

Report 2013 / GRI

Service

**QUALITY**



Achievement

**Integrity**

Respect

Fairness

**Confidence**

FRANKNESS

*Diversity*

**RENEWAL**

Reliability

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

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# 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 have also developed a sound value structure serving 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 2010, providing clear principles on 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 the four dimensions of economy, employees, society and environment, each of which also includes objectives and measures. In defining these goals and measures for the individual areas, considerable importance is attached to ensuring that they are aligned 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 account. The specified 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.

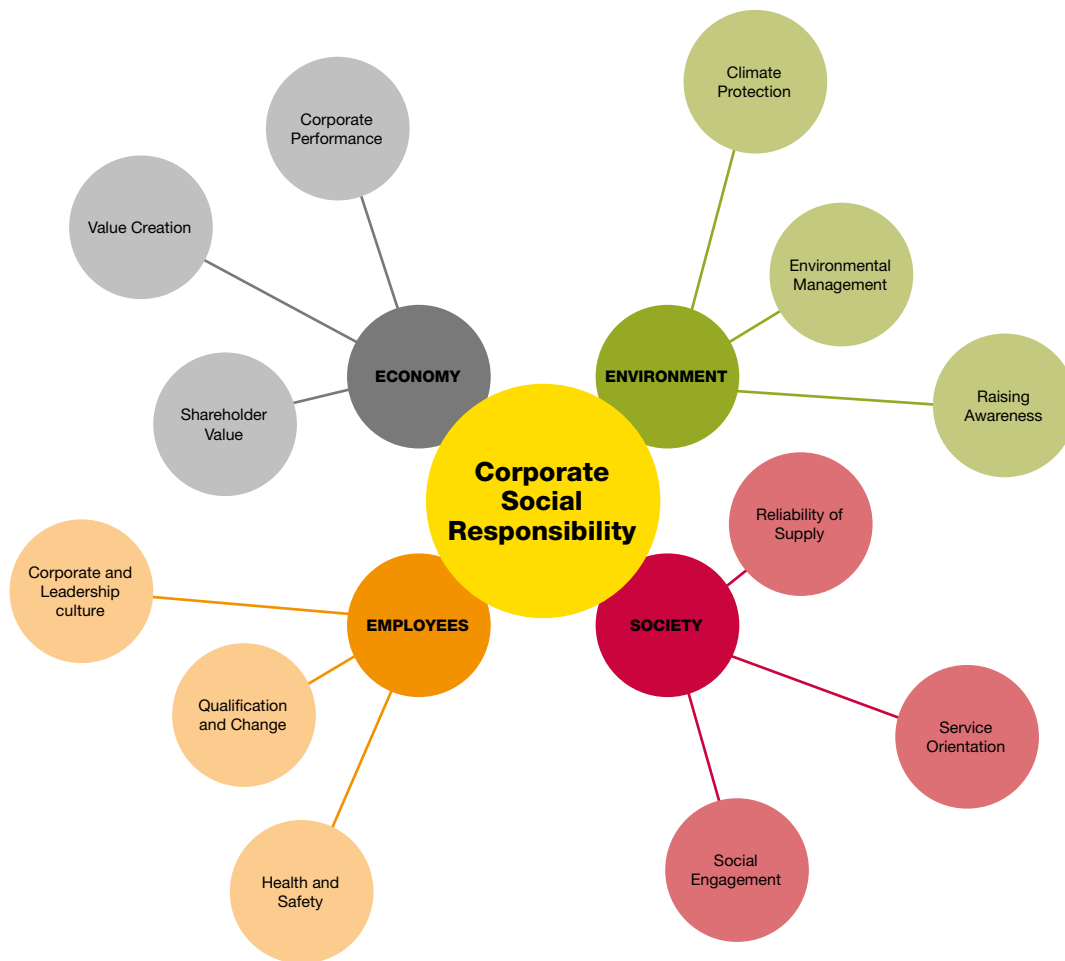
Against this backdrop, in 2007 Austrian Post already joined the UN Global Compact, the sustainability-oriented initiative of the United Nations. Accordingly, the company is committed to complying with global principles of ethical and ecological business practices. In addition, Austrian Post is actively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

### Sustainability process and structure

In organisational terms, responsibility for sustainability at Austrian Post is directly assigned to Chief Executive Officer Georg Pölzl in the Department of Investor Relations. CSR (corporate social responsibility) working groups meet at least twice a year to analyse sustainability-relevant issues in the company and 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 thematic priorities of Austrian Post. Specific goals have been defined for each of these areas. They are subject to an annual evaluation and supported by corresponding measures. To optimise the measurability of its achieving the specified goals, 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 and the extent to which they have been achieved can be found in the respective sections on the issues of economy (page 35 ff.), environment (page 39 ff.), employees (page 50 ff.) and society (page 64 ff.) A condensed overview of all objectives is contained in the Thematic and Goal Matrix on pages 72-73.



## An overview of the four thematic priorities and related objectives

### Economy:

The top priority for Austrian Post's management is achieving the fundamental objective 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 at the same time make an appropriate contribution to fulfilling social and ecological needs.

Objectives: customer-oriented further development of services (revenue increase of 1-2% per year as well as achieving solid profitability), value creation on behalf of all stakeholders and a sustainable increase in enterprise value.

### Employees:

As one of the biggest employers in the country, Austrian Post is clearly aware of its responsibility to its employees. This is due to the fact that 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 such as Austrian Post.

Objectives: promoting a corporate and leadership culture, creating individual future perspectives and promoting 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.

Objectives: expansion of reliable nationwide postal services, the ongoing further development of solutions to enhance customer benefits and promoting business-related, socially-relevant projects and activities.

**Environment:**

Austrian Post operates in a resource-intensive business and thus continually strives to identify optimisation potential to minimise its ecological footprint. Austrian Post also plays a pioneering role internationally thanks to its CO<sub>2</sub> NEUTRAL DELIVERY initiative.

Objectives: reduction of CO<sub>2</sub> emissions by 20% from 2010 to 2015 and annual compensation of the remaining emissions, setting up and improvement of a central environmental management system and sensibilisation of relevant shareholders to the need for environmental and climate protection.

**1.2 STATEMENT OF KEY IMPACTS, RISKS AND OPPORTUNITIES**

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

**The most important steps in the risk management process**

**1. Identification and evaluation:**

Risks are defined as the potential deviation from planned corporate results. The risk managers analyse the risk situation of the respective business area on a quarterly basis. An employee is selected and given responsibility for evaluating, managing and monitoring each identified risk. Risks are quantified to the greatest possible extent with respect to the potential consequences and probability of occurrence.

Non-quantifiable risks are evaluated on the basis of pre-defined qualitative criteria. In addition, the central risk management team cyclically examines the risk situation of the individual business areas on the basis of a proactive risk assessment.

The results of the identification and evaluation process are documented in the corresponding IT application of the risk management system.

**2. Aggregation and reporting:**

The central risk management team gathers information and reviews the identified and evaluated risks. The financial effects of potential overlapping are taken into account in the aggregation process. Subsequently, the risks are analysed by the Risk Management Committee and subject to a plausibility check. This Risk Management Committee consists of representatives of the controlling, legal, strategy and accounting departments as well as representatives of the operating units. The results are integrated in the quarterly report of the central risk management team to the Management Board focusing on risks and their development. Risks which unexpectedly arise are immediately reported to the Management Board on an ad-hoc basis. The Supervisory Board and Audit Committee are also regularly informed about the risk situation.

