulating the relationships between the company and the members of the Management Board. The presidential committee deals with issues relating to appointing members of the Management Board. The audit committee carries out the responsibilities defined in § 92 Para. 4a Austrian Stock Corporation Act.

As the highest governing body of the company, the Supervisory Board performs the tasks assigned to it with respect to the economic as well as social and ecological responsibility of the company. The Management Board bears the responsibility and carries out the task of presenting sustainability-relevant facts to the highest decision-making bodies and processes in order to ensure sustainability-oriented business development. Major corporate decisions relating to social aspects are made in accordance with the mission statement of Austrian Post on the basis of relevant legal regulations.

Details on the composition and mode of operation of the Management Board and Supervisory Board can be found in the Annual Report 2012, Part 2 – Facts & Figures, starting on page 9.

In accordance with the stipulations contained in the Austrian Corporate Governance Code, the Supervisory Board has defined criteria modelled after Appendix 1 of the code. If these criteria are fulfilled the Supervisory Board member is considered to be independent. All the members of the Supervisory Board elected by the Annual General Meeting declared their independence in accordance with these criteria. Moreover, the Supervisory Board consists of six representatives who can be considered as independent from the core shareholder of Austrian Post. Accordingly, the majority of the Supervisory Board members do not have any direct relationship to the majority shareholder of the company.



Details on the criteria determining the independence of Supervisory Board members can be found in the Annual Report 2012, Part 2 – Facts & Figures on page 13.

4.2 Independence of highest governance body

The Chairman of the Supervisory Board, the highest governance body of Austrian Post, does not simultaneously serve as the Chairman of the Management Board. Rudolf Kemler has served as the Chairman of the Supervisory Board since November 1, 2012, succeeding Markus Beyrer.

The incompatibility of a supervisory board member serving on the management board at the same time is regulated in detail in § 90 Para. 1 Austrian Stock Corporation Act.

4.3 Structure of the management bodies

In the 2012 financial year, the Supervisory Board of Austrian Post consisted of twelve members – eight shareholder representatives elected by the Annual General Meeting and four employee representatives elected by the Central Works Council of Austrian Post. The members of the Supervisory Board in the 2012 financial year are listed in the Annual Report 2012 of Austrian Post, Part 2, Facts & Figures on pages 12 and 13.

4.4 Employee and shareholder participation in the decision-making process

The Austrian Stock Corporation Act contains detailed regulation about the exercising of shareholder rights at the Annual General Meeting of a public limited company. 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 2013, shareholders were once again given the opportunity to cast their votes by absentee ballot. Moreover, within the context of the Annual General Meeting 2013, a series of sustainability-oriented issues were discussed in response to requests on the part of shareholders. The key issues dealt with included the effects of structural changes on the employees of the company, ensuring the reliable supply of postal services as well as ecological issues such as CO₂ neutral delivery and the expansion of the e-vehicle fleet.

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.



4.5 Remuneration system for the Management Board and top executives

The remuneration system is based on the fundamental idea of taking a three-tiered approach (fixed and variable salary components). The fixed salary is linked to the salary structure of publicly listed Austrian companies, and takes into account the range of responsibilities assumed by each of the members of the Management Board. The variable remuneration system is linked to a large extent to measurable, quantitative performance indicators and also encompasses the achievement of qualitative performance targets, in which case both the quantitative as well as the qualitative performance indicators include components of relevance to sustainability. For example, objectives on the issues of ensuring the reliable provision of postal services and enhancing customer convenience on the basis of new self-service solutions are included in the list of objectives for the 2012 financial year.

Moreover, a Long-Term Incentive Programme has been established for the Management Board and top executives, which aims to achieve a remuneration of management in line with sustainable corporate development.

More information on the amount and structure of the remuneration paid to the Management Board and Supervisory Board is contained in the Remuneration Report (Annual Report 2012 of Austrian Post, Part 2, Facts & Figures on pages 15 and 16).

4.6 Processes in place to avoid conflicts of interest

Pursuant to § 13 of the internal rules of procedure for the Supervisory Board of Austrian Post, Supervisory Board members are required 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 notify the Deputy Chairman.

On the one hand, conflicts of interest are avoided by the regulations contained in the Austrian Stock Corporation Act (for example § 79 non-competition clause, § 80 on the granting of loans). On the other hand, the internal rules of procedure for the Supervisory Board generally require the formal approval of the Executive Committee to any other positions held by members of the Management Board.

In addition, the internal rules of procedure applying to the Management Board of Austrian Post stipulates that a member of the Management Board is not permitted to vote on a proposed resolution if the Management Board meeting deals with matters relating to the personal or business interests of this member.

4.7 Expertise of the Supervisory Board on economic, environmental or social issues

Relevant expertise and experience in management positions are of primary importance in the selection process for members of the Supervisory Board. In addition, the composition of the Supervisory Board also pays attention to ensuring sufficient diversity. With this in mind, it should be noted that five of the twelve members of the Supervisory Board are under the



age of 50, and two members are not Austrian nationals. Two women are members of the Supervisory Board, namely Edith Hlawati (Deputy Chairman) and Elisabeth Stadler. Members of the Management Board are appointed in line with the stipulations contained in the Public Appointments Act. The focus is on ensuring that the Management Board members have the particular knowledge and professional skills which should be expected to enable them to fulfill the tasks assigned to them. In addition, special importance is also attached to the individual's leadership competence as well as his or her organisational and social abilities.

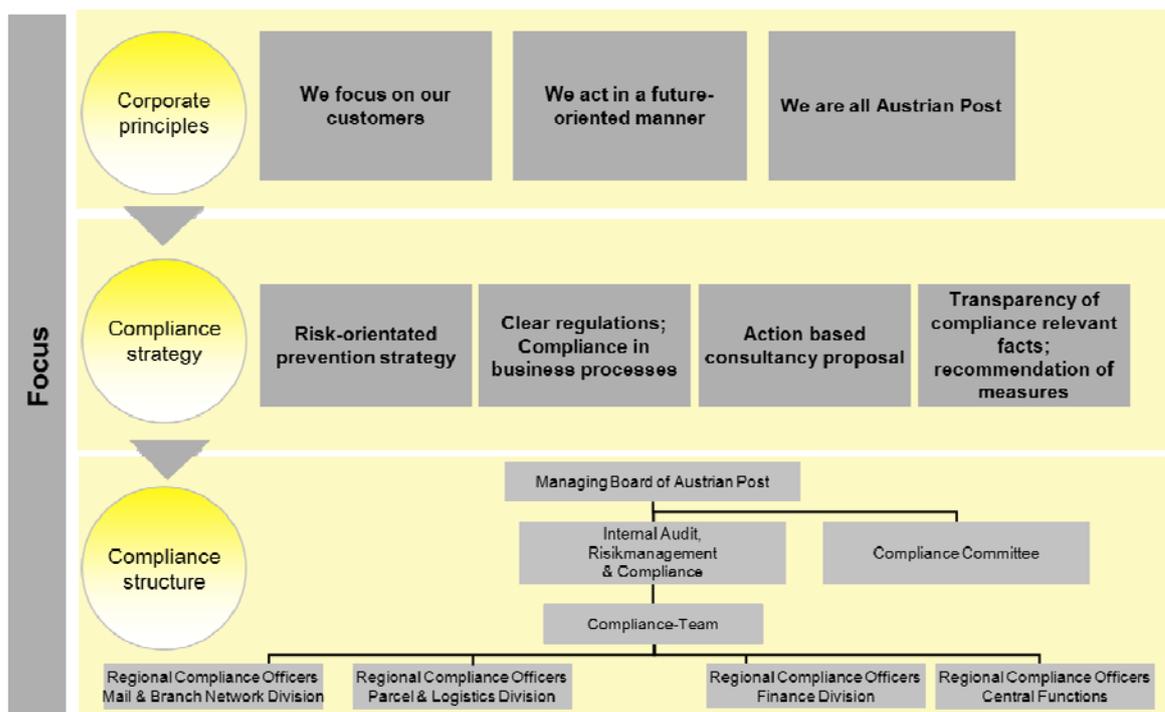
4.8 Mission statement, code of conduct and sustainability principles

Austrian Post is committed to complying with the stipulations of the Austrian Corporate Governance Code in the spirit of ensuring a responsible and transparent management of the company.

For this reason, Austrian Post has successively further expanded its compliance management system on the basis of its mission statement.

The compliance management system of Austrian Post

The aim is to establish a Group-wide compliance culture on the basis of our mission statement, and thus to make a value-added contribution to the development of the company.





In order to achieve this, Austrian Post pursues a risk-oriented prevention strategy, which identifies and minimises risks at an early stage. This includes developing clearly-defined rules and integrating them in all relevant business processes. Austrian Post will continually press ahead with the ongoing integration of the compliance organization in its subsidiaries. For this purpose, the number of regional compliance officers supporting the central Compliance Officer was increased to 17 people in order to implement Group-wide compliance activities. The activities of the central and regional compliance organization should create a sustainable, practice- and action-oriented consulting offering for all employees in all business units, and also ensure transparency in compliance-relevant matters. In addition, the recommendation of measures in cases of compliance violations comprises an important instrument designed to promote the professionalization and further development of the compliance management system.

At present, Austrian Post is having its compliance management system certified according to the standard developed by the Institute of Public Auditors in Germany (IDW PS 980).

Code of conduct

A further important step towards the Group-wide roll-out of the compliance management system took place in 2011 with the publication of Austrian Post's Code of Conduct. It is based upon the Group's mission statement and serves as a guide for all employees of Austrian Post in their everyday work. The Code of Conduct was translated into all national languages represented in the company and communicated throughout the Group. It contains the principles underlying ethical and legally impeccable behaviour on the part of all employees of the Group. The Code of Conduct is oriented to international agreements as well as ethical standards, and reflects the commitment of Austrian Post to complying with the principles of the UN Global Compact.

As an additional measure, Austrian Post developed a Code of Conduct for suppliers in 2011, which obliges contractors of Austrian Post as well as their subcontractors and suppliers to comply with minimum legal and social standards.

Guidelines

The focal points of the compliance management system are the "capital market" and "anti-corruption". For this reason, specific, valid company-wide guidelines were developed and published by Austrian Post at an early stage. The capital market compliance directive of Austrian Post reflects valid Austrian capital market regulations as well as the Compliance for Issuers Ordinance of the Financial Market Authority, and were issued in order to prevent insider dealings. The Group's internal directive on the "Acceptance and Granting of Gifts, Invitations and Other Advantages" issued in 2011 had to be adapted in 2012 due to changed legal situation arising as a consequence of the Corruption Criminal Code Amendment Act and the relating extension of the term "official". This Group directive explains relevant legal terms in detail (e.g. "official", "undue advantage" etc.) and provides employees with all the information they need to know about the topic of anticorruption. Moreover, the directive also contains a comprehensive practical handbook including a graphic representation, and thus offers assistance to all employees in dealing with presents



and invitations in their everyday work. Furthermore, another aid to employees will be an e-learning tool on the topics of “capital market” and “anticorruption”, which will be available throughout the Group starting in the fall of 2013.

Due to the fact that the compliance management system of Austrian Post covers other areas within the Group, a directive on the topic “Unified Communications and Dealing with the Media” was developed as well as guidelines on the topic “Sponsoring and Donations”, in order to integrate compliance in these relevant areas and processes.

New mission statement – new values

Austrian Post is not only intensively working on its products and services but also on itself. First and foremost is its corporate and leadership culture, which was put on a fundamentally new basis in recent years. It is a fact that only clearly-defined and mutually held visions and values enable a company to act in a target-oriented and sustainable manner. At the beginning of 2010, Austrian Post began to focus on developing its new mission statement. In formulating these principles, Austrian Post linked several objectives reflecting changes in the marketplace and its own activities as well as the economy and the overall working environment.

Three value categories were defined within the context of a broad-based process. They are designed to serve as guideposts for Austrian Post in the future:

	MISSION STATEMENT
	1 CUSTOMER ORIENTATION Everything we do revolves around our customers
	2 PROFITABILITY AND SUSTAINABILITY We are future-oriented
	3 COMMUNICATION AND APPRECIATION We are all part of Austrian Post

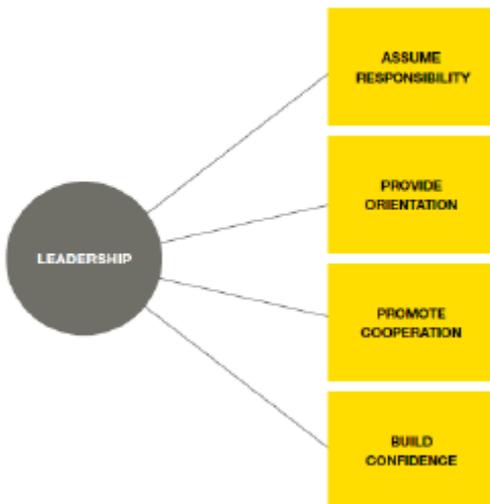
A variety of measures now serves the purpose of implementing and embedding the new mission statement in the daily work of all employees. This can only be achieved if they are consciously put into practice i.e. on the basis of a cultural change in the way employees deal with each other, customers and partners of Austrian Post, the strengthening of employee identification with the company and increasing the attractiveness of Austrian Post as an employer.

In order to really fill this commitment with life, it is essential to get the entire staff on board. For this reason, a large part of the work required to further develop this mission statement focused on the issue of leadership, given the fact that all executives have to credibly embody these principles in their everyday work. In order to ensure that this actually happens, Austrian Post worked together with the executives in the Group to develop the



company's own leadership guidelines which are based on four guiding values: assume responsibility, provide orientation, promote cooperation and build confidence. Based on this, a broad range of opportunities were offered, especially to executives, to enable them to actively participate in the roll-out and the further development of these leadership guidelines as well as the strategic orientation of Austrian Post. A series of workshops and management days were held focusing on topics such as customer orientation, appreciation and the future-oriented further development of business activities. In 2012 about 500 executives attended a management day held near Vienna, whereas approximately 1,500 participants from middle and senior management levels formed more than 50 working groups taking part in open space events in Vienna and Salzburg. Furthermore, about 270 executives took part in the programme "A day visiting customers" in order to have a "live experience" of the daily work of the delivery staff or branch managers, and thus gain a better understanding of what they do and also of customer requirements.

THE LEADERSHIP GUIDELINES
OF AUSTRIAN POST ARE BASED
ON FOUR GUIDING VALUES:



Austrian Post relies on clearly-defined and mutually held values as the basis for its economic success. The successful development of the company requires a common understanding of objectives on the basis of values, guidelines and behavioural principles. On this basis a Code of Conduct was developed, serving as a binding code of behaviour for all employees.

4.9 Procedures to oversee the sustainability performance

At present, no special control and verification mechanism to monitor the sustainability performance of the company has been set up by the Supervisory Board, the highest governance body. Information pertaining to the ecological and social performance of the company is presented to the entire Management Board at its meetings. The Management Board and Supervisory Board jointly coordinate the way in which sustainability-related issues are dealt with.



4.10 Processes for evaluating the highest governance body's own performance with respect to sustainability

There is no formal process for this purpose with regards to the Supervisory Board. The variable salary components for Management Board members depend on achieving pre-defined economic and societal/social objectives. Determining whether these targets have been reached is the joint responsibility of the Supervisory Board's executive committee and the Management Board.

4.11–4.13 Commitments to external initiatives

4.11 Addressing the precautionary principle

Among the objectives of the sustainability approach of Austrian Post is to prevent or minimise any potential burden on the environment or dangers to human health on the basis of early and forward-looking behaviour. This not only includes preventing potential risks, but also the efforts to minimise the environmental impact of the company.

The risk management system of Austrian Post is designed to identify, evaluate and control significant business risks. In the interest of sustainability, the risk evaluation, management and planning of appropriate measures takes account of ecological, social and ethical aspects.

4.12 External agreements, principles and initiatives

Austrian Post orients its efforts to implement its goals and activities to the UN Global Compact, which it joined in 2007. Against this backdrop, Austrian Post is committed to complying with the ten principles of the UN Global Compact focusing on human rights, labour rights, environmental protection and corruption prevention, and reports on its progress in living up to these principles in the year 2012.

In addition, Austrian Post continued to take part in international programmes such as the "Environmental Measurement and Monitoring System (EMMS)" of the International Postal Corporation (IPC).