**3. Designing of measures:**

The control of risks is based on defining appropriate measures aimed to avoid or reduce risks, or else transfer them to third parties. The business areas examine the measures on the basis of a cost-benefit analysis, and subsequently implement them. These measures are monitored and adjusted within the context of a quarterly analysis undertaken by the risk manager.

**4. Monitoring and control:**

In conformity with the Austrian Corporate Governance Code, the reliability and performance of the risk management system is subject to an annual evaluation by the auditor. Moreover, in 2013 the concept, suitability and effectiveness of the risk management system were assessed by an external auditor.

## The risk management process



Risk strategy and policy: The Management Board defines the risk policy of the company and sets out a framework for the risk management system.

Thresholds of reporting were established in the form of upper limits (EUR 300,000 on a Group level), which are deliberately aligned with the magnitude and responsibilities of Austrian Post, its business areas and subsidiaries. Opportunities and risks whose scope falls below those levels of significance are in any case the responsibilities of experts in the organisational units who handle the monitoring and management of risks. Sustainability-related risks below this value of limitation are monitored by the Investor Relations department which also handles CSR. If required, these risks are reported to the Risk Management.

Further details on risk management as well as on the internal control system can be found in the Annual Report 2013 Part 2, Financial Report, pages 46 to 52.

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 related measures is presented in condensed form in the Thematic and Goal Matrix found on pages 72-73.

## 1.2.1 DESCRIPTION OF RISKS

### Societal risks

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 full-scale liberalisation of the Austrian postal market took place on January 1, 2011 when the new Postal Market Act took effect. This development carries the risk of future shifts in market share. The legal framework for the full-scale liberalisation of the postal sector was defined in this new Postal Market Act. In many cases, this Postal Market Act does not prescribe equal treatment between Austrian Post and its competitors, but places an additional burden on Austrian Post



The Universal Postal Service Obligation requires Austrian Post to provide a minimum offering of 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 equalisation fund, which will be generally 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 of the postal sector also in the future, it will be obliged to assume the lion's share of the net costs for providing Universal Postal Services and administering the equalisation 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 in the medium term, and if no adequate compensation for universal postal services is forthcoming. At present Austrian Post does not assume that it will be obliged to grant its competitors access to all its services on an unbundled basis. If this did indeed happen, these firms could potentially provide services in segments of the postal market which are particularly lucrative, and rely on partial services provided by Austrian Post at regulated prices in less lucrative business segments. This could also potentially have a significantly negative effect on earnings.

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 unresolved issues in connection with compensation for Universal Postal Services, and the problems arising as the result of an asymmetric market liberalisation.

Austrian Post is subject to legal restrictions by regulatory authorities in setting its business terms and conditions (including postal rates) in providing universal postal services. For this reason, the company only has limited flexibility to impose price adjustments for the Universal Postal Services as a means of reacting to market changes. A difference in the definition of the limits to universal postal services between regulatory authorities and the company could be reflected in the design of the product portfolio and pricing policies.

#### **Risks relating to cooperations**

With respect to its business partnerships, Austrian Post relies on its collaboration 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. Accordingly, for example, the partnerships with the charitable organisation Caritas, the radio station Ö3 and Mondi in conjunction with the Ö3 Wundertüte bags have been extremely successful, and will continue with these strong and reliable partners. Risks arising from working relation-



ships with Austrian Post's major partners such as BAWAG P.S.K. and Telekom Austria are subject to ongoing evaluation.

### 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 CO<sub>2</sub> 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) have been delivered in a climate-neutral manner in Austria since 2011.

### Risk of e-substitution

Postal companies are confronted with the general trend that annual letter mail volumes are steadily 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 CO<sub>2</sub> NEUTRAL DELIVERY. For this reason, it has 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 continually develops innovative, new solutions in order to fulfill changing customer requirements and wishes. Austrian Post constantly 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 in particular the younger generations 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 safeguarding 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 are 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 19,000 employees. In the service sector so-called human capital is the most important success factor. A service company can only succeed on the market in the long term on the basis of 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 operate in a more efficient manner. 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. Employ-

ees 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 issue is of great relevance to the schooling of managers. They receive special training in courses held at the Management Academy, enabling them to carry out their duties in a performance-oriented manner while showing appreciation for the services rendered.

The changing age structure in companies also entails risks. The share of 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 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 regularly scheduled training programs 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.

### **Environmental risks**

Austrian Post operates in a very energy-intensive business. With about 9,000 vehicles, the company boasts the largest vehicle fleet in the country. Moreover, the buildings used by Austrian Post consume some 151m 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**

Changes to Austria's exhaust emissions laws 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 is part of the current program of fleet modernisation and thus 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 CO<sub>2</sub> emissions caused by its business operations which cannot be reduced. Within the context of its CO<sub>2</sub> NEUTRAL DELIVERY initiative, 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. Third, 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 CO<sub>2</sub>. Thus a rise in the price levels means Austrian Post will have to bear the added costs for climate protection certificates. However, in the years 2011, 2012 and 2013, Austrian Post decided to purchase CO<sub>2</sub> certificates at a low price level until 2016, 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 Post Corporation (IPC), which aims to reduce greenhouse gas emissions.

Austrian Post has defined a very ambitious goal for itself: its CO<sub>2</sub> emissions, including those of the shipping companies it uses, should be reduced by 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 CO<sub>2</sub> emissions as well as the measures which have already been introduced, such as the complete conversion to "green electricity", efficient lighting concepts, optimised route planning, a modern vehicle fleet, the expansion of its fleet of electric-powered vehicles and its own photovoltaic facilities.

### **Risks related to weather and natural disasters**

Ongoing climate change could give rise to an increase in the incidence of natural disasters. Weather-caused phenomena such as heavy rain, hail, landslides, floods and the like could 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. Further financial obligations could ensue 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 counteracts this risk by inspecting its buildings to ensure they are weatherproof and making investments in their maintenance on an ongoing basis to ensure safe workplaces. Employee safety is also enhanced by the fleet of modern vehicles and by driver training.

### **Risks relating to weather conditions in winter**

Recent studies suggest that a consequence of global warming could be cold and snowy winters in the Northern Hemisphere of the Earth. 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 an increase in accidents at work in the 2013 reporting year, from 903 to 980 accidents. It can be assumed that most of them can be attributed to weather conditions (the toughest winter over the last 100 years).

A modern vehicle fleet 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 conditions.

### 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.

Due to the good supply situation in Europe, it is assumed that price will develop sideways in a stable manner, and that no dramatic cost increases will take place. Nevertheless, Austrian Post will carry out new tenders for the supply of natural gas and electricity in the year 2014, in order to be able to profit from the current situation of lower energy prices.

## 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 and thus limit the reliability of its planning. 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 on the postal services market.

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 striving to maintain customer loyalty by offering an attractive range of services. Austrian Post is also counteracting the volume decline resulting from the greater use of electronic media by developing new products and services, for example in the Infomail and B2B businesses 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 sectors.

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 largely depends on investment requirements, acquisition costs as well as political, economic and legal factors.



For this reason, all investment measures must be made in accordance with strict financial criteria. Earnings from financial services strongly depend on the market success of Austrian Post's cooperation partner BAWAG P.S.K., whereas its earnings from telecommunications projects are closely linked to the product portfolio 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.