4.13 Membership in association and interest groups

Austrian Post is a member of several national associations and interest groups, including the Vienna Chamber of Commerce, the Federation of Austrian Industries, the Vienna Economic Forum, the Shares Forum, the Cercle Investor Relations Austria (C.I.R.A.), the Public Relations Association of Austria, the Austrian Dialogue Marketing Association and the Austrian Logistics Association.



On an international level, Austrian Post belongs to the European association of public postal operators PostEurop as well as the International Postal Corporation (IPC).

In order to strengthen its activities in the field of anti-corruption, Austrian Post joined Transparency International in the year 2011 as a corporate member.

Moreover, Austrian Post is a member of “respACT – austrian business council for sustainable development“, the leading corporate platform in Austria for corporate social responsibility and sustainable development.

4.14–4.17 Stakeholder engagement

4.14 Stakeholder groups engaged by the organisation

The objectives and measures underlying Austrian Post’s sustainability efforts are always oriented to the demands and expectations of the company’s stakeholders. Different interest groups perceive the corporate responsibility of Austrian Post in different ways, and also have different expectations of the company.

STAKEHOLDER GROUPS OF AUSTRIAN POST				
Customers	Shareholders	Employees	Business partners	Industry representatives
Society	Environment	Communities	Regulatory environment	Media

4.15 Basis for the selection of stakeholders with whom to engage

The term “stakeholder” is broadly defined at Austrian Post, due to the fact that Austrian Post has a very high significance to society as one of the biggest employers in the country and a provider of universal postal services. The stakeholder groups of relevance to Austrian Post were discussed in 2011 at the CSR working group meetings and in part were newly “clustered” in order to even more specifically address the requirements of the respective stakeholder group. This classification was reviewed in 2012 and was maintained in this form.

In order to enable the company to appropriately deal with sustainability issues which are currently relevant to the company and meet the demands of the general public, Austrian Post intensifies its contacts to the respective federal ministries and NGOs if necessary.



4.16 Approaches to stakeholder engagement

The objectives and measures underlying Austrian Post's sustainability efforts are always oriented to the demands and expectations of the company's stakeholders, in which case the different interest groups also have different expectations of the company. For this reason, Austrian Post uses different channels to maintain a dialogue with its stakeholder groups, and invites them to interact and provide feedback. The aim of stakeholder management is to identify risks and opportunities at an early stage, as well as to gain specific information about the expectations of shareholders and to strengthen existing good relationships or establish new ones.

For this reason, key factors include transparent communications as well as an open dialogue, in order to identify potential conflicts among the individual stakeholder groups at an early stage. Different stakeholders have different opinions concerning the corporate social responsibility of Austrian Post, and thus place different expectations on the company.

The employees of Austrian Post are in regular contact with their stakeholder groups. As a result, the CSR working groups as well as the CSR Board of Austrian Post include employees from different departments, due to the fact that these employees can contribute to the discussion by integrating the wishes and requirements of the respective stakeholder groups. Moreover, the company also takes advantage of special types of events to address individual stakeholder groups, in order to take a structured approach to respond to their specific requirements. For example, in 2012 Austrian Post also participated in various working groups established by the federal ministries or in sustainability platforms.

Against this backdrop, the Third Stakeholder Roundtable of Austrian Post was held on June 20, 2013. Some 30 stakeholders held discussions with CEO Georg Pölzl and management representatives on key issues of relevance to the company, with the objective of providing impetus to future sustainability activities. The stakeholders placed specific demands on the management of Austrian Post, which will be appropriately integrated into the designing of the company's sustainability strategy and corresponding measures, as well as in this report.

4.17 Key stakeholder topics and concerns

Within the context of its ongoing dialogue with stakeholders in the year 2012, a broad range of relevant topics emerged, which were integrated into the materiality matrix of Austrian Post, and updated on the basis of the new conclusions reached by the Stakeholder Roundtable 2013 and the written questionnaire (also refer to page 24). At the Stakeholder Roundtable 2013, the invited stakeholders were specially asked to comment on challenges of the next ten years and the resulting challenges facing Austrian Post.

For example, the following key topics were discussed:

Continuation of stakeholder orientation, energy efficiency, flexibility of services, quality and reliability, satisfaction of mail recipients and customer satisfaction, the inhomogeneity of consumers, continuity in Post Partner strategy, competition vs. regulation, managing complexity, network coverage, less growth and rising costs, digitalisation, technical change, maintaining the company's social function, increased efficiency vs. employee motivation,



promoting employees, age-appropriate working conditions, restructuring vs. customer orientation.

In a second step, the stakeholders were asked to reveal what Austrian Post could contribute towards mastering these challenges. Five working groups were set up to focus on the issues of strategic stakeholder orientation, the challenge of customer orientation, complexity and framework conditions, core business and new products as well as efficiency enhancement and motivation and to develop solutions.

The group addressing the topic “**stakeholder orientation**” once again emphasized the importance of sustainable and environmentally compatible logistics. The leading role played by Austrian Post in the field of electro-mobility has a positive effect on employee and customer satisfaction. In addition, the group demanded the expansion of flexible working time models in order to promote the compatibility of family and career.

In the working group focusing on the “**challenge of customer orientation**” the priority was clearly on the high quality claims of Austrian Post and its customers. The stakeholders identified improvement potential in the field of first-time delivery of parcels and with respect to waiting time in the branches.

With respect to “**complexity and framework conditions**“, the advantages and disadvantages of regulating the postal sector were discussed. In the future, it will be important for Austrian Post to be able to master or reduce complexity. In addition, it will be essential to ensure the security of all contractual partners.

The subject “**core business and new products**” emphasized a range of growth drivers which should be promoted in the future. This includes the parcel business based on the trend towards e-commerce, expansion of the value chain, personalised delivery services and the field of digital post.

The topic of “**efficiency enhancement and motivation**” was the subject of controversial debate, but the participants did agree on one fact: people will remain a decisive factor, and thus from both an employee and customer point of view, the human factor will continue to be the most important asset of Austrian Post.



ECONOMIC PERFORMANCE INDICATORS

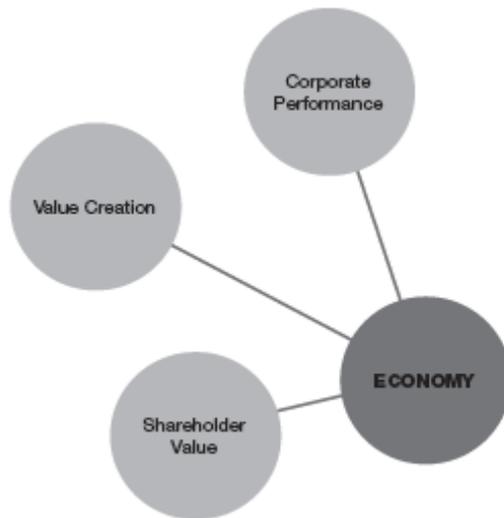
Austrian Post pursues the objectives of safeguarding and expanding its market leadership and further growing on a long-term basis. The top priority for Austrian Post's management is to ensure profitability on a sustainable basis. Only a successful company can seriously assume its corporate social responsibility on a long-term basis and make an appropriate contribution to fulfilling social and ecological needs.

Current developments on the international postal and logistics market pose major challenges to Austrian Post's efforts to achieve its business targets, but also open up new opportunities. In order to exploit these opportunities, Austrian Post clearly formulated its objectives and strategic measures within the framework of a broad-based strategic development process, and defined the following strategic approaches: safeguarding and expanding its market leadership in Austria as well as achieving growth in selected markets. The basis for this is ongoing efficiency enhancement as well as the increasing flexibility of the cost structure along with consistent customer orientation and innovation in all business activities.

Economic targets

- Austrian Post will further develop its services in a customer-oriented manner in order to be successful in the long-term as well (revenue growth of 1-2% per year as well as solid profitability featuring an EBITDA margin of 10-12%).
- Austrian Post is aware of its responsibility along the entire value chain and aims to create value for all stakeholders (shared value).
- Austrian Post wants to provide its shareholders with a sustainable Total Shareholder Return (value enhancement and an appropriate return on the capital employed) in order to fulfill shareholder expectations and create sustainable value.

These economic targets apply to the entire Austrian Post Group.



Achievement of objectives in 2012

In the 2012 financial year, Austrian Post once again achieved the rolling economic objectives of medium-term revenue growth amounting to 1-2% per year as well as an EBITDA margin in the targeted range of 10-12% (see EC1). In addition, the attractive dividend policy was continued for the 2012 financial year based on the payment of a dividend totalling EUR 1.80 per share on May 2, 2013. On balance, Austrian Post thus distributed a total of EUR 121.6m to its shareholders for 2012. The objective of increasing the company's market share in the B2B parcel business to over 20% was achieved earlier than planned. Austrian Post's share in this segment was 22% in 2013.

With respect to the 2013 financial year, Austrian Post is pursuing the goal of achieving a stable or slightly positive revenue development, accompanied by a further improvement in earnings (EBIT).

Further details on sustainability targets and the extent to which they were achieved can also be found in the thematic and goal matrix on page 82.

ASPECT: ECONOMIC PERFORMANCE

EC1 Direct economic value generated and distributed

The income statement of Austrian Post (individual financial statements pursuant to the Austrian Commercial Code) shows the following results for 2012:



Income statement (EUR m)	2010	2011	2012
Revenue	1,595.0	1,635.7	1,667.3
Other operating income	73.1	77.6	82.5
Raw materials, consumables and services used	-266.5	-280.1	-306.8
Staff costs	-974.8	-935.2	-985.7
Other operating expenses	-212.5	-242.6	-229.5
Results of investments consolidated at equity	30.1	-57.5	-4.6
Depreciation, amortisation and impairment losses	-67.0	-72.7	-60.9
Earnings before interest and tax	177.4	125.2	162.5
Other financial result	3.9	5.9	-16.6
Profit before tax	181.3	131.1	146.9
Income tax	-32.8	-38.2	-32.8
Profit for the period	148.6	92.9	113.2

Revenue of Austrian Post on an individual company level could be increased by 1.9% in the 2012 financial year to EUR 1,667.3m. Growth was achieved primarily in the Parcel & Logistics Division, which expanded by 9.4%, but the Mail Division also posted growth of 0.7%. Revenue distribution among the two divisions shows the importance of the Mail Division, which accounted for 84.7% of total revenue in 2012. The Parcel & Logistics Division generated 15.3% of revenue.

Other operating income rose by 6.2% from the prior-year level to EUR 82.5m, accounting for 4.9% of total revenue. Operating expenses for raw materials, consumables and services used rose by 9.5%, to EUR 306.8m. Other operating expenses were down 5.4% to EUR 229.5m. Staff costs, which comprise the largest operating expense item at Austrian Post and account for close to 60% of revenue, rose by 5.4% during the reporting period to EUR 985.7m.

The results of investments consolidated at equity improved to minus EUR 4.6m in 2012 from the prior-year level of minus EUR 57.5m, which can be attributed to impairment losses carried out in connection with the trans-o-flex Group in Germany in 2011. The proceeds from these investments increased compared to the previous year.

Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment of Austrian Post fell by 16.2% in the 2012 financial year to EUR 60.9m, comprising 3.7% of revenue. This decline is due to higher unscheduled depreciation in 2011.

Earnings before interest and tax (EBIT) of Austrian Post rose to EUR 162.5m in 2012. Earnings before tax (EBT) amounted to EUR 145.9m. After deducting the income tax of EUR 32.8m, the profit for the period totaled EUR 113.2m. Taking account of the allocation and reversal of untaxed reserves as well as the profit carried forward, the balance sheet profit amounted to EUR 133.1m in 2012.



The consolidated income statement can be found in the Annual Report 2012 (Part 2 – Facts & Figures).

Value added

Austrian Post pursues the goal of generating sustainable value added on behalf of its stakeholders and thus for the Republic of Austria. The value generated by the company in 2012 consists of the following and was distributed to the following stakeholder groups (individual financial statements pursuant to the Austrian Commercial Code):

Value creation (EUR m)	2010	2011	2012
Value creation			
Revenue and other operating income	1,668.2	1,713.4	1,749.7
less advance outlays	-546.0	-595.5	-591.3
thereof raw materials, consumables and services used	-266.5	-280.1	-306.8
thereof other operating expenses	-212.5	-242.6	-223.6
Value added	1,122.1	1,117.9	1,158.4
Distribution:			
to employees (wages, salaries, social contributions)	974.8	935.2	985.7
to shareholders (dividends)	108.1	114.8	121.6
to the Republic of Austria (taxes)	32.8	38.2	38.7
to creditors (interest)	1.9	2.2	2.0
Remaining amount	4.6	27.5	10.3
Value added	1,122.1	1,117.9	1,158.4

The revenue of EUR 1,749.7m generated by Austrian Post in 2012 (incl. other operating income) was in contrast to advance outlays of EUR 591.3m. The resulting value added of Austrian Post to the amount of EUR 1,158.4m 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 thus EUR 985.7m. Shareholders were paid dividends to the amount of EUR 121.6m. The Republic of Austria owns a 52.8% share, and thus received EUR 64.2m in dividends. In addition, EUR 38.7m was paid to the Republic of Austria as taxes.



ASPECT: MARKET PRESENCE

EC6 Policy, practices and proportion of spending on local suppliers

In its Group procurement activities, Austrian Post is aware of its role as one of the leading sector contractors of the Republic of Austria. Of the 7,000 suppliers with which Austrian Post currently works, about 4-6% are large companies (mostly based in Austria, although the value creation may take place abroad), whereas the remaining 94-96% are SMEs, in which case it can be assumed that these suppliers are for the most part located in Austria. In many areas of its business operations Austrian Post is subject to the stipulations contained in the Federal Procurement Act (BVerG).

A key guiding principle in Austrian Post's business practices is to ensure equal treatment of bidders while ensuring the greatest possible level of transparency in its procurement activities.

The Procurement Excellence Programme of the Group, including its sub-projects, implements methods and processes designed to ensure the further professionalisation and Group-wide bundling of purchasing. The overriding objective is to reduce material costs in the Group and ensure compliance with the principles of transparency.

Priority is currently given to sustainability aspects with respect on the single procurement, project and initiative levels, and is visibly included in public tenders. The Procurement Excellence Programme thus structurally and systematically embeds sustainability issues in procurement on a long-lasting basis. This takes place within the context of the sub-projects on supplier and risk management, sourcing practices and governance.

ASPECT: INDIRECT ECONOMIC IMPACTS

EC9 Indirect economic impacts

Austrian Post ensures the provision of nationwide postal services on behalf of the Austrian population, and thus contributes to maintaining the infrastructure in rural areas. Only Austrian Post brings mail every day to every household and every doorstep in Austria. Austrian Post is a reliable partner and ensures the provision of basic postal services in outstanding quality to the Austrian population. Austrian Post succeeded in delivering 96% of letters to the recipients on the next working day.

Austrian Post is always close to its customers. With 1,931 postal service points at the end of 2012, its branch network ranks among the largest private customer networks in the country. Most of these postal service points are operated by postal partners. These are local businesses in different sectors, which offer products and services of Austrian Post in addition to their own product line. The concept is a complete success. It ensures the efficient supply of postal services to the population, promotes economic structures in rural areas and offers longer opening hours.



Customers are also very satisfied with the performance of their postal partner offices, as demonstrated by a study carried out on a quarterly basis. In this respect, the postal partners were given almost the same high marks with respect to opening hours, atmosphere, employees and location as the post offices, and performed even better with regard to waiting times. In addition, the study showed that the evaluation of the postal partner offices has continually improved (quarterly basis, n=>300).

Further information is also available by turning to the indicator SO1 on page 74.



ECOLOGICAL PERFORMANCE INDICATORS

Austrian Post is aware of its responsibility to the environment. For this reason, it continually strives to identify optimisation potential in order to minimise its ecological footprint. In addition to comprehensive measures implemented on its own, Austrian Post also actively participates in projects such as the “Environmental Measurement and Monitoring System (EMMS)” of the International Post Corporation (IPC), which aim to reduce greenhouse gas emissions.