## 1.2.2 DESCRIPTION OF OPPORTUNITIES

The changes which Austrian Post faces can also lead to positive deviations from the pre-defined business targets. For this reason, risk management also focuses on identifying and managing opportunities which arise. The objective is to show opportunities and exploit potential by implementing suitable measures. The identification, evaluation, management and reporting of opportunities take place in line with the above-mentioned process.

On the one hand, the identification of opportunities is carried out by the planners in the business areas (on a bottom-up basis). On the other hand, opportunities are also verified and supplemented by the Strategy & Group Development business unit (on a top-down basis). For this reason, Austrian Post implements an ongoing evaluation of opportunities in order to be able to leverage the existing potential. A new strategic project to identify opportunities entitled "Post2016" was launched in 2013. This encompasses various sub-projects aimed at more precisely recognising potential which can be exploited. These projects are also designed to once again point out important opportunities arising for Austrian Post in the light of its four core strategic pillars.

The first strategic thrust – defending market leadership in the core business – sees the expansion and adaptation of Austrian Post's product portfolio in the Mail & Branch Network Division in accordance with customer requirements as a major opportunity. Potential is evaluated on the basis of new and more attractive delivery models in the parcel segment which could evolve towards ensuring "same day delivery".

On the basis of the second strategic pillar – growth in selected markets – opportunities arise with respect to Austrian Post's strategic international shareholdings in the growth markets of Central/Eastern Europe as well as Turkey. In Germany the resolute implementation of the Good Distribution Practice (GDP) guideline opens up special business opportunities.

With respect to the third cornerstone of Austrian Post's strategy - enhancing efficiency and increasing flexibility of the cost - positive deviations from the company's medium-term planning can be achieved and recognised as opportunities based on projects such as "Operating Excellence" and other procurement initiatives.

The fourth strategic thrust – customer orientation and innovation – enables, for example, Austrian Post to exploit the potential derived from the expansion of its on-line offering, in new e-commerce business models or its range of services by developing new self-service solutions.

### 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 extensive online services offered by the company are 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 CO<sub>2</sub> 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 population and also 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 serve 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 employee 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> NEUTRAL DELIVERY enables the company to more easily find employees. This prevailing ecological trend opens up opportunities which have a positive effect on the stakeholder relationships to customers and employees.

Climate change gives rise to the possibility of the legislators imposing additional taxes in order to reduce the consumption of energy by households and by companies. These measures would also affect Austrian Post, which would in turn face a rise in prices. However, the measures would also create opportunities for Austrian Post, which has a number of advantages over its competitors, for example, the fact that it features the largest delivery network in the country. 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, thus generating additional revenue.

The structural transformation in the branch network was launched in cooperation with BAWAG P.S.K. in January 2011 by opening the first jointly operated branch offices, and speedily continued in the course of the year 2013. By the end of 2013 there were already 476 jointly operated branch offices. 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. A broad-based portfolio of services such as pick-up stations, automatic franking machines, shipping boxes and online solutions should all contribute to fulfilling customer requirements.

Furthermore, Austrian Post also offers its business customers tailor-made solutions, for example in the fields of warehousing and fulfilment which encompass the entire logistics value chain, from commissioning of customer orders, additional services such as greeting cards or gift packaging as well as the packing, labelling, shipping and delivery.



## 2 ORGANISATIONAL PROFILE

Österreichische Post AG, whose headquarters are located in Vienna, address Haidingergasse 1, is Austria's leading logistics and postal services provider, with annual revenue of EUR 1.7 bn in the year 2013 (individual financial statements according to the Austrian Commercial Code), and a total of about 19,000 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 1,894 own or third-party operated postal service points in 2013, 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.

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 Division

The core business of the Mail & Branch Network Division ranges from the acceptance, sorting and delivery of letters, postcards, addressed and un-addressed direct mail items and regional media to various branch network services. The service portfolio is complemented by online services, self-service zones, banking and telecommunications services, mobile telephony and retail goods and additional digital mail-related 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. In 2013 95,5% of the domestic letters were delivered on the next working day after the mail items were posted, a higher level than the 95% stipulated by the government. A total of 1,894 postal service points throughout Austria are now at the disposal of customers, of which 535 are company-operated branch offices and 1,359 are postal partner offices. Together they comprise the largest private customer network in the country.

### Highlights 2013

- **Revenue growth** in letter mail and direct mail driven by the mega election year 2013
- **Expansion of the service portfolio** for mail solutions, and broad offering of dialogue marketing products
- **"World Mail Award"** bestowed on the new branch office design
- Further **extension of the 24/7 offering**: 185 self-service zones already in operation, including franking machines, drop-off boxes, etc.
- **Modernisation** and efficiency increases in logistics processes: further investments in distribution facilities e.g. flatsorters
- **Logistics optimisation** along the entire delivery chain: introduction of new working time models, entire delivery staff equipped with new handhelds
- **Liberalisation** of the letter mail markets in CEE, Austrian Post's stake in the Bulgarian subsidiary M&BM Express raised to 51%

#### MAIL & BRANCH NETWORK DIVISION

- Letters
- Addressed and unaddressed direct mail items
- Newspapers and regional media
- Online services
- Branch network services

#### PARCEL & LOGISTICS DIVISION

- Parcels
- Combined freight
- Express mail
- Temperature-controlled logistics
- Fulfillment
- Wertlogistik

## Parcel & Logistics Division

The Parcel & Logistics Division of Austrian Post already offers its services in nine 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), value logistics (value 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 70m 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.

### Highlights 2013

- **New record volume** of about 70m parcels delivered in Austria, and further expansion of the company's market share to 25% in the B2B business and 76% in the B2C/C2C segment
- **Expansion of self-service offerings** to enhance customer convenience in parcel delivery: 5,000 Pick-up Boxes and new collection stations in Austria, along with 50 parcel machines ("Balikomat") in Slovakia
- **Entry into the Turkish market** based on the acquisition of a 25% interest in the parcel services provider Aras Kargo
- **Focus on the field of pharmaceutical logistics** and founding of the pharmaceutical wholesaler AEP *direct*
- **Further growth** and positive development of strategic investments in South East and Eastern Europe
- **EU membership of Croatia** in July 2013 results in rising international demand and thus further market growth

## Locations of the Austrian Post Group

Austrian Post has been successful for many years beyond the country's borders. The company's subsidiaries operating primarily in Central and Eastern Europe but also in Germany already account for a considerable share of total Group revenue. Building upon these positive experiences, Austrian Post took another major expansion step and entered the promising Turkish market in the summer of 2013, acquiring a 25% stake in the parcel service provider Aras Kargo.

A lot also happened in the CEE region in 2013. Austrian Post once again expanded its top market position in the parcel business and is the B2B market leader in Slovakia, Croatia, Bosnia-Herzegovina, Montenegro and Serbia. Austrian Post is also well under way in the private customer segment. Every fourth B2C/C2C parcel shipment is already handled by Austrian Post, in Hungary even every third parcel in this segment. In spite of the difficult conditions such as high inflation in some countries accompanied by ongoing price pressure, Austrian Post's parcel operations are growing at a faster rate than the region's economy as a whole. The basis for this success story is the excellent transnational quality of service, the customer focus and the efficient parcel logistics infrastructure.

Austrian Post is also very active in the CEE mail delivery segment. In 2013 the final remaining eight letter mail markets in Central and Eastern Europe were completely liberalised. This means that new growth opportunities are presenting themselves to Austrian Post in addition to its current business operations. The company identified business opportunities in CEE early on and actively exploited them. For this reason, the region has emerged as an important sales market. Similar to its operations on the Slovakian market, Austrian Post has also been offering cost-efficient and high quality solutions for the delivery of conventional mail in Croatia and Romania since 2012 through its subsidiaries.

## INTERNATIONAL PRESENCE

COUNTRY	COMPANY/INTEREST <sup>1</sup>	FIELD OF ACTIVITY
AUSTRIA	Österreichische Post AG	Letter mail, parcel delivery, express mail services (EMS), combined freight, addressed direct mail, media post, electronic services
	Österreichische Post AG, feibra GmbH	Unaddressed and addressed direct mail
	Systemlogistik Distribution GmbH	Warehousing, fulfillment
	Post.Wertlogistik GmbH	Value logistics
	Scanpoint GmbH	Scanning/archiving of documents
	D2D GmbH (30%)	Printing and mailing of documents
BULGARIA	M&BM Express OOD (51%)	Unaddressed and addressed direct mail, letter mail, hybrid mail
BOSNIA-HERZEGOVINA	24-VIP d.o.o.	Express and parcel service, combined freight
GERMANY	trans-o-flex Logistics Group GmbH	Combined freight, warehouse logistics, value added services, temperature-controlled logistics
	MEILLERGHP (65%)	Direct mail services and production
CROATIA	Overseas Trade d.o.o.	Express and parcel service, combined freight
	Weber Escal d.o.o.	Unaddressed direct mail, hybrid mail, letter mail
MONTENEGRO	City Express Montenegro d.o.o.	Express and parcel service, combined freight
POLAND	PostMaster PL	Unaddressed direct mail
ROMANIA	PostMaster RO	Unaddressed and addressed direct mail, hybrid mail, letter mail
SERBIA	City Express d.o.o.	Express and parcel service, combined freight
SLOVAKIA	Slovak Parcel Service s.r.o. (SPS), In Time s.r.o.	Express and parcel service, combined freight
	Kolos s.r.o.	Unaddressed and addressed direct mail, letter mail, hybrid mail
TURKEY	Aras Kargo a.s.	Express and parcel service, combined freight
HUNGARY	trans-o-flex Hungary Kft.	Express and parcel service, combined freight
	feibra Magyarország	Unaddressed and addressed direct mail, letter mail, hybrid mail

<sup>1</sup> The precise shareholding is only listed if Austrian Post has less than a 100% stake.

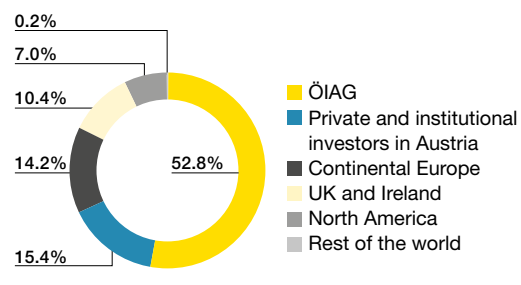
## Shareholder structure of Austrian Post

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 2014 concluded that in addition to the main shareholder ÖIAG, 40% of the shares are held by European investors (unchanged compared to the previous analysis of January 2013). All in all, 15.4% of these shares are held by private and institutional investors in Austria (plus 0.6 percentage points), 14.2% in Continental Europe (minus 0.4 percentage points)

and 10.4% in Great Britain (plus 0.1 percentage points). A total of 7% of the shares (minus 0.1 percentage points) are currently held by North American investors (USA, Canada), whereas investors in the rest of the world account for much less than 0.2% (unchanged).

**SHAREHOLDER STRUCTURE OF AUSTRIAN POST**  
BY COUNTRY, BASE: 67.6 M STOCKS



## Awards won during the period under review

The high quality of Austrian Post's reporting was underlined by the recognition granted once again at the Austrian Annual Reporting Award of the business magazine "trend". Austrian Post was ranked first in the category "Best Reporting" in 2013 as it was in 2012. The quality of other forms of communications between the company and its shareholders and stakeholders was also evaluated 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.

Furthermore, Austrian Post was rated first in the category "ATX Award" at the Vienna Stock Exchange Awards in 2013. The ATX Award honours companies which stand out on the capital market due to

their financial reporting, investor relations, strategy, corporate management and corporate governance.

From a capital market perspective, the renewed acceptance of Austrian Post for listing on the Austrian sustainability index VÖNIX of the Vienna Stock Exchange for the period 2012/13 underlines the holistic manner in which Austrian Post operates. Also for the subsequent period 2014/15, Austrian Post has already been included in this index.

On an international level, Austrian Post also scored top marks in the Carbon Disclosure Project (CDP). This is the world's largest database for corporate environmental and climate change information and is extensively used by capital market participants to evaluate potential investments. In 2013, Austrian Post was listed in the Carbon Performance Leadership Index for companies in the German-speaking region of Europe, boasting a score of 88A points. This prestigious recognition not only confirms Austrian Post's transparent environmental reporting but also serves as evidence of the quality of the initiated climate protection measures.

# 3 REPORT PARAMETERS

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The current report refers to the 2013 financial year, and presents the performance and achievements of Austrian Post in the field of sustainability. It thus picks up where the Sustainability Report 2012 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 is published on an annual basis.

The Sustainability Report 2013 once again encompasses two different but complementary publications this year. This 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 Magazine 2013/14, 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 transo-flex, which contributes about 20% of total Group revenue and encompasses about 5% of the group's employees, in the sustainability reporting within the next two 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 17%. 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 materiality of sustainability aspects and of individual performance indicators is undertaken by the Investor Relations department, of which the Corporate Social Responsibility (CSR) area forms part. 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.

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 such as the vehicle fleet management, Group real estate, human resources management, corporate communications, compliance, risk management, controlling, Group purchasing as well as strategy and Group development.

Members of 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 the Stakeholder Roundtable held in June 2014. About thirty representatives of a variety of stakeholder groups were invited to attend the roundtable, at which topical sustainability-related issues of central importance to Austrian Post were discussed.

On the basis of the discussions as well as voting on the importance of the individual issues by participants of the Stakeholder Roundtable 2014, the materiality of issues for stakeholders was evaluated once again. A survey of Austrian Post's top management provided an assessment of the importance of these issues from the company's perspective. On the basis of these analyses, adjustments were made to the materiality matrix and more precise definitions included. This materiality matrix presents the core issues for Austrian Post and its stakeholders.

A detailed description of the process can be found in the sections for indicators 4.14 to 4.17 focusing on integrating stakeholders.

## Reporting methodology

The GRI Sustainability Report 2013 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.

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. Different requirements for reporting exist for each of the three Application Levels, A, B, and C. A "+" following the letter of the alphabet indicates that the report was reviewed by an independent third party.

The present Sustainability Report 2013 of Austrian Post meets the requirements of the A+ Application Level of the GRI G3.1 Sustainability Reporting Guidelines.

# 4 GOVERNANCE, COMMITMENTS AND ENGAGEMENT

## 4.1-4.10 CORPORATE GOVERNANCE

### 4.1 CORPORATE GOVERNANCE AND MANAGEMENT STRUCTURE

Good corporate governance is a top priority of sustainable business management. Corporate governance not only involves fulfilling legal stipulations. The Management Board and Supervisory Board have the responsibility to ensure that the management and supervision of the company are oriented to national and international principles in order to ensure the long-term creation of value and the continued existence of the company in the long term. 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 decide 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 Management Board of Austrian Post consisted of four members in the 2013 financial year. Georg Pölzl was reappointed by the Supervisory Board to the position of Chairman of the Management Board and Chief Executive Officer of Austrian Post at its meeting held on November 13, 2013. His term of office expires on September 30, 2019, taking account of the contractual extension option.