In the past years major successes were achieved by Austrian Post with respect to reducing the greenhouse gas emissions and energy consumption from its business operations. Austrian Post not only achieved its objective of reducing CO₂ emissions by 10% from 2007 to 2012 ahead of schedule, in 2010, but actually defined an even more ambitious target with respect to CO₂ emissions. Austrian Post even intends to reduce CO₂ emissions by a further 20% in the period 2010 to 2015, including the shipping companies which work for it.

In addition, the remaining emissions will be compensated each year by Austrian Post’s support for selected climate protection projects. Since 2011, Austrian Post has been delivering all mail items in Austria – regardless of whether they are letters, direct mail items or parcels – in a CO₂ neutral manner. This initiative is communicated under the title CO₂ NEUTRAL DELIVERY. It encompasses a broad bundle of measures, from efficiency enhancement and promoting alternative forms of energy to compensating for the remaining CO₂ emissions. This initiative is proof that it is possible to combine business thinking and environmentally-friendly operations in the logistics business as well.

Moreover, the company also believes it should take advantage of its position in society as one of the most important service companies in the country in order to build awareness of the importance of environmental and climate protection among its stakeholders, such as employees, customers and business partners. Recent climate reports show that climate change is progressing uninterruptedly. That is why every individual as well as every company and decision makers are called upon to take measures in order to stop this development and thus preserve the planet for coming generations.

Ecological targets in 2012:

- Reduction of CO₂ emissions by 20% in the period between 2010 and 2015 and annual compensation for remaining emissions
- Expansion and improvement of a central environmental management system
- Sensibilisation of relevant stakeholders to the need for environmental and climate protection



Achievement of objectives in 2012

In the year 2012 the target of ensuring CO₂ neutral delivery of all mail items in Austria was achieved once again. The goal of reducing CO₂ emissions by 10% in the period 2007 to 2012 was even surpassed. CO₂ emissions including shipping companies were decreased by 24% by 2012. The company did not fully achieve its goal of reducing energy consumption by 10% from 2007 to 2012. The decline in energy consumption since 2007 is about 9.1%. The reason for this development is primarily the ongoing increase in efficiency in the company's logistics operations. In recent years a series of machines were purchased to more efficiently sort mail items. However, this equipment is more energy-intensive. This development was recognised at an early stage, which is why measures have been initiated to make energy consumption as environmentally compatible as possible. For example, electricity procurement has been converted to purchasing electricity exclusively from renewable energy sources. In addition, the share of natural gas and heating oil to cover heating requirements has been reduced in favour of district heat. Consumption of natural gas and heating goal amounted to only 37.6m KWh in 2012, down from 48.3m KWh in the year 2007- This corresponds to a reduction of 22%.

With respect to reducing CO₂ emissions by 20% in the period 2010 to 2015, Austrian Post is well on schedule. Austrian Post has expanded its vehicle fleet of e-vehicles, more than doubling the total number from 2011 to 2012. 262 e-vehicles were already in use at the end of 2012. Now Austrian Post has defined a further goal in the field of e-mobility. By 2016 the entire delivery of letters and direct mail items to private customers in Vienna should be carried out on foot or by electric powered vehicles. Moreover, Austrian Post already specified the target last year of further professionalizing and expanding its environmental management system. By the end of 2013 the company intends to appoint a company-wide waste manager.

Further details on sustainability targets and the extent to which they were achieved are also available in the thematic and goal matrix on page 82.



ASPECT: MATERIALS

EN1 Materials used by weight or volume

EN2 Percentage of materials used that are recycled input materials

This indicator primarily refers to production companies i.e. firms which manufacture goods and products. Austrian Post is a logistics company. Therefore its paper consumption is of primary importance, which is why it is presented in the following table:

	2010	2011	2012
Total paper consumption (t)	337.1	397.4	781.5
Copying paper	337.1	294.3	230.7
thereof recycled paper	25.3	62.0	150.0
Printed materials (excl. direct mail items) ¹⁾	k.A.	103.1	550.8

¹⁾ The quantity of printed materials (excl. direct mail items) was first compiled in 2011. The increase in the year 2012 results from the introduction of the collators as of the beginning of 2012.

“Collators” are facilities in which unaddressed mail items can be bundled mechanically instead of manually. They are used to pack the new KUVERT – the successful collective advertising envelope introduced throughout the country in 2012 for direct mail items delivered by Austrian Post. This increases efficiency and partially reduces the need for manual sorting.

In 2012 Austrian Post succeeded in reducing the consumption of copying paper by close to 65 tons compared to the prior-year level. At the same time, the share of recycled paper could be more than doubled.

ASPECT: ENERGY

EN3 Direct energy consumption by primary energy source

EN4 Indirect energy consumption by primary source

Environmental indicators	2010 ¹⁾	2011	2012 ²⁾
Consumption of significant quantities of resources (KWh million)³⁾			
Total	164.7	158.0	149.5
Natural gas	35.1	33.0	31.4
Heating oil	9.3	9.7	6.2
District heat	46.6	40.3	40.7
Total electricity ⁴⁾	73.7	75.0	71.2
thereof electricity from renewable energies	-	32.4	64.1
thereof grey electricity	-	42.6	7.1
Total building space (m²)	1,186,753	1,130,165	1,121,801
thereof owned by Austrian Post	748,936	695,840	680,144
thereof leased space	437,817	434,325	441,657



Fuel consumption: petrol, super, diesel, natural gas (litre million)⁵⁾	15.2	14.6	14.3
thereof diesel	14,8	14,2	13,9

¹⁾ Due to optimised data collection with respect to buildings, these indicators were revised for the year 2010. In addition, as of 2010 updated CO₂ conversion factors are applied for the entire data in order to ensure a consistent calculation during the entire target period 2010 to 2015.

²⁾ The energy consumption indicators for buildings include all energy use invoices for 2012 which were received by Austrian Post by the deadline July 29, 2013 (about 90%). The remaining share (to 100%) is an estimated value.

³⁾ Consumption figures for 2012 include the mathematically calculated consumption in leased space (without detailed consumption figures). Similarly, the mathematically calculated consumption data in the leased space was taken into account and deducted.

⁴⁾ In 2012 electricity from renewable energy sources refers to electricity directly purchased by Austrian Post. Grey electricity (electricity of unknown origin) relates to electricity in leased space and postal partner offices.

⁵⁾ The figures for the vehicle fleet include the subsidiary Post. Wertlogistik GmbH.

Since January 1, 2012, all of the electricity consumed by Austrian Post is green electricity i.e. it has been exclusively produced by renewable energy sources. This applies to the electricity consumed in buildings owned by Austrian Post and in leased property, in which electricity deliveries are known and can be traced. This electricity procurement will continue to be classified as direct electricity purchases. The small share of consumption of grey electricity is consumed by postal partner offices and by electricity supplied to leased properties which is of unknown origin.

EN5 Energy saved due to conservation and efficiency improvements

Since 2007 energy consumption has been reduced by 9.1%. Although this is slightly below the targeted reduction of 10% by 2012, Austrian Post can still boast of major successes, especially with respect to electricity procurement. In the meantime, 100% of the electricity used by Austrian Post is derived from renewable energy sources. This comprises more than a doubling of the share of electricity from regenerative sources compared to 2011. At the same time, the share of natural gas and heating oil to cover total energy requirements has been reduced in favour of district heat.

Many measures were carried out in 2012 with respect to the vehicle fleet and buildings and raising awareness on the part of relevant stakeholders in order to achieve further reductions in energy consumption in the future as well as to minimise the environmental impact of energy consumption. For example, electricity procurement was converted to exclusively purchasing electricity from renewable energy sources, electromobility in the vehicle fleet of Austrian Post was expanded and employees were increasingly sensitized to the need for climate protection.

Higher eco-efficiency and e-mobility in the vehicle fleet

Within the context of its climate protection strategy Austrian Post is striving to make its transport operations (about 9,200 vehicles incl. bicycles) as environmentally friendly as possible. In the meantime, more than 20% of the delivery areas are covered on foot or on bicycles. In the motorized delivery areas Austrian Post is also focusing on sustainably



exploiting the inherent potential. For this reason, Austrian Post is continually expanding the share of vehicles operating on the basis of alternative drive systems. At the same time, it is also striving to increase the eco-efficiency of its transport operations.

Amongst other measures, this includes the ongoing optimisation of route planning. Empty runs are being avoided, the capacity of deployed vehicles is being consistently improved and the number of kilometres needed to transport mail items is being reduced. At the same time, a modern vehicle fleet and regular maintenance enhance the eco-efficiency of the vehicle fleet. Furthermore, the number of low emission vehicles in the emission class Euro 5 has been increased from 1,700 in 2011 to 2,500 in 2012. Training courses for drivers are also part of the measures designed to promote enhanced eco-efficiency.

Moreover, Austrian Post is increasingly relying on alternative drive systems in its delivery operations, and massively expanded its vehicle fleet in the field of e-mobility in 2012. For example, the number of electric bicycles was almost doubled compared to the previous year, and the number of electric powered mopeds even rose 13-fold. Supported by the funding program "klima:aktiv mobil" launched by the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management, Austrian Post already operated more than 262 electric powered vehicles in 2012, including 244 single track e-vehicles and 18 electric cars, along with 74 vehicles powered by natural gas. The related test phases and surveys of drivers revealed that the new vehicles were very well accepted. Nine out of ten e-drivers are satisfied or very satisfied with the vehicles.

Vehicles¹⁾	2010	2011	2012
Vehicles (total)	9,248	9,650	9,187
Bicycles	1,032	1,049	958
thereof electric bicycles	64	94	164
Mopeds	1,252	1,235	1,078
thereof electric mopeds	6	6	80
Vehicles up to 3.5t	6,788	7,214	7,005
thereof natural-gas driven vehicles up to 3.5t	77	77	74
thereof electric-powered vehicles up to 3.5t	0	18	18
Vehicles over 3.5t	176	152	146
Total number of kilometres (km million)	154	155	159
Austrian Post	120	119	119
Shipping companies	34	36	40
Motorised vehicles according to emission class	9,248	9,650	9,187
Bicycles (incl. electric bicycles)	1,032	1,049	958
Electric engines	6	24	98
Euro 0 (no Euromotor)	1,249	1,232	0
Euro 1	-	-	-
Euro 2	63	16	904
Euro 3	3,026	1,845	1,038
Euro 4	3,714	3,811	3,694
Euro 5	158	1,673	2,495

¹⁾ The figures for the vehicle fleet include the subsidiary Post.Wertlogistik GmbH.



Planned measures in the vehicle fleet

On the basis of these experiences and with the knowledge that pioneers of e-mobility will rank among the major winners of this climate-neutral mode of transport in the future, Austrian Post will increasingly focus on this future-oriented technology. The company plans to considerably expand its e-vehicle fleet to about 1,300 e-vehicles by 2015. With its model region for e-mobility called “E-Mobility Post“, Austrian Post is one of eight model e-mobility regions in Austria. Within the context of this initiative, the company plans to purchase about 300 electric cars, 300 electric mopeds and more than 500 electric bicycles in the period 2012 to 2015 in order to test and research the practical use of these vehicles in the mail delivery process.

The specific expansion plans of the e-vehicle fleet depends on the suitability of these vehicles for postal operations as well as new innovations on the part of the vehicle makers, which are expected to be launched on the marketplace on an ongoing basis. Within the context of the model regions for e-mobility, the Climate and Energy Fund of the Austrian Federal Government is focusing on comprehensive solutions in which the electricity for clean passenger car drive systems must be exclusively derived from additional renewable energy sources. For this reason, Austrian Post will construct its own photovoltaic facility in 2013 in order to supply the entire e-vehicle fleet of the company with clean electricity from solar energy.



Austrian Post depends on public grants due to the fact that e-mobility is not yet economically feasible at the present time. Austrian Post has found partners for the coming years, namely the Austrian Climate and Energy Fund of the Austrian Federal Government and the klima:aktiv mobil programme of the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management, which strongly supports the company's efforts to further expand its fleet of e-vehicles by providing funding and know-how.

Energy efficiency and generation of renewable energies in buildings

In 2011 Austrian Post derived about half of its electricity requirements from renewable energy sources. Starting in 2012 the entire direct procurement of electricity was converted



to exclusively renewable energy sources. This is because “green electricity” is derived from the Earth’s natural energies, namely from the sun, water, wind, biomass and geothermal energy. The generation of electricity is environmentally compatible and virtually no greenhouse gas emissions arise in the process.

With respect to the consumption of other resources for heating the buildings, climate protection and the conservation of natural resources are also top priorities. Austrian Post uses about 80m kWh of natural gas, heating oil and district heat each year. The bundle of measures ranges from reducing the use of oil and gas-fired heating systems and the increased use of district heat to the optimisation of the building infrastructure and a consistent monitoring of energy consumption. In terms of electricity consumption (about 71m kWh), Austrian Post is also striving to exploit potential savings by implementing new efficient lighting concepts.

In addition, greater importance will be attached to ecological aspects in optimising the building infrastructure.

Planned measures relating to buildings

Now Austrian Post is going a step further. In the future the company will not only exclusively use “green electricity” but will also produce it itself. The company plans to begin construction of the largest rooftop photovoltaic facility in Austria, which will be constructed at the Vienna Letter Centre. The distribution centre features a roof area of about 30,000 square metres. The planned photovoltaic facility will use one-third of the roof area, and boast a maximum output of about 900 kW. The energy derived from the plant will be able to supply electricity from clean solar energy for the entire e-vehicle fleet of Austrian Post, which is planned to grow to about 1,300 vehicles by 2015.

Measures related to awareness raising

As a company of national significance and employer for thousands of people in Austria, Austrian Post considers part of its responsibility to increase awareness of the importance of environmental and climate protection on the part of its stakeholder. Against this backdrop, the company initiated a campaign targeting employees in 2012 entitled “STEP BY STEP for our climate – we are part of it!”. An appealingly designed folder including a CO₂ calculator should help to simply determine an individual’s personal ecological footprint with respect to his or her place of residence, nutrition, mobility, other areas of consumption and travelling, and to identify areas where potential savings could be achieved. In addition, climate protection tips for everyday life are included in the information materials.

In a second phase, the campaign shows possibilities for people to compensate for the CO₂ emissions they themselves cause. One example is to support reforestation projects. This is because trees can remove considerable amounts of CO₂ from the atmosphere during their growth within the process of photosynthesis. A showcase project of this kind is the “Rainforest of the Austrians.” The association with the same name, founded 20 years ago by the Austrian environmental protection advocate Michael Schnitzler, has been able to purchase with the help of donations more than 4,000 hectares of the Esquinas Rainforest



which spans 159 square kilometres in Southwestern Costa Rica, and give this land to the national park administrative authorities. The Esquinas Rainforest is one of the last remaining intact lowland rain forests on the Pacific coast of Central America. Within the context of the campaign “STEP BY STEP for our climate – we are part of it!”, Austrian Post employees have the opportunity to support this project and thus make a personal contribution to climate protection.

To support this campaign, Austrian Post employees are continually informed about the initiative CO₂ NEUTRAL DELIVERY and ongoing compensation projects via in-house infosccreens and the employee magazine and sensitized about the need for climate protection.

With respect to the stakeholder group of large customers, awareness on the part of these people can be raised by the certificates issued to them each year since the beginning of 2012 confirming the CO₂ neutral delivery of all of their mail items. The climate neutral delivery offered by Austrian Post helps customers to do business in a more sustainable manner, considering that the climate scorecard of each individual customer is improved. This reduction is now being confirmed on an annual basis by the issuing of certificate.

ASPECT: WATER

Water consumption in the company is of secondary importance due to the fact that Austrian Post is not a production but a service company.

ASPECT: BIODIVERSITY

EN12 Significant impacts of activities, products and services on biodiversity

Compared to manufacturing and processing companies, Austrian Post in its role as a transport and logistics company has a very limited and insignificant impact on biodiversity. Nevertheless, it is also naturally a matter of concern to Austrian Post to preserve various forms of life. This is why the company attaches great importance to reducing the impact of its operations on the environment.

With respect to biodiversity, the Vienna Letter Mail Centre is the largest logistics hub operated by Austrian Post, and an ecological forerunner. At the Vienna Letter Mail Centre, roof greening designed as natural protection against solar radiation supports the air conditioning system of the sorting centre hall encompassing an area of 30,000 m². In this way, energy savings can be realized and a contribution made to preserving biodiversity.