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 2013, Part 2 – Financial Report, starting on page 10.

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 2013, Part 2 – Financial Report on page 14.

#### **4.2 INDEPENDENCE OF HIGHEST GOVERNING 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. 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 2013 financial year, the Supervisory Board of Austrian Post consisted of eleven members – seven shareholder representatives elected by the Annual General Meeting and four employee representatives elected by the Central Works Council of Austrian Post. There was one change in the 2013 financial year: Edgar Ernst retired from his position on the Supervisory Board effective June 21, 2013. The Annual General Meeting 2014 elected Peter Kruse to the Supervisory Board, and thus once again increased the number of shareholder representatives to eight. The members of the Supervisory Board in the 2013 financial year are listed in the Annual Report 2013 of Austrian Post, Part 2, Financial Report, starting on page 11.

#### **4.4 EMPLOYEE AND SHAREHOLDER PARTICIPATION IN THE DECISION-MAKING PROCESS**

The Austrian Stock Corporation Act contains detailed regulations concerning the exercising of shareholder rights at the Annual General Meeting of a public limited company. 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 2014, shareholders were once again given the opportunity to cast their votes by absentee ballot. Moreover, within the context of the Annual General Meeting 2014, 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 the photovoltaic facility in Vienna/Inzersdorf 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 as well as customer satisfaction are included in the list of objectives for the 2013 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 2013 of Austrian Post, Part 2 – Financial Report, pages 16 and 17).

#### **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.

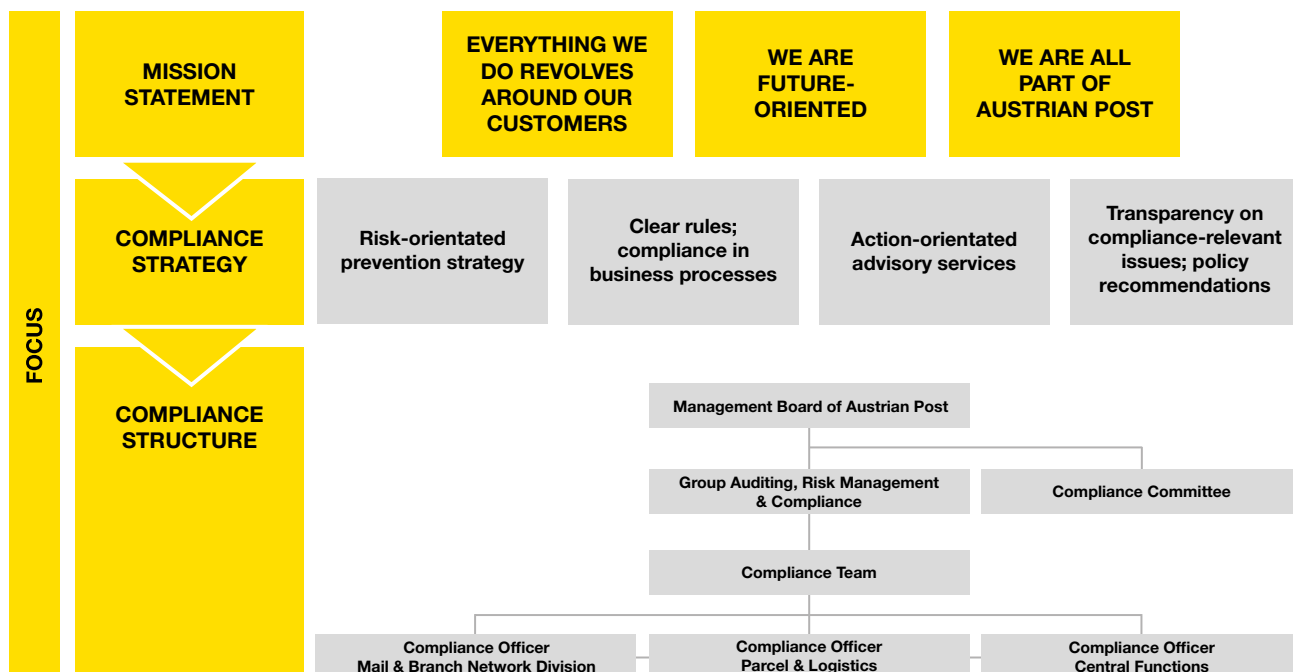
#### **4.7 EXPERTISE OF THE SUPERVISORY BOARD ON ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES**

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 three of the twelve members of the Supervisory Board in the 2013 financial year 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 fulfil 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, also at Group subsidiaries. For this purpose, the number of regional compliance officers supporting the central Compliance Officer was increased to 25 people in 2013 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.

In a process which took close to one year, PwC evaluated the conception, suitability, implementation and effectiveness of the compliance management system on the basis of IDW PS 980, the standard recognised by the Institute of Public Auditors in Germany. The assessment showed that the compliance management system of Austrian Post is consistent with the stipulations contained in 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 in 2012 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 was 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 is an e-learning tool on the topics of “capital market” and “anticorruption”, which was made available throughout the Group starting in the fall of 2013. The department also provides support in the conception of guidelines and processes to more effectively integrate compliance in the relevant areas and processes.

## The Austrian Post mission statement as a guidepost for the future

Even if you have a good compass with you, you still need to know how to effectively use it in order to stay on the right path. The same applies to core strategies which comprise the guiding compass for Austrian Post. The question as to how these strategies are to be implemented is answered by the company’s mission statement. In a way, the three core values serve as a kind of psychological backdrop for every activity in the company and determine in which way the company will aspire to achieve the specified goals. The mission statement is extremely important, because only when the entire staff has a clear idea of where we are going and also why this is the case will everybody really be able to pull in the same direction.

This was already developed in a broad-based process back in 2010. Since then, it has impressively proven to be effective as a signpost for the future.

The creation of the mission statement relied on broad-based participation to reach a consensus, involving some 500 employees from all business units in the Group. Nevertheless, the results were clear and precise. The focus was on three value categories: customer orientation, profitability and sustainability as well as appreciation and communication. Sustainable business management will be the natural consequence if the company succeeds in orienting its activities to these three values.

As a result Austrian Post has come full circle. Management’s top priority is the sustainable success of the company and thus sustainably securing its profitability. In this respect it should be mentioned that sustainable development not only encompasses economic aspects but also the environment, the social environment and naturally the employees.

## A SHARED MISSION STATEMENT LEADS TO SUSTAINABLE DEVELOPMENT

- 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

**ECONOMY**  
**ECOLOGY**  
**SOCIETY**  
**EMPLOYEES**

Achieving the far-reaching sustainability targets of Austrian Post and maintaining good relations to all stakeholders will also positively impact the progress made in securing long-term profitability.

#### **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, risk evaluation, management and planning of appropriate measures take 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 2013 in this report.

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) in 2013.

#### **4.13 MEMBERSHIP IN ASSOCIATIONS 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 ORGANIZATION

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.

### 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. Generally speaking, stakeholder groups are those individuals, organizations for groups which have an influence on the company or which are affected by the activities of a company.