However, in the field of biodiversity the effects of the climate protection projects in the developing countries supported by Austrian Post are of much greater significance. For example, reforestation projects in Malaysia, Columbia, Panama and Kenya not only serve to reduce the CO₂ content in the atmosphere and create jobs for the regional population, but also preserve the natural habitats for unique species of animals and plants. Ultimately,



the flora and fauna in the rainforests protected and preserved by the reforestation projects are unique, particularly diverse and important for ecosystems and the foundations of life.

An important step towards maintaining biodiversity was made by Austrian Post within the context of its “STEP BY STEP for our climate – we are part of it!” campaign, serving as the basis for employees to voluntarily compensate for their ecological footprint. The funds raised are donated to the “Rainforest of the Austrians” project and thus benefit the protection and preservation of the Esquinas Rainforest, one of the last remaining intact lowland rainforests on the Pacific Coast of Central America.

ASPECT: EMISSIONS, WASTEWATER AND WASTE

As the largest logistics company in the country, Austrian Post is involved in a very energy-intensive business. In order to provide postal services to the population, the delivery staff of Austrian Post travels about 200,000 km every single day by foot, bicycle and moped as well as using passenger cars and transport vehicles. The company requires some 14m litres of fuel annually for its approx. 9,200 vehicles, and consumes about 150m kWh of energy in its buildings. In turn, this leads to CO₂ emissions which have a negative effect on the global climate. Austrian Post is aware of its responsibility to the environment. For this reason, it is continually striving to identify optimisation potential in order to minimise its ecological footprint.

The reduction of CO₂ emissions by 10% in the period 2007 to 2012 is one of the environmental targets which Austrian Post has defined within the context of the “Greenhouse Gas Reduction Programme” of the European association of public postal operators PostEurop. In 2011, this target was already exceeded when Austrian Post had reduced its CO₂ emissions by 15.8%. This was achieved by the ongoing optimisation and efficiency enhancement in core processes of the company, as well as improvements in the vehicle fleet and buildings. For this reason, Austrian Post has now defined an even more ambitious target i.e. to reduce CO₂ emissions including those of the shipping companies it contracts by 20%.

EN16 Total direct and indirect greenhouse gas emissions by weight

Environmental indicators	2010 ¹⁾	2011	2012 ²⁾
CO₂ emissions (scope 1–3) according to the Greenhouse Gas Protocol (t)	87,068	78,533	70,834
thereof scope 1 – road transport (own operations) ⁴⁾	37,299	35,821	35,052
thereof scope 1 – buildings ³⁾	9,572	9,265	7,986
thereof scope 2 – buildings ³⁾	22,489	14,783	7,402
thereof scope 3 – partner companies	17,708	18,664	20,394

¹⁾ Due to optimised data collection with respect to buildings, these indicators were revised for the year 2010. In addition, as of 2010 updated CO₂ conversion factors are applied for the entire data in order to ensure a consistent calculation during the entire target period 2010 to 2015.



²⁾ The energy consumption indicators for buildings include all energy use invoices for 2012 which were received by Austrian Post by the deadline July 29, 2013 (about 90%). The remaining share (to 100%) is an estimated value.

³⁾ Consumption figures for 2012 include the mathematically calculated consumption in leased space (without detailed consumption figures). Similarly, the mathematically calculated consumption data in the leased space was taken into account and deducted. .

⁴⁾ The figures for the vehicle fleet include the subsidiary Post. Wertlogistik GmbH.

Data compilation is carried out on the basis of the “GHG Inventory Standard for the Postal Sector“, the basis of which is the “Greenhouse Gas Protocol” (GHG). This is the most widely used international standard for calculating greenhouse gas emissions. More information is available at www.ghgprotocol.org.

Scope 1 and 2 encompasses reporting on greenhouse gas emissions caused by internal company activities (Scope 1) and from the energy supply (Scope 2). All greenhouse gas emissions related to Austrian Post’s operations in Austria are included. Scope 3 emissions arise as a result of outsourced transport services.

On balance, total CO₂ emissions generated by the business operations of Austrian Post in 2012 amounted to about 71,000 tons. Approximately 15,500 tons were generated in the operation of buildings and distribution centres, 35,000 tons arose from company’s own vehicle fleet, and the remaining 20,400 tons from the operations of partner companies. A massive decrease in CO₂ emissions was achieved in scope 2 relating to the energy supply of buildings. This can be explained by the conversion of Austrian Post’s entire electricity procurement to purchasing electricity derived from renewable energy sources, amongst other reasons.

EN17 Other relevant greenhouse gas emissions by weight

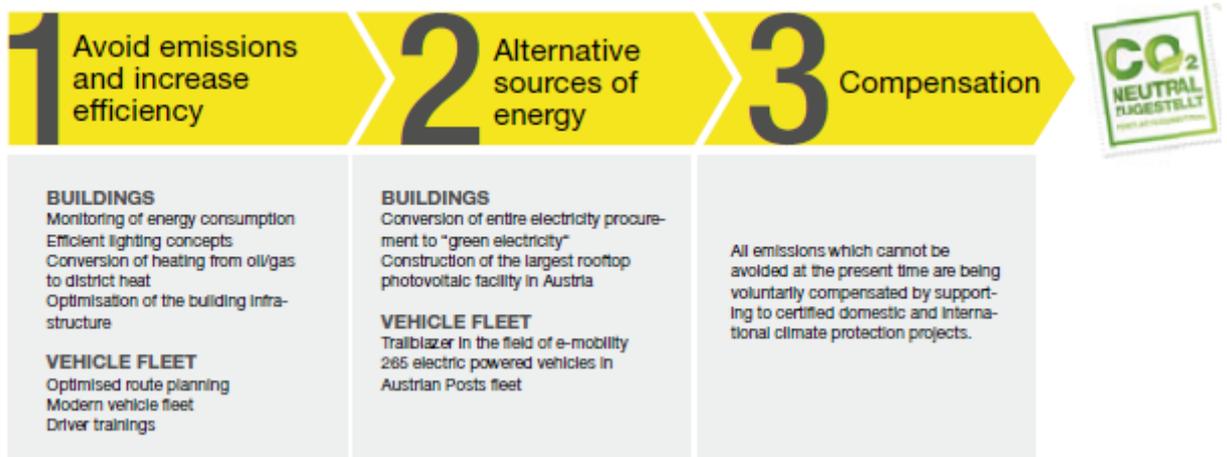
No other relevant greenhouse gas emissions arise within the context of Austrian Post’s business operations.

EN18 Initiatives to reduce greenhouse gas emissions

As the largest logistics company in the country, Austrian Post is involved in a very energy-intensive business, which in turn leads to considerable CO₂ emissions. Within the context of its initiative **CO₂ NEUTRAL DELIVERY CO₂** launched in 2011, all letters, parcels and direct mail items delivered in Austria by Austrian Post are delivered in a CO₂ neutral manner. Accordingly, Austrian Post ranks among the absolute trailblazers in the field of “green logistics” – both in Austria and internationally. Whereas most companies offer individual climate-neutral products and pass on the higher costs to its customers, Austrian Post delivers all mail items in a CO₂ neutral manner without exception.



The initiative CO₂ NEUTRAL DELIVERY is being implemented in a three-phase programme:



1. **The top priority is always to avoid and reduce emissions** in the company's core processes on the basis of higher efficiency in the vehicle fleet and buildings. Measures include the consistent monitoring of energy consumption in buildings, the optimisation of the building infrastructure, optimised route planning and the ongoing modernization of the vehicle fleet.
2. **In the second phase, Austrian Post will rely on alternative forms of energy:** This is shown, for example, in the conversion of the company's entire direct electricity procurement to electricity from renewable energy sources in 2012 as well as the planned construction of a photovoltaic plant on the roof of the Vienna Mail Distribution Centre to supply its own "green electricity." The main measures impacting the vehicle fleet include the purchase of vehicles with alternative drive systems, which is being supported by the funding programme "klima:aktiv mobil" of the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management. In 2012 Austrian Post already operated approximately 265 electric powered vehicles in its vehicle fleet.
3. When the entire existing potential in the company has been exploited, **all emissions which cannot be avoided at the present time will be compensated in a third phase by support provided to recognised and certified climate protection projects.** In addition to reducing emissions, particular attention is paid during the selection process to the ecological and socio-economic aspects of the projects in the light of Austrian Post's objective of pursuing a holistically oriented sustainability strategy. For example, Austrian Post supports climate protection projects in the fields of energy efficiency, reforestation, biomass, geothermal energy as well as wind power and hydropower in countries such as Malaysia, Panama, Kenya, Columbia and India.

In order to ensure that the targeted positive ecological effects are actually achieved, the entire initiative CO₂ NEUTRAL DELIVERY is being monitored and assessed by independent experts at TÜV AUSTRIA. TÜV not only examines the overall calculations of emissions, but is strongly integrated in the process of selecting climate protection projects. Every single aspect of the initiative is examined down to the very last detail, in order to be able to confirm with reasonable assurance that Austrian Post delivers all mail items in Austria in a CO₂ neutral manner.



Not only the climate and thus every one of us but also every single customer of Austrian Post benefits from this initiative, because these savings can be integrated into the customer's own ecological scorecard. At the beginning of 2012 and 2013, large customers of Austrian Post received a certificate confirming the CO₂ neutral delivery of all their mail items. The climate neutral delivery offered by Austrian Post thus helps customers to conduct their business in a more sustainable manner. This reduction is now confirmed annually on the basis of issuing the customer certificates.

Another initiative to reduce greenhouse gas emissions is the above-mentioned campaign **“STEP BY STEP for our climate – we are part of it!”**. This campaign is designed to raise awareness among Austrian Post employees for the issues of environmental and climate protection. In an appealingly designed folder, the reader will find important tips on how to avoid greenhouse gas emissions, and can determine his personal ecological footprint with the enclosed CO₂ calculator (developed in cooperation with Climate Austria and the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management) and more easily identify potential savings in their everyday lives.

EN22 Total weight of waste by type and disposal method

In the spirit of ensuring sustainable waste management, Austrian Post is working energetically to keep waste at a minimum and thus limit the burden on the environment. If waste cannot be avoided, it will be disposed of in an environmentally compatible manner. The separation of waste by category helps Austrian Post to make a significant contribution to reducing residual waste. At the same time, this measure enables the company to create the conditions underlying an economically and ecologically sensible recycling of these valuable waste materials.

In the field of waste management, Austrian Post plans to appoint a company-wide waste manager in 2013, and introduce a centralized data collection and assessment system in 2014.

At Austrian Post, waste mainly arises as a result of used packaging related to customer deliveries, and primarily consists of cardboard, plastic and wood pallets. Another major type of waste is paper which arises from offices and other facilities.

Waste management concepts exist for individual sites with a specified size. Several sorting centres have gone a step further and developed their own waste disposal and recycling concepts for the entire region. For example, in the Brieflogistik Ost (letter mail for the eastern region of Austria), the concept includes the following: recycled plastic, paper and cardboard can be remunerated at the Vienna Letter Mail Centre. However, the disposal of reusable scrap materials must be paid for at the delivery bases, where smaller quantities of waste are generated. Thus the reusable materials in the delivery bases are separated, but the waste is delivered to the Vienna Letter Mail Centre for recycling. Unused capacities in the delivery vehicles transporting goods are used for this purpose. This concept not only benefits the environment, but also results in considerable cost savings.

The recording of data with respect to waste management is not yet carried out centrally at the present time. Austrian Post's objective over the next few years is to centrally collect and evaluate this data.



EN24 Total weight of waste deemed hazardous

Hazardous wastes, for example grease separators, fluorescent lamps, refrigerators, waste oil and solvents as well as spent batteries are disposed of in the regions using consignment notes. A centralised data acquisition system for this waste does not yet exist.

ASPECT: PRODUCTS AND SERVICES

EN26 Initiatives to mitigate environmental impacts of products and services

Austrian Post strives to minimise the environmental effects of its products and services on the basis of the following initiatives (described in detail under EN 5 and EN 18):

- All mail transported by Austrian Post, including all letters, parcels and direct mail items, are delivered in a CO₂ neutral manner within the context of the initiative CO₂ NEUTRAL DELIVERY launched in the year 2011.
- Certificates confirming CO₂ neutral delivery will subsequently lead to improved ecological scorecards on the part of large customers of Austrian Post.
- The core business of transport and logistics became even more environmentally compatible thanks to the expansion of e-mobility in the vehicle fleet in 2012.
- By converting its entire direct electricity procurement in 2012 to electricity exclusively generated by renewable energy sources, Austrian Post also avoids additional greenhouse gas emissions in its business operations which are harmful to the global climate.

ASPECT: COMPLIANCE WITH LAWS

EN28 Sanctions and fines due to non-compliance with environmental laws and regulations

In the reporting year no fines and sanctions were imposed on Austrian Post for noncompliance with environmental laws and regulations.



ASPECT: TRANSPORT

EN29 Significant environmental impacts of transport operations

Transport comprises the core service of Austrian Post. For this reason, the environmental impacts connected to its transport operations have already been described within the context of the performance indicators EN5, EN16, EN18 and EN26.

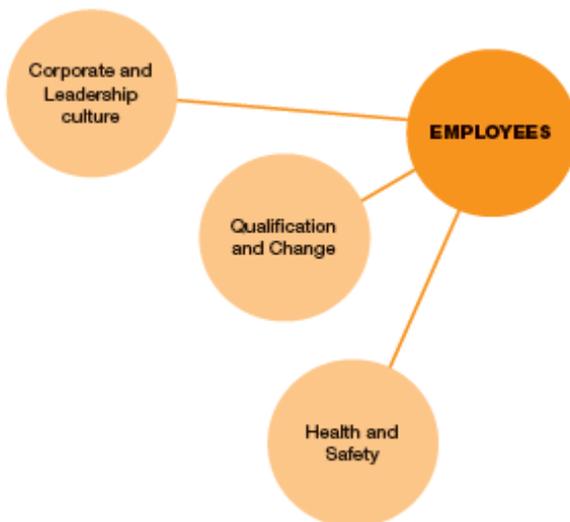


SOCIAL PERFORMANCE INDICATORS LABOUR PRACTICES AND DECENT WORK

As one of the biggest employers in the country, Austrian Post is aware of its responsibility to all its employees. Motivated and productive employees are the basis for corporate success. High value must be placed on the factor “employees“, especially in a service company. An important pre-requisite is a healthy and safe working environment. Occupational safety, health protection and healthcare comprise key elements of Austrian Post’s corporate policy. The company also wants to ensure future perspectives for its employees in a market environment in which the demands on staff are continually subject to change, and individually promote their professional development.

Employee objectives

- Further development of a corporate and leadership culture
- Creating individual future perspectives
- Promoting occupational health and safety



Achievement of objectives in 2012

In the year 2012 the following sub-targets were achieved as planned with respect to employees: during the reporting period, 270 executives took part in the programme “A day visiting customers”. The original target was to attract 200 employees. The planned supplementary offering in the field “Austrian Post on the move” was created thanks to the addition of the program “Back exercises, spinal screening and posture analysis”. 1,030 employees participated in this programme, more than the 800 employees who were expected to take part.



Austrian Post continues to pursue the target of having 300 executives attend the Leadership Academy by 2013. The Leadership Academy started in 2012 with two pilot groups and a total of 22 participants. The company-wide roll-out is taking place on schedule. Discussions have already reached an advanced stage on expanding the programme “Post employees transfer to the federal public service” in order to reach this goal by the end of 2013 as planned. The roll-out of the compliance e-learning tool will continue in 2013.

Moreover, two additional targets have been defined for this area which should already be implemented in 2013, namely the start of the audit “Family and career” as well as the implementation of a company-wide employee survey.

Further details on sustainability targets and the extent to which they were achieved can also be found in the thematic and goal matrix on page 82.