The stakeholder groups relevant to Austrian Post were once again evaluated in the year 2014, and identified in line with ONR 192500, the certification guideline for ISO 26000. The identification was carried out on the basis of several criteria such as who precisely could be impacted by the decisions or activities of the company, who would likely voice concerns about decisions or activities, to whom the company has legal obligations, who would be impacted within the value chain, and who would be

generally interested in or have an influence on Austrian Post. This analysis and clustering of individual stakeholder groups makes it possible to specifically address the demands of the respective interest groups.

### 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 stakeholders 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.

## Stakeholder groups of Austrian Post





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.

Against this backdrop, the Fourth Stakeholder Roundtable of Austrian Post was held in June 2014. 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. Within the context of the discussion the stakeholders evaluated different issues according to their relevance and identified new challenges, which were integrated both in defining the company's sustainability strategy and corresponding measures as well as in this report.

#### 4.17 KEY STAKEHOLDER TOPICS AND CONCERNS

At the Stakeholder Roundtable, the main issues relating to the respective topic area were discussed by six groups each assigned to deal with different table topics. The individual issues were prepared in advance and approved in order to ensure that all key aspects are covered and dealt with.

The objective of the individual discussion groups was to identify challenges to Austrian Post and to prioritise them from a stakeholder perspective. The discussions primarily focused on the defined issues, but the participants also had the opportunity to deal with new and relevant issues.

The following six topic areas were defined and the main issues relating to each were discussed:

##### Topic area 1: Business environment

Main issues:

- Observe market development and competition
- Take account of up-to-date view of customer benefits in the regulatory environment
- Further develop universal postal services
- Ensure reliability of postal services
- Help shape any potential privatisation steps

##### Topic area 2: Customers

Main issues:

- Operate in a service-oriented manner
- Ensure customer satisfaction
- Enable product innovations
- Guarantee data protection and data security

##### Topic area 3: Economic success

Main issues:

- Generate growth and value creation
- Press ahead with cost efficiency and improve earnings
- Drive modernisation and innovation
- Pursue a sustainable dividend policy

##### Topic area 4: Employees

Main issues:

- Develop a corporate culture
- Safeguard occupational safety and health protection
- Offer training and further education courses
- Enable diversity and equal opportunity
- Demand ethical behaviour

##### Topic area 5: Society

Main issues:

- Regional infrastructure to ensure reliability of postal services
- Social commitment and sponsoring
- Strengthen the national economy

##### Topic area 6: Environment

Main issues:

- Save energy
- Avoid greenhouse gas emissions and make transport more ecologically sustainable
- Avoid waste or make use of it
- Optimize procurement – green procurement

Following the round of discussions and presentations, all key stakeholders were asked to vote electronically on the importance of the individual issues in the particular topic area. The assessment scale ranged from 1 (less important) to 10 (very important).

Following the Stakeholder Roundtable, the top management of Austrian Post was asked about the same topics and a voting process also took place. The results of the stakeholder assessment as well as the evaluation by Austrian Post itself was integrated into the Materiality Matrix 2014 and showed the following picture:

On balance, a total of 25 topics were discussed and evaluated for their relevance for stakeholders and for Austrian Post. As one can see in the matrix, all the topics are important, but the stakeholders and management of Austrian Post considered some to be particularly vital.

From the company's point of view, the following are the top priorities:

- Ensure customer satisfaction
- Operate in a service-oriented manner
- Generate growth and value creation

This is also linked to the strong wish to ensure the reliable provision of postal services and to take an up-to-date view of customer benefits into account with respect to the regulatory environment.

Stakeholders and the management of Austrian Post agreed on the relevance of the following issues:

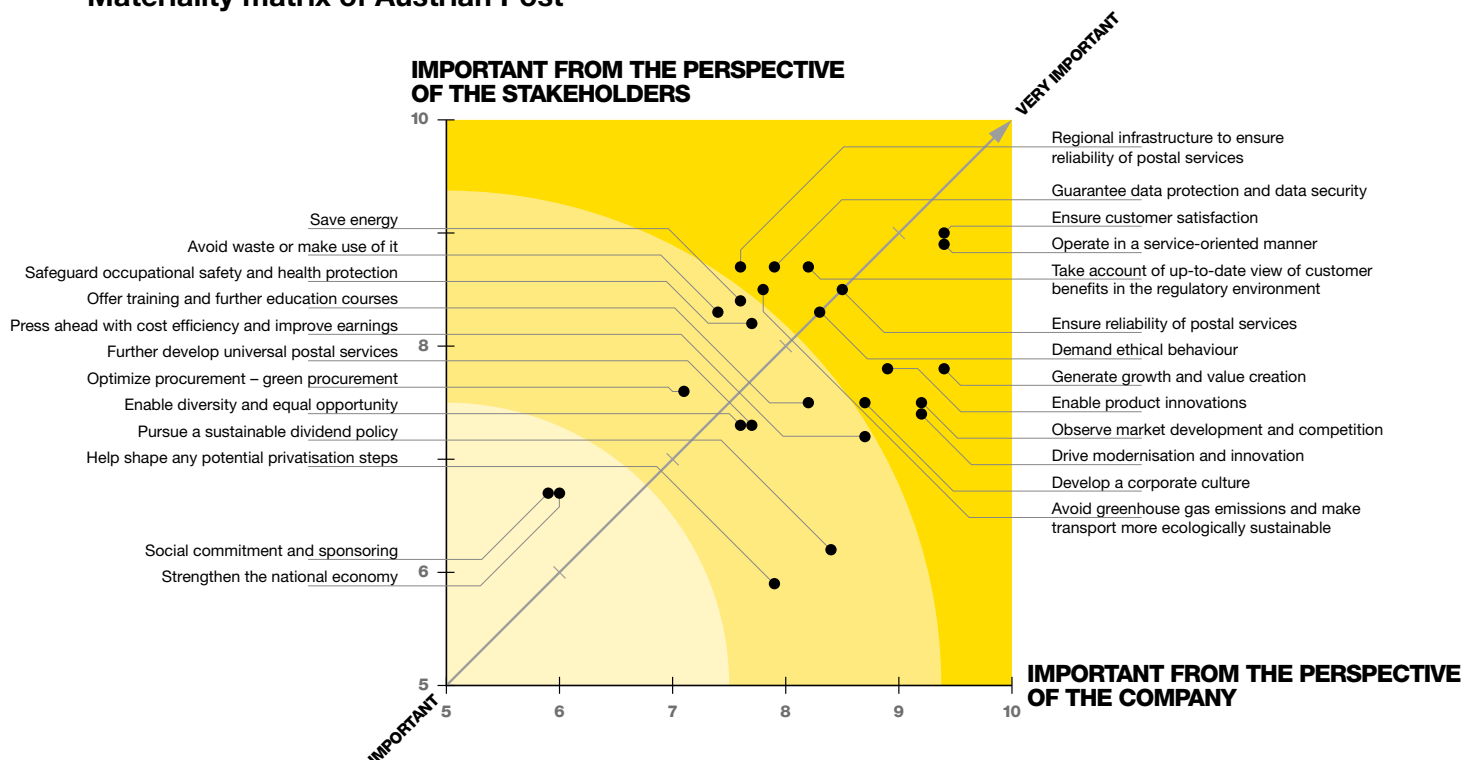
- Ensure the reliable supply of postal services
- Demand ethical behaviour
- Enable diversity and equal opportunity
- Further develop universal postal services
- Ensure customer satisfaction

The stakeholders attached greater importance to the following issues than the management of Austrian Post:

- Safeguard the existence of a regional infrastructure to reliably provide postal services
- Guarantee data protection and data security
- Avoid greenhouse gas emissions and make transport more ecologically sustainable
- Save energy
- Avoid waste or make use of it

Austrian Post attaches considerable importance to these key issues and already implemented measures in the past in those areas which are of relevance to the company's stakeholders.