ASPECT: EMPLOYMENT

LA1 Total workforce by employment type and employment contract

Austrian Post - Employee indicators	2010	2011	2012
Total number of employees (FTE)¹	20,695	19,907	19,534
thereof women (FTEs in %)	29.5%	29.3%	29.3%
thereof men (FTE in %)	70.5%	70.7%	70.7%
Civil servants (FTE)	11,005	10,266	9,738
Salaried employees (FTE)	9,456	9,429	9,558
TE ² (FTE)	13	0	0
Employees pursuant to the Austrian Civil Code ³ (FTE)	221	212	238
Full-time employees (total)	18,559	17,785	17,724
thereof women (in %)	23.3%	23.1%	23.7%
Part-time employees (total)	3,977	3,812	3,422
thereof women (in %)	85.0%	83.3%	85.4%
Average tenure of civil servants at Austrian Post (years)	26	27	28
Average tenure of salaried employees at Austrian Post (years)	11	11	11
Employees with special needs (total as of December 31st)	1,189	1,187	1,201

¹ FTE = Full-time equivalents

² TE = temporary employees = temporary staff replacing staff on vacation or sick leave

³ Employees working pursuant to the Austrian Civil Code (ABGB) are not subject to the collective wage agreement due to stipulations contained in the Postal Services Structure Act (Section 19 Para. 5).



If needed Austrian Post also employs externally leased personnel. These people are not included in the employee indicators of Austrian Post. The increase in the total number of leased full-time equivalents from 142 FTE in 2010 to 160 FTE in 2011 and 196 in 2012 was due to the necessity of ensuring increasing flexibility in peak times.

If leased employees were actually included in the employee indicators, the share of leased employees as a proportion of the total staff would be close to the one percent threshold in 2012.

LA2 New employee hires and employee turnover by age group and gender

Austrian Post – Employee indicators	2010	2011	2012
Employee attrition (nominal)¹	2,038	1,844	2,109
thereof women	933	811	943
thereof men	1,105	1,033	1,166
By age group			
Under 30	709	395	420
30–50 years	905	801	886
Over 50	424	648	803
Employee attrition (in %)²	9.9%	8.6%	10.1%
thereof women	45.8%	44.0%	44.7%
thereof men	54.2%	56.0%	55.3%
By age group			
Under 30	34.8%	21.4%	19.9%
30–50 years	44.4%	43.4%	42.0%
Over 50	20.8%	35.1%	38.1%
New employee hires (nominal)¹	1,077	1,354	1,458
thereof women	488	672	643
thereof men	589	682	815
By age group			
Under 30	222	271	495
30–50 years	549	695	683
Over 50	306	388	280
New employee hires (in %)²	4.8%	6.3%	6.9%
thereof women	45.3%	49.6%	44.1%
thereof men	54.7%	50.4%	55.9%
By age group			
Under 30	20.6%	20.0%	33.9%
30–50 years	51.0%	51.3%	46.8%
Over 50	28.4%	28.7%	19.2%

¹ Permanent staff leaving/joining the company with an employment contract of at least six months

² Permanent staff leaving/joining the company in relation to the average number of employees



The higher rate of employee attrition is partly due to the increased willingness of employees to change jobs, as well as a measure supporting the necessary structural changes in the company.

LA3 Benefits provided to employees

All employees of Austrian Post are entitled to take advantage of all additional employee benefits, regardless of their age, gender and the extent of their employment. Thus these benefits are also available to part-time employees.

All employees of Austrian Post receive an EBIT bonus (participating in the company's success). The gross total of EUR 768 was paid to each employee for the 2012 financial year (bonus of EUR 738 and a special bonus of EUR 30 paid for the first time). Employees receive a pro rata share depending on the annual working time. In 2012 the employees receiving the bonus had to be employed by the company for more than six months.

Other benefits enjoyed by Austrian Post employees are offered via the joint welfare association "post.sozial". For the most part, the annual funding for the organisation's activities is provided by the company.

The joint welfare association "post.sozial" reflects the social responsibility of Austrian Post to its employees based on additional social services above and beyond legally stipulated obligations. The association operates on a non-profit basis, and 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. The services offered range from financial support to employees faced with unusually high costs arising as a result of illness or natural disasters along with discounted tickets for cultural events and more favourably priced holiday deals to child care and day care services during vacations.

Furthermore, support is provided for health care measures and recreational activities contributing to maintaining the health of employees. Since 2012 burn-out prevention has been supported as well as counselling for children suffering from the death of a parent or in cases of divorce via the organization Rainbows.

1% of the total wage bill paid by Austrian Post and its subsidiaries are devoted to funding the association. Total funding amounted to EUR 6.6m in 2012. The joint welfare association is also supported by third-party donations.

Key figures for post.sozial in 2012

<i>post.sozial</i>	Total funding	EUR 6.6m
<i>fair.reisen</i>	Number of overnight stays	58,266
<i>helfens.wert</i>	Food coupons	EUR 4.4m
	Paid financial assistance	EUR 1,003,275
<i>sehens.wert</i>	Number of discounted admission tickets	18,240
	Offered events	119
<i>postler.kids</i>	Support for children's holiday camps	EUR 16,776



ASPECT: EMPLOYER-EMPLOYEE RELATIONSHIP

LA4 Percentage of employees covered by collective bargaining agreements

Austrian Post – Employee indicators	2010	2011	2012
Salaried employees (FTE) ¹	9,456	9,429	9,558
thereof salaried employees	7,801	7,177	6,747
thereof salaried employees subject to the collective wage agreement 2009 ²	1,646	2,234	2,795
thereof trainees	10	17	16
Civil servants (FTE)	11,005	10,266	9,738
Salaried employees (FTE in %) ¹	45.7%	47.4%	48.9%
thereof salaried employees	37.7%	36.1%	34.5%
thereof salaried employees subject to the collective wage agreement 2009 ²	8.0%	11.2%	14.3%
thereof trainees	0.0%	0.1%	0.1%
Civil servants (FTE in %)	53.2%	51.6%	49.8%

¹ FTE = Full-time equivalents

² CBA = Collective bargaining agreement

Temporary employees replacing staff on vacation or sick leave, as well as employees working under the ABGB (Austrian Civil Code), are not included in this chart. A comprehensive overview is included in section LA1.

Due to the fact that no new employment contracts have been concluded on the basis of public law since the year 1996, the number of civil servants is continually declining due to their retirement.

LA5 Minimum notice periods regarding significant operational changes

Fundamentally speaking, regulations concerning the right of participation on the part of employee representatives in organisational changes are contained in the Labour Constitution Act.

In addition, Austrian Post is subject to the stipulations contained in the Post Office Employee Representation Act (PBVG). Pursuant to Section 72 Para. 3 Line 7 of this law, the employee representatives are to be informed in a timely manner before the implementation of organisational changes, and negotiations are to be carried out with these representatives.

As a consequence of these regulations, organisational changes are coordinated with the employee representatives two months on average before they are actually carried out.



ASPECT: OCCUPATIONAL SAFETY

As a service company, motivated and healthy employees comprise the decisive success factor for Austrian Post. In order to maintain the ability of its employees to work, also until they reach an advanced age, the employer must ensure a safe and motivating working environment. Of course the employees themselves are also called upon to preserve their own health. In this regard Austrian Post supports these efforts by means of a targeted offering of trainings and information materials for its employees to enable them to take responsibility themselves. The focal points of the company's health care programme include training on safe and healthy workplace behaviour, doing exercise and tobacco and alcohol abuse prevention. The company also attaches great importance to creating health-promoting and ergonomic working conditions as well as creating workplaces tailored to the needs of disabled or older employees.

LA6 Representation in health and safety committees and consulting on occupational health and safety programmes

Austrian Post has set up some 25 regional health and safety committees at the individual facilities as well as a central health and safety committee for Austrian Post. About 35% of the workforce is represented in these committees.

The relevant regulations are contained in Sections 88 and 88a of the Employee Protection Act (ASchG). This law defines the minimum number of employees or the particular danger involved as a pre-requisite for establishing such health and safety committees, and under which specific conditions a central health and safety committee must be set up.

The organisation of the health and safety committees (= convening of a session) is defined in the above-mentioned sections of the Employee Protection Act. The results of each meeting must be documented in written form and filed on a regional basis (for health and safety committees) or centrally (for the central health and safety committee). These specifications are also included in the above-mentioned sections of the Employee Protection Act.

LA7 Rates of injury, lost days, absenteeism and work-related fatalities

Austrian Post – Employee indicators	2010	2011	2012
Rate of employees on sick leave (FTE ¹ in %)	7.5%	7.4%	7.4%
Days lost per sick leave (working days)	10.0	10.0	10.1
Number of occupational accidents ^{2,3}	943	837	898
Average number of (calendar) days lost per accident ³	23.1	22.3	21.6
Accident rate ^{3,4}	4.6	4.2	4.6
Fatalities resulting from occupational accidents	0	0	1

¹ FTE = Full-time equivalents

² Accidents beginning with one working day lost (including accidents commuting to/from/during work)



³ Starting in 2012 subsequently reported occupational accidents are to be assigned to the actual year in which the accident took place, so that annual follow-up corrections of previous years will be necessary.

⁴ Number of occupational accidents beginning with one working day lost including accidents commuting to/from/during work per 100 FTE.

In the reporting year 2012, the number of occupational accidents increased moderately, from 837 to 898. It is assumed that a relevant share of this increase can be attributed to the implementation of an internal control system, which increases the accuracy of reporting accidents. However, the average number of days lost per accident could be reduced during the period under review to 21.6 calendar days. In the year under review, one deadly accident took place while the employee was at work (collision of a delivery vehicle with a train during the crossing of a functioning signalling system at a designated railway crossing).

All occupational accidents (including those incurred by leased personnel) must be immediately reported to the company as a key pre-requisite for efficient accident prevention and for preparing accident reports in those cases in which there is a legal obligation to report the occurrence to the responsible regulatory bodies. Responsibilities and reporting processes are regulated in detail by the organisational directive 2/2007 "Reporting System for Occupational Accidents".

LA8 Measures designed to prevent serious diseases

The nationwide health care offering includes the priority programme "Austrian Post on the move – the right exercises bring something for everybody" launched in 2007. The cornerstone of this initiative is information events concerning correct posture and exercise at the workplace. Up until now, almost 16,900 employees have taken part in 590 information events and trainings. A total of 1,030 employees have already taken advantage of the supplementary programme "Back exercises – spinal screening and posture analysis" launched in 2011. Due to the extensive interest in this health-promoting measure, the new programme will be continued in the years 2013 and 2014. In addition to the nationwide offering of free flu vaccinations, Austrian Post also once again offered employees the possibility to take advantage of low-cost TBE, tetanus, diphtheria, polio and hepatitis vaccinations. On balance, more than 3,000 vaccinations were given to employees throughout Austria in 2012 within the context of this drive.

Furthermore, numerous employee counselling sessions led by occupational physicians took place, focusing on issues such as mobbing, burn-out and stress prevention. Within the context of four Austrian Post Health Days extensive health check-ups offered the opportunity to measure blood sugar, cholesterol level and blood pressure and to get detailed medical advice.

Moreover, more than 3,640 inspections of workplaces were carried out by security experts or occupational physicians. Many employees and executives were informed about emergency assistance in case of fire or acute illness as well as in the case of accidents, and also provided with general information about safety-conscious and health-conscious behaviour at the workplace within the context of 600 trainings.



LA9 Health and safety topics covered in formal agreements with trade unions

Austrian Post considers occupational safety and accident prevention on behalf of its employees to be top priorities. In addition to legal regulations, there are internal organisational guidelines designed to contribute to the protection of our employees. The trade union and the Works Council are included in all issues relating to occupational safety and accident prevention.

ASPECT: TRAINING AND EDUCATION

Competition on the postal market is steadily increasing. At the same time the entire sector has been subject to a fundamental transformation. The increasingly demanding environment in which Austrian Post operates thus continuously places new demands on the personnel structure of the company and thus on each individual employee. Austrian Post meets these requirements on the basis of target group-oriented and competence-oriented training and further education programmes, which are designed to individually promote the skills of employees and help them to fully exploit their individual potential.

LA10 Training and education

Promoting a leadership culture based on management trainings

Austrian Post is not only intensively working on its products and services but also on itself. First and foremost is its corporate and leadership culture, which has evolved significantly over the last two years and which was put on a new footing.

In a market environment in which the demands imposed upon employees are continually subject to change, Austrian Post must and also wants to create future perspectives for all employees, and promote their individual professional development. In the initial step, executives are called upon to identify employee potential and expand their skills on the basis of individual career development. They are also responsible for creating productive working conditions enabling employees to optimally unfold their skills and exploit their potential. To ensure that this actually happens, Austrian Post worked together with the executives in the Group to develop the company's own leadership guidelines which are based on four guiding values: assume responsibility, provide orientation, promote cooperation and build confidence. Based on this, a broad range of opportunities were offered, especially to executives, to enable them to actively participate in the roll-out and the further development of these leadership guidelines as well as the strategic orientation of Austrian Post. A series of workshops and management days were held focusing on topics such as customer orientation, appreciate and the future-oriented further development of business activities.

Accordingly, Austrian Post made it a priority in 2012 to instruct management staff within the framework of special executive training programs. For this purpose, an Executive Academy was established in May 2012. The objective of this initiative offering a customized programme is to support executives in their efforts to implement management guidelines. In



2012 more than 95 practice-oriented trainings were held for more than 300 distribution and group managers and 450 post office branch managers throughout Austria on the key issues of leadership communications, leadership in difficult times and dealing with complaints. In addition, 270 executives took part in the programme “A day visiting customers” in order to have a “live experience” of the daily work of the delivery staff or branch managers and thus gain a better understanding of what they do.

Individualised professional development on the basis of target training and education

In addition to these special executive trainings, the target group and competence-oriented training and professional development of employees was intensively continued in 2012. These comprise a further focal point of Austrian Post’s human resources management. The measures implemented consisted of specialized instruction, continuing education courses, coaching and training in all business areas of the company.

In addition, upon request Austrian Post offers individual coachings. At one-on-one meetings, employees develop personal objectives working together with their coaches. The meetings are kept strictly confidential. Potential coaching issues include personal development projects, change processes, an employee’s personal and professional situation as well as conflict situations. Six trained coaches have been deployed by Austrian Post for this purpose throughout Austria since 2011.

Facts & Figures 2012 on training and education

	2010 ¹⁾	2011	2012
Number of seminars	-	836	1,389
Number of participants	-	3,240	7,525
thereof women in %	-	31.7%	39.4%
thereof men in %	-	68.3%	60.6%
Person hours	-	18,095	84,580
Average number of person hours for women per year	-	0.8	4.2
Average number of person hours for men per year	-	0.9	3.9

¹⁾ No figures are available for 2010, due to the fact that the data had not yet been compiled in the central database.

In the year 2012, a total of 1,389 seminars were held for Austrian Post employees. A total of 7,525 employees took part in these events. 60.6% of the participants were men, and 39.4% were women. On balance, each male employee spent 3.9 hours per year being trained, and each female employee 4.2 hours. (These figures do not include internal on-the-job training, as well as trainings on occupational safety and health.)

During the reporting year, one focal point was on training executives. All in all, 86 events were held for this group of employees, with 873 executives participating. Most of the executives taking part in these events were in the fields of distribution, the branch network



and logistics. On balance, employees at Austrian Post participated in 84,580 seminar hours.

In addition, 19,600 hours of training were held for 1,085 postal partners (these figures only include trainings in training rooms, not trainings which were held locally).

LA11 Programmes for skills management and lifelong learning

In addition to specific training and educational offering for employees in all business areas and age groups, Austrian Post also offers support to employees who are impacted by restructuring measures and who wish to reposition themselves on the job market in the form of the Austrian Post Internal Labour Market.

Competition in the postal market is continually intensifying, a situation aggravated by the full liberalisation of the letter mail market in the year 2011. Accordingly, the increasingly demanding business environment in the postal sector requires the company to implement ongoing efficiency improvement measures as well as adjustments to the personnel structure. In this case, responsible corporate behaviour means reacting to the resulting changes confronting employees, thus actively planning and supporting them on their career path in a socially acceptable manner – which is also of primary importance to the future of Austrian Post. Austrian Post set up the “Internal Labour Market”, an effective platform to ensure that the affected employees gain the qualifications required for new jobs inside or outside the company.

The objectives of the Internal Labour Market at Austrian Post:

- Promoting and supporting internal mobility
- Promoting employee readiness for change and facilitating training and further education measures
- Promoting the respectful interaction of employer and employees

Responsibilities of the Internal Labour Market at Austrian Post:

- Qualifications and motivation: identifying potential as well as professional development and training
- Optimisation of internal staff deployment: develop employment possibilities or identify them in a timely manner
- New career perspectives: for example, Austrian Post employees transferred to the public sector or enabling job transfer to other areas outside of Austrian Post (e.g. charities)
- Social cushioning: new social plan as well as promotion of outplacement foundation models



Austrian Post employees transfer to the federal public service

In 2012 civil servants working at Austrian Post once again changed jobs to transfer to the Ministry of Internal Affairs, Ministry of Justice and Ministry of Finance. They offer Austrian Post employees interesting new career perspectives. Numerous applications and visits to information events show that Austrian Post is on the right track. In the meantime, more than 400 civil servants have transferred to the federal public service, demonstrating that the competencies acquired at Austrian Post are very much in demand at the ministries. In the year 2013 civil servants of Austrian Post were also deployed for the first time in the new Federal Office for Asylum and Migration and the Ministry of Education.

LA12 Performance reviews and career development planning

Regular performance appraisals (employee reviews) are held regularly but at least once annually between employees and their supervisors. The human resources department recommends that this performance review is held at least once annually.

These employee reviews comprises a platform for partners to interact on a personal level and an opportunity to change the working relationship. They also represent an investment in the job satisfaction of employees and in creating a trusting working environment.

The discussions with employees have two main objectives. On the one hand, to look back at the employee's past performance and come to a conclusion regarding the success of the employee in carrying out the assigned tasks and the effectiveness of the cooperation. On the other hand, there is a looking ahead to the future defining a working focus, formulating goals and support measures.

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

Within the context of its diversity management, Austrian Post explicitly strives to promote social diversity and constructively seeks to benefit from the diversity of its staff. On the one hand, this applies to visible, perceptible differences such as gender, ethnic background, age and disability. On the other hand, it also applies to subjective differences such as religion and lifestyle.

Austrian Post not only aims to tolerate the individual differences among employees, but particularly highlight them in the spirit of promoting mutual esteem and respect. The objectives are to create a productive overall atmosphere in the company, prevent the social discrimination of minorities and improve equality of opportunity.

The company attaches considerable importance to ensuring equal opportunity at work in all business areas, and thus decisively opposes any kind of discrimination, mobbing and sexual harassment.



LA13 Diversity of employees and governing bodies

Austrian Post – Employee indicators	2010	2011	2012
Total number of employees (FTE)¹	20,695	19,907	19,534
thereof women (FTE in %)	29.5%	29.3%	29.3%
thereof men (FTE in %)	70.5%	70.7%	70.7%
Full-time employees (total)	18,559	17,785	17,724
thereof women (in %)	23.3%	23.1%	23.7%
Part-time employees (total)	3,977	3,812	3,422
thereof women (in %)	85.0%	83.3%	85.4%
Employees with special needs (total as at December 31)	1,189	1,187	1,201
Employees by age group (FTE)			
Under 30	1,567	1,600	1,735
30–50 years	14,344	13,210	12,218
Over 50	4,785	5,098	5,581
Employees in management positions²			
Number of employees in management positions	153	147	159
thereof women	37	34	38
thereof men	116	113	121
By age group			
Under 30	1	2	2
30–50 years	116	109	113
Over 50	35	36	44
Employees in management positions (%)	0.7%	0.7%	0.8%
thereof women	24.4%	23.3%	24.1%
thereof men	75.7%	76.7%	75.9%
By age group			
Under 30	0.9%	1.3%	1.0%
30–50 years	76.0%	74.5%	71.1%
Over 50	23.1%	24.2%	27.9%

¹ FTE = Full-time equivalents

² CEO and Chairman of the Management Board, Management Board members, member of a division or business area at corporate headquarters, head of a department or business area in a region

In 2012 Austrian Post employed an average of 19,534 people, of which approximately one-third (29.3%) were women. In order to promote the compatibility of family and career, Austrian Post offers customised part-time work models tailored to the specific needs of individual employees which are used by some 2,900 women as well as about 500 men.

Moreover, Austrian Post's workforce consists of employees from 47 different nations. Some 828 employees are not Austrian citizens, and the share of employees with a migration background is considerably higher. The senior management level at Austrian Post also includes 36 individuals with a migration background.



In past years Austrian Post more than fulfilled its employment obligations towards people with disabilities. In the year 2012 1,201 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 post office employees.

Austrian Post also strives to ensure diversity in selecting the members of the Supervisory Board. In this regard, five out of the twelve Supervisory Board members are under the age of 50, and two members are not Austrian citizens. The share of Supervisory Board members elected by the Annual General Meeting is 25%.

Business Cross Mentoring

Austrian Post already boasts a large share of women in management positions, which reached a level of 24.1% in 2012. A special programme is designed to particularly promote the advancement of female “high potentials” in the company.

The Business Cross Mentoring Programme established for this purpose was a great success in 2012. The 12 women taking part not only benefitted from workshops about business style, self-presentation, objectives and visions, but were able to network internally with other colleagues and externally with their respective mentors. Austrian Post is continuing this initiative in the new financial year due to the extremely positive feedback on this mentoring programme, but on an enlarged scale. A total of 32 women are already participating in 2013.

LA14 Salary differences by gender

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 applies to all employees regardless of gender.

As a consequence of the remuneration system described above, there are no salary differences between men and women with the same education and training who perform the same work.



SOCIAL PERFORMANCE INDICATORS HUMAN RIGHTS

Austrian Post stands up for human rights and respects the dignity of each individual. As a company which signed the UN Global Compact, Austrian Post is committed to the fundamental principles contained in this document (www.unglobalcompact.com). Austrian Post rejects any form of child labour or forced labour, and does not tolerate any unfair business practices. The company resolutely opposes any form of corruption and bribery, and also expects its business partners to adhere to these principles.

In order to intensify its anti-corruption efforts, Austrian Post joined Transparency International in the year 2011 as a corporate member. In addition, Austrian Post regularly takes part in conferences focusing on the issue of anticorruption.

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

Since 2007 Austrian Post has belonged to the UN Global Compact, an initiative launched by the United Nations. As a consequence, it is committed to complying with global principles of ethical, ecological and business behaviour.

Moreover, the Code of Conduct, which was developed in 2010 and then published and communicated throughout the company in 2011, contains principles designed to promote the ethical and legally impeccable behaviour of all employees. The code is oriented to international agreements as well as ethical standards, and reflects the commitment of Austrian Post to comply with the principles contained in the UN Global Compact. Austrian Post expanded its compliance management system with respect to procurement practices. On the one hand, anticorruption clauses are included in new supply contracts. On the other hand, a so-called “vendor integrity check” has been developed, which will check certain business partners in the future with respect to compliance and integrity.

HR2 Suppliers undergoing human rights screening

Group procurement practices support the upholding of the values and ethical guidelines developed by Austrian Post, also in the external supplier chain. This applies to contracts awarded both within and outside the jurisdiction of the Federal Procurement Act.

Tenders announced by Austrian Post inquire about and prioritize the fulfilling of social and ethical standards from bidders, based on the extensive criteria stipulated in the Federal Procurement Act as well as corresponding declarations which go above and beyond these rules. In addition, these values were summarized in a Code of Conduct for suppliers in 2012. This code has been part of the standardized tender documents since the third quarter of 2012, and thus de facto of all Group procurement activities carried out by Austrian Post.



Furthermore, the procurement policy of the Group in individual cases is in line with the overall corporate strategy. The most prominent examples are tenders for electricity, e-mobility, photovoltaics and construction investments.

Within the framework of the Procurement Excellence Programmes, Austrian Post intends to formalize and systematically ensure the close alignment of sustainability issues and Group strategy. This will take place in phases. Direct steps to achieve this include embedding the procurement policies in new Group procurement guidelines, the implementation of vendor integrity checks and integrating sustainability and innovation as a key aspect in evaluating suppliers.

HR3 Employee training on human rights

At the present time no employee training courses are held which specifically focus on the issue of human rights. In accordance with the company's commitment to adhering to the stipulations of the UN Global Compact, Austrian Post developed a Code of Conduct for suppliers of Austrian Post which stipulates compliance with human rights by Austrian Post by contractors of Austrian Post and their own subcontractors and suppliers.

HR4 Total number of incidents of discrimination and corrective action take

Principally speaking, every form of discrimination is forbidden by Austrian Post's Code of Conduct, but this ban already results from the commitment of the company to comply with the principles contained in the UN Global Compact.

Austrian Post has also established a working group to deal with issues of equality. As a rule, such equal opportunity cases are solved on the basis of consultations held with the equal treatment officer. In the year 2012 there was one case focusing on alleged discrimination which was forwarded to the National Equal Treatment Commission. The company has taken all measures necessary in order to protect the affected employee.

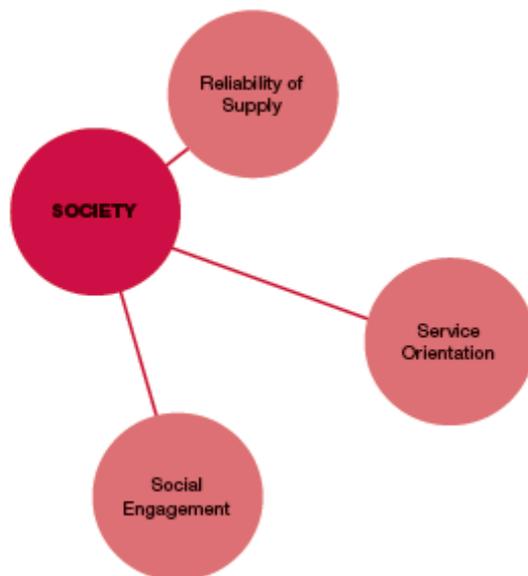


SOCIAL PERFORMANCE INDICATORS SOCIETY

As a provider of universal postal services, Austrian Post bears a considerable responsibility to society. It makes an important contribution towards maintaining and safeguarding the communications infrastructure on the basis of providing reliable, top-quality nationwide postal services in Austria. Austrian Post wants to offer services to meet the modern needs of society. Its attractive and innovative services and a comprehensive service offensive demonstrate that the customer is the focal point of all its business decisions. Because of its importance to the country, Austrian Post is also committed to taking an active part in society. One priority is to be involved in projects which have a direct connection to the core business of the company – its high logistics competence and nationwide network of branch offices.

Societal and social objectives

- Expansion of reliable, nationwide postal services
- Ongoing further development of solutions to enhance customer convenience
- Promoting business-related and socially relevant projects and activities





Achievement of objectives in 2012

During the period under review, Austrian Post achieved its goal of promoting self-service solutions and installing 50 automatic machines in the branch offices. On balance, 44 franking machines and 106 Post Drop-off Boxes were installed by the end of 2012. Austrian Post is well on track towards achieving its target of installing 2,000 Pick-up Boxes by 2013. Up until the end of 2012, a total of 1,055 Pick-up Boxes had already been installed. The newly defined goal is to equip 160 branch offices with self-service zones by 2013.

Austrian Post is also progressing very well in its efforts to expand its network of postal service points. As of December 31, 2012, customers of Austrian Post had a total of 1,931 postal service points at their disposal in Austria. This network of postal service points is expected to climb to 2,000 by the end of 2013. 435 of the planned 500 jointly operated branch offices with Austrian Post's banking partner BAWAG P.S.K. were already in operation at the end of 2012.

Austrian Post is still pursuing the goal of developing and implementing a new partnership to promote a culture of reading and writing, and is looking for suitable partners in order to implement this cooperation for this purpose.

Further details on sustainability targets and the extent to which they were achieved can also be found in the thematic and goal matrix on page 82.

ASPECT: LOCAL COMMUNITY

SO1 Impact of business activities on the local community

Only Austrian Post delivers letters and parcels each day to every address and doorstep throughout Austria. Austrian Post is a reliable partner, and thus makes a valuable contribution to providing basic services for Austrian cities and municipalities in the form of postal services that are of outstanding quality. As a result, more than 96.0% of all letters are already delivered to recipients on the next working day. 95% are required by law. Austrian Post also achieves a top-notch performance with respect to the delivery of parcels within the context of the Universal Service Obligation (mainly private parcels). 93.3% of these parcels are delivered within two working days, which also outperforms the legally stipulated figure of 90%. In addition to the obligation to provide top-quality postal services to every household in all corners of the country at a uniform price, the obligations laid down by the Universal Service Obligation also stipulates a nationwide brand network of at least 1,650 postal service points. For the purpose of optimally serving its customers, Austrian Post also surpasses the minimally stipulated figure. At the end of 2012 Austrian Post boasted a branch network of 1,931 postal service points, thus making it one of the largest customer service networks in the country. Literally speaking, Austrian Post is very close to its customers.

Due to the fact that the postal sector is subject to major changes, these new conditions require continuing customer-oriented adjustments on the part of Austrian Post in order to ensure the long-term supply of postal services to the Austrian population. In this regard, one key measure is the restructuring of the branch network of Austrian Post, which was



determinedly continued in the past financial year. The main element involved the implementation of the very successful postal partner concept. On balance, there were a total of 1,376 postal partners at the end of 2012 e.g. food stores, petrol stations, tobacconists and municipal authorities and many more. They ensure the optimal regional availability and accessibility of postal services.

In the meantime, Austrian Post has concluded 41 partnerships with businesses and companies from the social sector as of 2012, making Austrian Post a strong ally for several charitable organisations. These partnerships thus fulfill a two-fold purpose in the communities: on the one hand, they secure postal services in the local communities, and on the other hand, they help people to re-enter the labour market and train people looking for work – in close to forty municipalities throughout Austria.

By complementing the company's own branch network, postal partner offices ensure more service, shorter distances and improved opening hours, and also safeguard the sustainable supply of postal services to the population. At the same time, economic structures in rural areas are strengthened. This is due to the fact that a majority of postal partner locations are local businesses which offer Austrian Post's products and services in addition to their own product line and can thus generate additional income. This comprises a "win-win" situation for postal partners, customers and for Austrian Post. The advantages are obvious:

- The postal partner concept supports economic structures in rural areas based on local investments and higher customer frequency
- Generally postal partners offer longer opening hours, often on Saturday as well.
- Customers benefit from the proximity of the postal partners
- Efficient and comprehensive supply of postal services above and beyond the legally stipulated mandate.

Within the context of the restructuring of the branch network, the performance of the company's own post offices is continually being reviewed. Instead of operating parallel bank and post branch offices, the postal and banking services offered by Austrian Post and BAWAG P.S.K. are now being offered together in numerous jointly operated outlets since the beginning of 2011. The concept has proven to be successful and will be further expanded. By the end of 2013 some 500 jointly operated branch offices should have been established throughout the country, including about 100 in Vienna. Within the context of this partnership Austrian Post and BAWAG P.S.K. can meaningfully combine their respective strengths and thus create synergies. At the same time, each of the partners can focus on its core business. At the end of 2012 435 branch offices were being jointly operated by Austrian Post in cooperation with its banking partner BAWAG P.S.K.

ASPECT: CORRUPTION

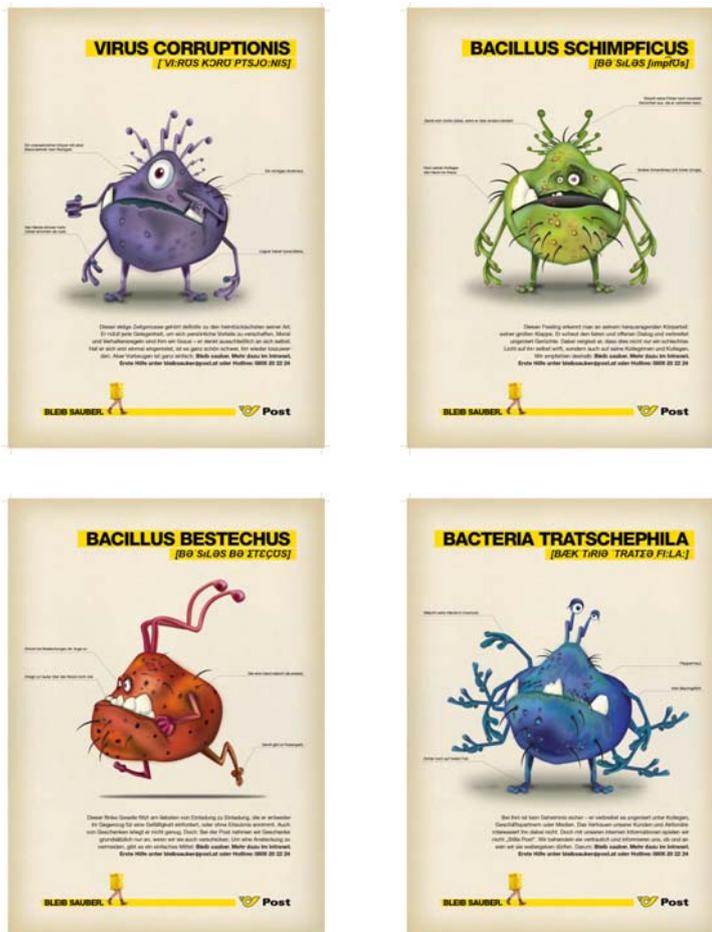
Austrian Post attaches great importance to the issues of compliance with valid laws and regulations as well as transparency. Accordingly, as already mentioned, the issue of "anticorruption" is a top priority of the compliance management system of the Austrian Post Group. In order to increase its activities in the field of anticorruption, Austrian Post expands



the organisational outreach of its compliance management system in 2012, and also intensified and professionalized the communications of its compliance agenda.