## Materiality matrix of Austrian Post





An overview of the activities and measures in these five relevant topic areas can be found here:

### 1. Safeguard regional infrastructure to reliably provide postal services

Austrian Post makes a decisive contribution towards maintaining the communications infrastructure of the country and developing it in a future-oriented manner on the basis of providing reliable postal services throughout Austria. Austrian Post transports and delivers letters and parcels everyday to every address and every doorstep throughout Austria. And the quality of postal services is outstanding: 95.5% of all letters are already delivered on the next working day after the mail items are posted, higher than the legally stipulated level of 95%. In addition to seven modern logistics centres and 265 delivery bases, Austrian Post operates a nationwide network of postal services points encompassing 1,894 locations at the end of 2013.

Conditions in the postal sector are being subject to major changes. For this reason, Austrian Post must continually adapt its services and infrastructure in a customer-oriented manner. A primary focus of the company's efforts is the expansion of the very successful postal partner concept. On balance, a total of 1,359 postal partners existed as of the end of 2013, including food stores, petrol stations, tobacconists and municipal authorities, ensured the optimal regional availability and accessibility of Austrian Post and the services it offers.

In 2013 the cooperation between Austrian Post and BAWAG P.S.K. was also intensified. By the end of 2013, a total of 476 branch offices were jointly operated. They offer postal and bank services, retail and telecommunications products under one roof. The strategic advantages of this concept and the combined exploitation of the respective strengths of Austrian Post and BAWAG P.S.K. have consistently proven to be successful, generating extensive synergies. The shared design and expanded offering – like the response to the postal partner concept – have been very well received by customers.

### 2. Guarantee data protection and data security

The issue of data protection is a major concern of Austrian Post. As the stakeholder survey within the context of the Stakeholder Roundtable concluded, this topic is also extremely important to our stakeholder groups.

Austrian Post attaches great importance to data protection. Business customers provide us with data to ensure the smooth processing of transport and delivery services, but also recipients of mail items provide Austrian Post with data. For this reason, we strictly adhere to the legal regulations contained in the Data Protection Act (DSG 2000) and the Telecommunications Act (TKG 2003) with respect to the collection, use and processing of personal data.

Data protection is also a priority, as demonstrated by the fact that Austrian Post has appointed a Data Protection Officer, which is not mandatory according to the Data Protection Act. However, Austrian Post has filled this position to ensure compliance with all data protection regulations. The Data Protection Officer in the company guarantees that any questions relating to data protection will be clarified as quickly as possible.

Data security is also an extremely important subject from an IT point of view. Due to technological developments as well as the huge volume of data, Austrian Post is implementing extensive measures to ensure the confidentiality and integrity of customer data and the IT systems operated by Austrian Post. To protect its digital data, Austrian Post employs its own IT team which is familiar with all security issues.



### 3. Avoid emissions and make transport ecologically sustainable

Austrian Post is striving to make its transport operations as environmentally friendly as possible. In the meantime, more than 20% of the delivery areas are covered on foot or on bicycles. Austrian Post is also focusing on sustainably exploiting its inherent potential in serving the motorized delivery areas. 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 improve the vehicle fleet's eco-efficiency. Driver training courses 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 2013. Supported by the funding program "klima:aktiv mobil" launched by the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management and the Climate and Energy Fund of the Austrian Federal Government, Austrian Post operated more than 653 electric powered vehicles in 2013, including 581 single track e-vehicles, 72 multi track e-vehicles and 71 natural gas-powered vehicles, and plans to expand its e-vehicle fleet to 1,300 electric-powered vehicles by 2016. In addition, all letters and direct mail to private customers in Vienna will be delivered by Austrian Post in a "green" manner by 2016. This means that no conventional mopeds and cars will be used any longer, but deliveries will be carried out on the basis of the delivery staff's own muscle power or electrical energy. Measures to avoid greenhouse gas emissions in the company's buildings are listed in the section "Save energy".



### 4. Save energy

As the largest logistics company in the country, Austrian Post operates in a very energy-intensive business. It needs about 15m litres of fuel each year to operate its approximately 9,000 vehicles, and an additional 151m kWh of energy for its buildings. However, Austrian Post is in the process of further reducing its energy consumption and the resulting CO<sub>2</sub> emissions. This large bundle of energy-saving measures is bundled in the initiative CO<sub>2</sub> NEUTRAL DELIVERY launched in 2011, and contains a large number of measures relating to the vehicle fleet and buildings.

Within the context of its climate protection strategy Austrian Post is striving to make its transport operations as environmentally friendly as possible. For this reason, Austrian Post is continually expanding its e-powered vehicle fleet, and is also continually enhancing eco-efficiency in its transport operations, as described in the section on "Avoid emissions and make transport ecologically sustainable."

The fact that sustainability, environmental and climate protection now rank as key pillars of Austrian Post's business model is also reflected in the buildings Austrian Post operates. Heating systems running on fossil fuels (oil or gas) are being gradually replaced and converted to district heat if possible.

Moreover, the building infrastructure is subject to continuous optimisation with a focus on reducing the required space, and energy consumption is closely monitored and managed. In addition, in 2012 Austrian Post already converted its entire direct electricity procurement to purchasing electricity generated exclusively by renewable energy sources. In 2013 Austrian Post constructed one of the largest rooftop photovoltaic facilities in the country covering an area of 30,000 m<sup>2</sup>, located on the Vienna Letter Centre in Inzersdorf. Here a photovoltaic facility with an output of 882 kilowatt peak was installed. A second facility was constructed in 2014 on the roof of the new Allhaming Logistics Centre in Upper Austria. Together both facilities will generate enough electricity to provide the entire e-mobility fleet of Austrian Post with clean solar energy.

## 5. Avoid waste or make use of it

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.

Waste management concepts exist for individual sites with a specified size. Special waste management and recycling concepts ensure that CO<sub>2</sub> emissions are reduced and the environment is protected.



Each month tons of paper, plastic and cardboard waste arise at the delivery bases of Austrian Post. The waste is recycled and thus reused in a sensible manner.

The waste which arises is transported by Austrian Post vehicles on their return trips from the delivery bases to the company's logistics centres and centrally collected. The major advantage of this is that the respective waste disposal companies can pick up large quantities of the materials from a central site. In this way unnecessary mileage and thus the correspondingly high level of greenhouse gas emissions is saved, which in turn has a positive impact on the environment and the climate. Furthermore, the waste is not only sorted but condensed by Austrian Post by means of its own press containers, which means the waste requires less volume. This reduces the number of required trips.

# ECONOMIC PERFORMANCE INDICATORS

Austrian Post pursues the objectives of safeguarding and expanding its market leadership and further growing on a long-term basis. The fundamental goal of successfully managing the company on a long-term and sustainable basis is the top priority for Austrian Post's management. 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 its business activities.

## Economic objectives

- 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 fulfil shareholder expectations and create sustainable value.