An important step in this direction was the “International Compliance Day“, held in September 2012 for the first time. All regional compliance officers of Austrian Post, the central compliance team, employees from Group auditing, risk management and legal affairs as well as representatives of internationally recognised organisations (IACA, Transparency International Austrian Chapter) took part in the event. The “International Compliance Day” will take place again in 2013, and once again generate a growing awareness of the importance of compliance and thus help Austrian Post to press ahead with expanding its compliance management system.

In order to strengthen the awareness of compliance in the company, Austrian Post also developed communications campaigns in 2012 designed to humorously address the most important issues which are also included in the Code of Conduct, such as corruption, bribery, breach of secrecy and disrespectful behavior. The campaigns were rolled out to employees by using specially designed billboards and folders, and accompanied by various communication measures including announcements by the Chief Executive Officer (“Tone from the top”) at the turn of the year. Subsequently broad-based information about the campaign was conveyed via the company’s Intranet as well as in the employee magazine. Moreover, a hotline was established for employees with questions about the campaign and to provide further information.





SO2 Business units analysed for risks related to corruption

Potential risks of corruption are also taken into account by Austrian Post's risk management system. No risks related to corruption in Austria were reported to the risk management system in the year 2012. In addition, a Group-wide compliance risk assessment was carried out in 2012, particularly focusing on the issue of anticorruption. The results of the compliance risk assessment will be integrated in the compliance programme for the year 2013.

SO3 Employee training to prevent corruption

The issue of anti-corruption is one of the priorities of Austrian Post's compliance trainings and information programme. The employees are regularly trained in a risk-oriented and target group-specific manner on the issues of "compliance awareness" and "anticorruption" in face to face sessions within the context of a comprehensive training plan. Due to the Corruption Criminal Code Amendment Act passed in 2012, update trainings were held on the corresponding changes in the Group directive pertaining to the "Acceptance and Granting of Gifts, Invitations and Other Advantages". Moreover, training will be supported starting in the fall of 2013 by an e-learning tool, which will subsequently be rolled out throughout the entire Group.

On the occasion of training and information events, the employees will also be referred to the central compliance help desk, which was set up to serve as a contact point for concerns, questions or indications of potential violations on compliance-related issues such as bribery or corruption. The compliance helpdesk is accessible for all employees via a separate email mailbox and cost-free hotlines.

SO4 Actions taken in response to incidents of corruption

In the reporting year no instances of corruption were reported in Austria to the Compliance Office of Austrian Post. In such a situation disciplinary measures and labour law sanctions would apply. In 2012 the measures initiated by Austrian Post to prevent corruption within the context of its compliance management system were successfully continued (see S03).



ASPECT: PUBLIC POLICY

S05 Public policy positions and participation in public policy development

In 2012 Austrian Post once again stated its concerns relating to the business operations of the company within the framework of its membership in various trade and professional associations and the relevant decision-making bodies and working groups, and will continue to do so in the future. In particular, the focus was mainly on the issues of infrastructure and security of supply. The objective of Austrian Post is to provide postal services throughout the country for the benefit of the Austrian population. This must take place in a modern and service-oriented manner. The medium-term goal is to agree on an up-to-date definition of universal postal services, to ensure flexibility in the selection of an operating model applying to postal service points and to develop a public services law in line with market requirements.

ASPECT: ANTI-COMPETITIVE BEHAVIOUR

S07 Legal actions due to anti-competitive behaviour

There were no legal actions against Austrian Post on grounds of alleged anti-competitive behaviour, the establishment of monopolies or creation of cartels during the reporting year.

ASPECT: COMPLIANCE WITH LAWS

S08 Sanctions and fines for noncompliance with laws

During the reporting year no fines or monetary sanctions were imposed against Austrian Post for violations of legal regulations, with the exception of minor administrative penalties, for example traffic offences.



SOCIAL PERFORMANCE INDICATORS PRODUCT RESPONSIBILITY

The principle of product responsibility is embedded in the mission statement of Austrian Post. We give our customers a clearly-defined performance commitment and continually fulfil our promise. We design our products and services in a customer-oriented, simple and easily comprehensible manner. Austrian Post pursues the target of setting standards for quality and customer orientation. The company takes criticism voiced by customers seriously, and sees it as an incentive for improvement.

ASPECT: PRODUCT AND SERVICE LABELLING

PR3 Products and services subject to statutory information requirements

All services provided within the context of the universal service obligation are subject to statutory information requirements.

PR4 Incidents of noncompliance with regulations and voluntary codes concerning production and service information and labelling

During the reporting year there were no incidents of noncompliance with valid legal regulations and voluntary codes concerning production and service information and labelling.

PR5 Practices related to customer satisfaction

In the reporting year customer satisfaction was surveyed on a quarterly basis. The market research partner for this project is the renowned institute IFES. By means of representative studies with a sample size of $n = 1,000$ in each case, the "Customer Satisfaction Index" (CSI) is compiled, which consists of customer satisfaction and customer loyalty.

The average CSI in 2012 reached a good value of 65, one index point above the prior-year level. Over the last four quarters, the index only fluctuated slightly, between 64 and 67. This development points to a stabilisation compared to the previous year, in which the reform of postage rates led to a slight decline in customer satisfaction. In particular, the assessment of the price-performance ratio has gradually improved in the last quarters. The postal service points of Austrian Post, including the postal partners, especially the new Post BAWG P.S.K. branch offices, were given high marks, as well as Austrian Post's delivery services. The grade given for shipping services remained stable at a high level. The field of



customer service was the only one in which people were more critical than in the previous year. However, it should be noted that the low sample size only allows for vague statements in this area.

Measuring customer satisfaction by means of CSI considers values of up to 50 as critical, values between 51 and 60 points as satisfactory, whereas ratings above 61 points are considered good, 71 and more are viewed as very good, and any score between 81 and a maximum of 100 points is seen as excellent.

With respect to the branch network, in particular the issue of waiting times evaluated within the context of the materiality analysis was emphasized as being a particularly relevant factor impacting customer satisfaction (also refer to the materiality matrix on page 24). In the reporting year 2012, the average waiting times in the branch offices were compiled on an ongoing basis, and presented to the management monthly as part of the internal reporting process. In order to further reduce waiting times in the branch office, Austrian Post is carrying out a series of measures. For example, in all branch offices featuring the necessary space, the system of having only one waiting line has been introduced. In addition, opening hours have been adjusted, and the deployment of personnel has been more flexibly managed in accordance with customer frequency. In addition, the company is persistently pressing ahead with the roll-out of self-service zones. By the end of 2013 160 branch offices will already be equipped with such self-service zones, which cover the entire shipping process for letters and parcels, from packaging to franking and dispatching. In this way, the burden on counter staff is reduced, and Post services are available for customers around the clock. Another measure is the ongoing optimisation of duty schedules, in order to more effectively cover customer requirements at peak times and make staff work schedules more demand-oriented for the benefit of both employees and customers.

ASPECT: MARKETING COMMUNICATIONS

PR6 Programmes for adherence to laws, standards and voluntary codes concerning marketing communications

Austrian Post puts its core service - the secure and trustworthy delivery of mail items – at the focal point of its advertising and also integrates sustainability issues into these communication activities.

Austrian Post does not evaluate its advertising only according to economic criteria, but also includes ethical aspects. Austrian Post strictly rejects any form of advertising but which is immoral and which does not correspond to generally-accepted ethical and cultural standards.

PR7 Incidents of noncompliance with regulations and voluntary codes concerning marketing communications

During the reporting year there were no incidents of noncompliance with regulations and voluntary codes concerning advertising, promotion and sponsorship.



ASPECT: PROTECTION OF CUSTOMER DATA

PR8 Total number of complaints regarding breaches of customer privacy and losses of customer data

With the exception of a few isolated complaints in connection with consent granted to passing on data on forwarding mail forms (redirections) for advertising purposes, there were no complaints with respect to breaches of customer privacy.

Austrian Post has been granted authorisation to exercise the trades of address publishing and direct marketing. Within this framework, it is standard policy to request permission to pass on data for advertising purposes on the forms used for requesting mail to be forwarded.

ASPECT: COMPLIANCE WITH LAWS

PR9 Fines for noncompliance with laws and regulations related to products and services

During the reporting year no fines were levied for noncompliance with laws and regulations related to products and services.



THEMATIC AND GOAL MATRIX

Mission statement	We focus on our customers.		We act in a future-oriented manner.				We are all Austrian Post.	
CSR priorities	SOCIAL/SOCIETY		ENVIRONMENT		ECONOMY		SOCIAL / EMPLOYEES	
Main targets	1. Expansion of reliable, nationwide postal services 2. Ongoing further development of solutions to enhance customer convenience 3. Promoting business-related, socially-relevant projects and activities		1. Reduction of CO ₂ emissions by 20% and annual compensation of remaining emissions 2. Development and improvement of an environmental management system 3. Sensibilisation of relevant stakeholders to the need for environmental and climate protection		1. Medium-term revenue growth as well as solid profitability 2. Generation of added value on behalf of all stakeholders 3. Sustainable increase in enterprise value in line with shareholder expectations		1. Promotion of a corporate and leadership culture 2. Creating individual future perspectives 3. Promotion of occupational health and safety at the workplace	
Sub-targets	Achievement of objectives in 2012		Achievement of objectives in 2012		Achievement of objectives in 2012		Achievement of objectives in 2012	
	Expansion of network of postal service points to 2,000 locations by 2013	1.931	CO ₂ neutral delivery as of 2011	✓	Medium-term revenue growth of 1-2% annually ¹	✓	Participation of more than 300 executives in the Executive Academy by 2013	22
	Expansion of jointly operated branch offices with BAWAG P.S.K. to 500 locations by 2013	435	CO ₂ reduction of 10% in the period 2007-2012	✓	EBITDA margin in the targeted range of 10-12% ¹	✓	Participation of more than 200 executives in the programme "A Day Visiting Customers" by 2012	270 ✓
	Promotion of self-service solutions and installations of more than 50 automatic machines by 2012	150 ✓	Reduction of energy consumption by 10% in the period 2007-2012	-9,1%	Attractive dividend policy and distribution of a dividend of at least 75% of the net profit ¹	✓	Start of the "Career and Family" audit in 2013	new
		✓	CO ₂ reduction of 20% from 2010 to 2015	-18,5%	Stable to slightly positive revenue development in 2012	1.9% ✓	Expansion of the programme "Post Employees Transfer to the Federal Public Service" to further ministries or federal provinces by 2013	
	Equipping of 160 branch offices with self-service zones by 2013	new	Expansion of e-vehicle fleet to more than 1,300 vehicles by 2015	262	Stable to slightly positive revenue development in 2013	new	Creation of an additional offering by the programme "Austrian Post on the Move" and participation of 800 employees by 2012	1.030 ✓
	Installation of more than 2,000 Pick-Up Boxes by 2013	1.055	Delivery of all letters/direct mail items to private customers in Vienna either by foot or via e-vehicles by 2016	new	Further earnings improvement (EBIT) in 2013	new	Implementation of a company-wide employee survey and evaluation of results in 2013	new
	Conception and implementation of a new cooperation to promote a culture of reading and writing by 2013		Nomination of a company-wide waste manager by 2013		Expansion of the market share in the B2B parcel business to more than 20% by 2013	22% ✓	Roll-out of a compliance e-learning tool by 2013	

¹⁾ Rolling targets, also apply to subsequent years.

	Target period already concluded, target has not been reached;
	Target period has been concluded, target has been reached as planned;
	Target period is underway, the extent to which objectives have been achieved is described;
	Target was first defined in or after the reporting period;



GRI CONTENT INDEX

The GRI Content Index shows where the individual indicators are presented and explained in the report, and also describe which publications provide additional information.

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Declaration on the Profile					
1. Strategy and Analysis					
1.1	Statement from the most senior decision-maker in the organisation		Page 4	Declaration of support	
1.2	Description of key impacts, risks and opportunities		Page 6		
2. Organisational Profile					
2.1	Name of the Organisation		Page 18		
2.2	Primary brands, products and/or services		Page 18		
2.3	Operational structure of the organisation		Page 18		
2.4	Location of organisation's headquarters		Page 18		
2.5	Number of countries where the organization operates		Page 18		
2.6	Nature of ownership and legal form		Page 20		
2.7	Markets served		Page 19		
2.8	Scale of the reporting organisation		Page 18		
2.9	Significant changes regarding size, structure or ownership				There were no major changes in size, structure or ownership in the reporting period.
2.10	Awards received in the reporting period		Page 21		



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
3. Report Parameters					
3.1	Reporting period for information provided		Page 23		
3.2	Date of most recent previous report		Page 23		
3.3	Reporting cycle		Page 23		
3.4	Contact point for questions regarding the report or its contents		Page 101		
3.5	Process for defining report contents		Page 23		
3.6	Boundaries of the report		Page 23		
3.7	Limitations on the scope or boundary of the report		Page 23		
3.8	Basis for reporting on joint ventures, subsidiaries etc.		Page 23		
3.9	Data measurement techniques and the bases of calculations		Page 25		
3.10	Re-statements of information		Page 23		
3.11	Significant changes from previous reporting periods		Page 24		
3.12	GRI Content Index		Page 83		
3.13	External assurance for the report		Page 99		
4. Governance, Commitments and Engagement					
4.1	Corporate governance and governance structure		Page 27	Measures to implement principles 1-10	
4.2	Independence of the highest governance body		Page 28		
4.3	Structure of the highest governance body in organisations without Supervisory Board		Page 28		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Page 28		
4.5	Linkage between compensation for members of the highest governance bodies and the organisation's performance		Page 29		
4.6	Processes in place to prevent conflicts of interest		Page 29		
4.7	Expertise of the highest governance body on economic, environmental and social issues		Page 29		



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to sustainability		Page 30		
4.9	Procedures for overseeing sustainability performance		Page 33		
4.10	Processes for evaluating the highest governance body's own performance with respect to sustainability		Page 34		
4.11	Extent to which the precautionary approach is addressed by the organisation		Page 34	Measures to implement principle 7	
4.12	External developed charters, principles or other initiatives		Page 34	Measures to implement principles 1-10	
4.13	Memberships in associations and industry associations		Page 35		
4.14	List of the stakeholder groups engaged by the organisation		Page 35	Progress report conveyed to stakeholders of the company	
4.15	Basis for identification and selection of stakeholders with whom to engage		Page 35		
4.16	Approaches to stakeholder engagement		Page 36		
4.17	Key topics and concerns raised through stakeholder engagement		Page 36		



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Disclosures on Management Approach					
DMA EC	Disclosure on Management Approach EC (economic performance)		Page 38	Measures to implement principles 1, 4, 6 and 7	
DMA EN	Disclosure on Management Approach EN (environmental performance)		Page 44	Measures to implement principles 7, 8 and 9	
DMA LA	Disclosure on Management Approach LA (labour practices and humane working conditions)		Page 58	Measures to implement principles 1, 3 and 6	
DMA HR	Disclosure on Management Approach HR (human rights)		Page 71	Measures to implement principles 1, 2, 3, 4, 5 and 6	
DMA SO	Disclosure on Management Approach SO (society)		Page 73	Measures to implement principle 10	
DMA PR	Disclosure on Management Approach PR (product responsibility)		Page 79	Measures to implement principles 1 and 8	



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Performance Indicators					
Economic performance indicators					
EC1	Direct economic value generated and distributed.		Page 39		Investments for the company are not clearly definable – most investments are made to maintain a reliable supply of postal services and thus benefits the society.
EC2	Financial implications of climate change.		Page 11 Page 16		The risks and opportunities related to climate change are described in detail in Section 1.2 Description of key impacts, risks and opportunities.
EC3	Coverage of organisation's defined benefit plan obligations.	n.a.			Austrian Post does not offer any company pension plans but pays contributions to the state pension system.
EC4	Significant financial assistance received from the government.	n.a.			For reasons of confidentiality, no details can be disclosed about financial assistance from the government.
EC5	<i>Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</i>	n.a.			<i>Not a significant additional indicator.</i>
EC6	Policy and practices towards local suppliers.		Page 42		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	n.a.			Not relevant, due to the fact that the report only focuses on the parent company Österreichische Post AG based in Austria (foreign subsidiaries not included in the report at the present time).
EC8	Development and impact of infrastructure investments and services.		Page 74		See indicator SO1.
EC9	<i>Understanding and describing significant indirect economic impacts.</i>		Page 42		



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Ecological performance indicators					
EN1	Materials used by weight or volume.		Page 46	Results of implementing principle 8	
EN2	Percentage of materials used that are recycled input materials.		Page 46	Results of implementing principles 8 and 9	
EN3	Direct energy consumption by primary energy source.		Page 46	Results of implementing principle 8	
EN4	Indirect energy consumption by primary source.		Page 46	Results of implementing principle 8	
EN5	<i>Energy saved due to conversation and efficiency improvements.</i>		Page 47	<i>Results of implementing principles 8 and 9</i>	<i>The most important initiatives and measures to reduce energy consumption were described in the report. However, the energy saved could not be assigned to the individual activities.</i>
EN6	<i>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.</i>	<i>n.a.</i>			<i>Not a significant additional indicator.</i>
EN7	<i>Initiatives to reduce indirect energy consumption and reductions achieved.</i>	<i>n.a.</i>			<i>Not a significant additional indicator.</i>
EN8	Total water withdrawal by source.	<i>n.a.</i>			Water consumption is not of material significance due to the fact that Austrian Post is not a production company but a service provider.
EN9	<i>Water sources significantly affected by withdrawal of water.</i>	<i>n.a.</i>			<i>Not a significant additional indicator.</i>
EN10	<i>Percentage and total volume of water recycled and reused.</i>	<i>n.a.</i>			<i>Not a significant additional indicator.</i>



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	n.a.			Austrian Post does not own or lease any real estate in or adjacent to protected areas or areas of high biodiversity value.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		Page 51		Austrian Post does not own or lease any real estate in or adjacent to protected areas or areas of high biodiversity value.
EN13	<i>Habitats protected or restored.</i>	n.a.			<i>Not a significant additional indicator.</i>
EN14	<i>Strategies, current actions, and future plans for managing impacts on biodiversity.</i>	n.a.			<i>Not a significant additional indicator.</i>
EN15	<i>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</i>	n.a.			<i>Not a significant additional indicator.</i>
EN16	Total direct and indirect greenhouse gas emissions by weight.		Page 52	Results of implementing principle 8	
EN17	Other relevant indirect greenhouse gas emissions by weight.		Page 53		
EN18	<i>Initiatives to reduce greenhouse gas emissions and reductions achieved.</i>		Page 53	<i>Measures on and results of implementing principles 7, 8 and 9</i>	<i>Similar to EN5, the most important initiatives and measures to reduce greenhouse gas emissions were described in the report. However, the energy saved could not be assigned to the individual activities.</i>



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
EN19	Emissions of ozone-depleting substances by weight.	n.a.			Due to the fact that Austrian Post is not a production company but a service provider, there are no significant emissions of ozone-depleting substances.
EN20	NO, SO, and other significant air emissions by type and weight.	n.a.			Valid data is currently unavailable for the entire company.
EN21	Total water discharge by quality and destination.	n.a.			Due to the fact that Austrian Post is not a production company but a service provider, total water discharge is not of material significance.
EN22	Total weight of waste by type and disposal method.		Page 55	Results of implementing principle 8	The most important types of waste arising due to Austrian Post's business operations were described in the report. The respective quantities and waste disposal methods could not be determined and reported.
EN23	Total number and volume of significant spills.	n.a.			Due to the fact that Austrian Post is not a production company but a service provider, there are no significant spills of chemicals, oil or fuels.
EN24	<i>Total weight of waste deemed hazardous.</i>		Page 56	Results of implementing principle 8	The most important types of waste arising due to Austrian Post's business operations were described in the report. The respective quantities and waste disposal methods could not be determined and reported.
EN25	<i>Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.</i>	n.a.			<i>Not a significant additional indicator.</i>



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
EN26	Initiatives to mitigate environmental impacts of products and services.		Page 56	Measures to implement principles 7, 8 and 9	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	n.a.			Due to the fact that Austrian Post is not a production company but a service provider, no products are sold with packaging materials.
EN28	Sanctions and fines for noncompliance with environmental laws and regulations.		Page 56	Results of implementing principle 8	
EN29	<i>Significant environmental impacts of transporting products and other goods and materials</i>		Page 57		Transport comprises the core service provided by Austrian Post. For this reason, the main transport-related environmental impacts are already included in the performance indicators EN3, EN4, EN5, EN7, EN16, EN18 and EN26.



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Social performance indicators: labour practices and decent work					
LA1	Total workforce by employment type, employment contract and region.		Page 59		Region-specific factors are not of material importance, due to the fact that employees in the company are only employed in Austria.
LA2	Total number and rate of new employee hired and employee turnover by age group, gender and region.		Page 60	Results of implementing principle 6	
LA3	<i>Benefits provided depending on employment relationship.</i>		Page 61		
LA4	Percentage of employees covered by collective bargaining agreements.		Page 62	Results of implementing principles 1 and 3	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		Page 62		
LA6	<i>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</i>		Page 63		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities.		Page 63	Results of implementing principle 1	These indicators are not compiled from external shipping companies.
LA8	Measures designed to prevent serious diseases.		Page 64	Measures to implement principle 1	
LA9	<i>Health and safety topics covered in formal agreements with trade unions.</i>		Page 64		
LA10	Average hours of training per year per employee and employee category.		Page 65		Since September 2010 data on trainings has been centrally compiled. Thus no meaningful comparative data is available for previous periods. The average number of training hours per employee category was not compiled for 2012.



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
LA11	<i>Programmes that support the continued employability of employees and assist them in managing career endings</i>		Page 67		
LA12	Performance of employees receiving regular performance and career development reviews		Page 68		<i>Records pertaining to the implementation of employee appraisal interviews are not centrally recorded.</i>
LA13	Diversity of employees and governance bodies		Page 69	Results from implementing principles 1 and 6	
LA14	Ratio of basic salary and remuneration of women to men		Page 70		



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Social performance indicators: human rights					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	n.a.			Due to the fact that the business activities of the reporting organisation refer exclusively to Austria, it is not assumed that there will be any human rights violations with respect to this indicator.
HR2	Suppliers and contractors that have undergone human rights screening.		Page 71	Measures to implement principles 1-6	The roll-out of a code of conduct for suppliers took place at the beginning of 2012 (no concrete data is available for 2012).
HR3	<i>Employee training on human rights.</i>		Page 72		
HR4	Total number of incidents of discrimination and corrective actions taken.		Page 72		There is no centralised data collection on incidents of discrimination.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	n.a.			Due to the fact that the business activities of the reporting organisation refer exclusively to Austria, it is not assumed that there will be any human rights violations with respect to this indicator.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	n.a.			Due to the fact that the business activities of the reporting organisation refer exclusively to Austria, it is not assumed that there will be any risk involved with respect to this indicator.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	n.a.			Due to the fact that the business activities of the reporting organisation refer exclusively to Austria, it is not assumed that there will be any risk involved with respect to this indicator.



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	n.a.			Not a significant additional indicator, due to the fact that the business activities of the reporting organisation are in Austria.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	n.a.			Not a significant additional indicator, due to the fact that the business activities of the reporting organisation are in Austria.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	n.a.			Due to the fact that no violation of human rights can be assumed in the course of the business activities of the reporting organisation, no reviews or assessments took place.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	n.a.			Due to the fact that no violation of human rights can be assumed in the course of the business activities of the reporting organization, the number of grievances cannot be presented.



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Social performance indicators: society					
SO1	Programmes to assess the impacts of operations on communities and society.		Page 74		
SO2	Analyses of risks related to corruption.		Page 77	Results from implementing principle 10	Specific data is not available at the present time.
SO3	Employees training in anti-corruption policies and procedures.		Page 77		
SO4	Actions taken in response to incidents of corruption.		Page 77	Measures to implement principle 10	
SO5	Public policy positions and participation in public policy development and lobbying.		Page 78	Measures to implement principles 1-10	
SO6	<i>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.</i>				There are no direct contributions made to political parties or politicians. Within the context of legally permissible and voluntary membership in associations, various payments were made for membership in associations such as the Austrian Federal Economic Chamber and the Federation of Austrian Industries. The costs for these membership fees are not published.
SO7	<i>Legal actions for anticompetitive behaviour, anti-trust and monopoly practices.</i>		Page 78		
SO8	Sanctions and fines for noncompliance with laws and regulations.		Page 78		
SO9	Operations with significant potential or actual negative impacts on local communities.	n.a.			This is not an indicator of material importance, due to the fact that no negative effects on local communities could be identified.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	n.a.			This is not an indicator of material importance, due to the fact that no negative effects on local communities could be identified.



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
Social performance indicators: product responsibility					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	n.a.		Measures on and results from implementing principle 8	Austrian Post does not assume that the services it offers will have any major effects on the health and safety of its customers.
PR2	<i>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.</i>	n.a.			<i>Not a significant additional indicator.</i>
PR3	Products and services subject to statutory information requirements.		Page 79	Measures on and results from implementing principle 8	
PR4	<i>Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labelling.</i>		Page 79	<i>Results from implementing principle 8</i>	
PR5	<i>Practices related to customer satisfaction.</i>		Page 79		
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications.		Page 80		No internal guidelines exist on complying with behavioural rules with respect to advertising.
PR7	<i>Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications.</i>		Page 80		
PR8	<i>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</i>		Page 81	<i>Results from implementing principle 1</i>	
PR9	Fines for noncompliance with laws and regulations related to products and services.		Page 81		



- Fully reported
- Partially reported
- n.a. Not applicable
- EC1 Core indicators (normal print)
- EC9 *Additional indicators (italics)*

The Sustainability Report 2012 of Austrian Post was prepared in line with the guidelines for sustainability reporting of the Global Reporting Initiative (GRI G3.1), and corresponds to the Application Level A+. Adherence to the formal criteria contained in these guidelines and the information provided in the report are subject to an auditor's review and confirmed by an independent third party. The independent certification on the part of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. is provided at the end of this report

An den Vorstand der Österreichische Post Aktiengesellschaft

Ernst & Young Unabhängiger Bestätigungsbericht

Unabhängige Prüfung des GRI-Nachhaltigkeitsberichts 2012 der Österreichische Post Aktiengesellschaft.

Auftragsgegenstand

Wir wurden von der Österreichische Post Aktiengesellschaft (nachfolgend „Post“) mit der Durchführung einer Prüfung zur Erlangung einer begrenzten Sicherheit (nachfolgend „Prüfung“) des vorliegenden GRI-Nachhaltigkeitsberichts 2012 (nachfolgend „Bericht“) beauftragt.

Dazu führten wir eine Prüfung der Anwendungsebene nach GRI („GRI Third Party Application Level Check“) durch, um die von der Post im Bericht deklarierte Anwendungsebene zu bestätigen.

Unsere Prüfungshandlungen wurden gesetzt, um eine *begrenzte Prüfsicherheit* als Grundlage für unsere Beurteilung zu erlangen. Der Umfang der Prüfungshandlungen zur Einholung von Prüfungsnachweisen ist geringer, als jene für *hinreichende Prüfsicherheit* (wie beispielsweise bei einer Jahresabschlussprüfung) sodass ein geringerer Grad an Prüfsicherheit gegeben ist.

Gemäß der „Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe“¹ ist unsere Haftung beschränkt. Demnach haftet der Berufsberechtigte nur für vorsätzliche und grob fahrlässig verschuldete Verletzungen der übernommenen Verpflichtungen. Im Falle grober Fahrlässigkeit beträgt die maximale Haftungssumme gegenüber der Post und etwaige Dritten insgesamt EUR 726.730.

Einschränkungen des Prüfauftrages

- ▶ Zahlen, die aus externen Studien entnommen wurden, wurden nicht geprüft. Es wurde lediglich die korrekte Übernahme der relevanten Angaben und Daten in den Berichten überprüft.
- ▶ Die im Rahmen der Jahresabschlussprüfung geprüften finanziellen Leistungsindikatoren wurden von uns keiner weiteren Prüfung unterzogen. Wir überprüften lediglich die GRI-konforme Darstellung dieser Daten im Bericht.
- ▶ Informationen ausländischer sowie inländischer Tochtergesellschaften der Österreichischen Post Aktiengesellschaft sind nicht Gegenstand des Berichts sowie der Prüfung.
- ▶ Die Prüfung zukunftsbezogener Angaben war nicht Gegenstand unseres Auftrags.

Kriterien

Wir beurteilten die Informationen im Bericht auf Basis der folgenden für das Geschäftsjahr 2012 maßgeblichen Kriterien (nachfolgend „die Kriterien“):

- ▶ GRI Leitfaden zur Nachhaltigkeitsberichterstattung (3.1), Anwendungsebene A+²

Wir gehen davon aus, dass diese Kriterien für die Durchführung unseres Prüfauftrags angemessen sind.

Verantwortung des Managements

Das Management der Post ist für die Erstellung des Berichts und für die darin enthaltenen Informationen, in Übereinstimmung mit den oben genannten Kriterien, verantwortlich. Diese Verantwortung beinhaltet die Entwicklung, Implementierung und Sicherstellung von internen Kontrollen. Diese sind für die Erstellung des Berichts maßgeblich um wesentliche falsche Angaben auszuschließen.

Unsere Verantwortung

Unsere Verantwortung besteht darin, ein Urteil über die Informationen im Bericht auf Basis einer Prüfung zur Erlangung einer begrenzten Sicherheit abzugeben.

Wir haben unseren Prüfauftrag unter Beachtung des „International Federation of Accountants‘ ISAE3000“³ Standards sowie des von der „International Federation of Accountants“ (IFAC) herausgegebenen „Code of Ethics for Professional Accountants“ - worin Regelungen zu unserer Unabhängigkeit enthalten sind - geplant und durchgeführt.

Unsere Vorgehensweise

Wir haben alle erforderlichen Prüfungshandlungen durchgeführt, um eine ausreichende und geeignete Basis für unser Urteil sicherzustellen. Die Prüfung wurde am Hauptsitz der Gesellschaft in Wien durchgeführt. Wesentliche Prüfungshandlungen von uns waren:

- ▶ Erlangung eines Gesamtüberblicks zur Unternehmenstätigkeit sowie zur Aufbau- und Ablauforganisation des Unternehmens;
- ▶ Durchführung von Interviews mit Unternehmensverantwortlichen, um relevante Systeme, Prozesse und interne Kontrollen, welche die Erhebung der Informationen für den Bericht unterstützen, zu identifizieren und zu verstehen;
- ▶ Durchsicht der relevanten Dokumente auf Vorstands- und Managementebene um Bewusstsein und Priorität der Themen im Bericht zu beurteilen und um zu verstehen, wie Fortschritte überwacht werden;

¹ Fassung vom 21. Februar 2011, herausgegeben von der Kammer der Wirtschaftstreuhandberufe, Kapitel 8, http://www.kwt.or.at/de/PortalData/2/Resourcen/downloads/downloadcenter/AAB_2011_de.pdf

² <https://www.globalreporting.org/reporting/G3andG3-1/Pages/default.aspx>

³ International Federation of Accountants‘ International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000)



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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 annual report also contains forward-looking statements based on the information currently available to us. These are usually indicated by expressions such “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.

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

Editorial deadline: September 12, 2013