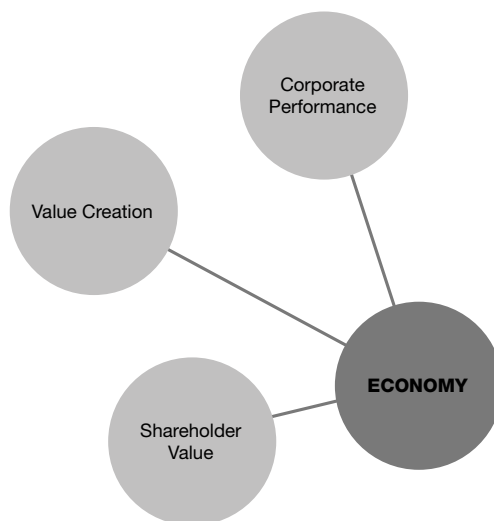
These economic targets apply to the entire Austrian Post Group.

## Achievement of objectives in 2013

In the 2013 financial year, Austrian Post once again achieved its objective of a stable or slightly positive revenue development. It even surpassed its rolling economic objective of an EBITDA margin in the targeted range of 10-12%. Moreover, the attractive dividend policy was continued for the 2013 financial year based on the payment of a dividend totalling EUR 1.90 per share on May 8, 2014. On balance, Austrian Post thus distributed a total of EUR 128.4m to its shareholders for 2013. The Total Shareholder Return of 17.2% for 2013 shows that the company also fulfilled shareholder expectations by achieving the objective of a sustainable increase in shareholder value.

For the 2014 financial year, Austrian Post is pursuing the objective of maintaining revenue at a stable level, in which the decline in the mail business can be compensated by increasing parcel revenue. Moreover, the company is striving to improve its earnings before interest and tax (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 pages 72-73.



## 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 2013:

INCOME STATEMENT			
(EUR m)	2011	2012	2013
<b>Revenue</b>	<b>1,635.7</b>	<b>1,667.3</b>	<b>1,668.7</b>
Other operating income	77.6	82.5	133.4
Raw materials, consumables and services used	-280.1	-306.8	-315.0
Staff costs	-935.2	-985.7	-953.9
Other operating expenses	-242.6	-229.5	-228.8
Results of investments consolidated at equity	-57.5	-4.6	-24.5
Depreciation, amortisation and impairment losses	-72.7	-60.9	-59.4
<b>Earnings before interest and tax (EBIT)</b>	<b>125.2</b>	<b>162.5</b>	<b>221.1</b>
Other financial result	5.9	-16.6	-5.5
<b>Earnings before tax</b>	<b>131.1</b>	<b>146.9</b>	<b>215.6</b>
Income tax	-38.2	-32.8	-38.7
<b>Profit for the period</b>	<b>92.9</b>	<b>113.2</b>	<b>176.9</b>

Revenue of Austrian Post on an individual company level could be increased by 0.1% in the 2013 financial year to EUR 1,668.7m. Growth was achieved primarily in the Parcel & Logistics Division, which expanded by 6.2%. Revenue distribution among the two divisions shows the importance of the Mail & Branch Network Division, which accounted for 83.7% of total revenue in 2013. The Parcel & Logistics Division generated 16.3% of total revenue.

The increase in other operating income compared to the previous year is mainly due to the revaluation of the Postgasse 8 commercial property owned by Austrian Post to its market value in connection with its being contributed as an asset in a separate company. The item raw materials, consumables and services used rose by 2.7% from the prior-year level to EUR 315m. Other operating expenses were down 0.3% to EUR 228.0m. Staff costs, which account for 57% of revenue, is the largest expense item of Austrian Post, and declined by 3.2% during the period under review to EUR 953.9m.

The results of investments consolidated at equity fell to minus EUR 24.5m due to the impairment losses reported on Austrian Post's stakes in the trans-o-flex Group in Germany and MEILLERGHGmbH, Germany as well as lower proceeds from these investments compared to the previous year.

Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment of Austrian Post fell by 2.5% in the 2013 financial year to EUR 59.4m, comprising 3.6% of revenue.

Earnings before interest and tax (EBIT) of Austrian Post rose in 2013 to EUR 221.1m. Earnings before tax (EBT) amounted to EUR 215.6m in the 2013 financial year. After deducting the income tax of EUR 38.7m, the profit for the period totalled EUR 176.9m. Taking account of the reversal of untaxed reserves as well as the profit carried forward, the balance sheet profit amounted to EUR 188.8m in 2013.

The consolidated income statement can be found in the Annual Report 2013, Part 2 – Financial Report.

## 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 2013 consists of the following and was distributed to the following stakeholder groups (individual financial statements pursuant to the Austrian Commercial Code):

The revenue of EUR 1,802.2m generated by Austrian Post in 2013 (incl. other operating income) was in contrast to advance outlays of EUR 597.4m.

The resulting value added of Austrian Post to the amount of EUR 1,204.8m 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 953.9m. Shareholders were paid dividends to the amount of EUR 128.4m for the 2013 financial year. The Republic of Austria owns a 52.8% share, and thus received EUR 67.8m in dividends. In addition, EUR 44.6m was paid to the Republic of Austria as taxes.

VALUE CREATION			
(EUR m)	2011	2012	2013
<b>Value creation:</b>	<b>1,635.7</b>	<b>1,667.3</b>	<b>1,668.7</b>
Revenue and other operating income	1,713.4	1,749.7	1,802.2
less advance outlays	-595.5	-591.3	-597.4
thereof raw materials, consumables and services used	-280.1	-306.8	-315.0
thereof depreciation and amortisation	-72.7	-60.9	-59.4
thereof other operating expenses	-242.6	-223.6	-222.9
<b>Value added</b>	<b>1,117.9</b>	<b>1,158.4</b>	<b>1,204.8</b>
<b>Distribution:</b>			
to employees (wages, salaries, social contributions)	935.2	985.7	953.9
to shareholders (dividends)	114.8	121.6	128.4
to the Republic of Austria (taxes and duties)	38.2	38.7	44.6
to creditors (interest)	2.2	2.0	2.2
Remaining amount	27.5	10.3	75.8
<b>Value added</b>	<b>1,117.9</b>	<b>1,158.4</b>	<b>1,204.8</b>

## 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 approximately 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 95.5% of letters to the recipients on the next working day in 2013.

Austrian Post is always close to its customers. With 1,894 postal service points at the end of 2013, its branch network ranks among the largest private customer networks in the country. A large share 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.

Further information is also available by turning to the indicator SO1 on page 65.

# 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 CO<sub>2</sub> emissions by 10% from 2007 to 2012 ahead of schedule, in 2010, but actually defined an even more ambitious target with respect to CO<sub>2</sub> emissions. Austrian Post intends to reduce CO<sub>2</sub> 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 CO<sub>2</sub> neutral manner. This initiative is communicated under the title CO<sub>2</sub> NEUTRAL DELIVERY. It encompasses broad bundle of measures, from efficiency enhancement and promoting alternative forms of energy to compensating for the remaining CO<sub>2</sub> 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 uninterrupted. That is why every individual as well as every company and decision makers are called upon to take mea-

asures in order to stop this development and thus preserve the planet for coming generations.

## Ecological objectives in 2013

- Reduction of CO<sub>2</sub> 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 2013

In the year 2013 the target of ensuring CO<sub>2</sub> neutral delivery of all mail items in Austria was achieved once again. Austrian Post succeeded in reducing its CO<sub>2</sub> emissions by 17.4% in the period 2010 to 2013. The objective of reducing CO<sub>2</sub> emissions by 20% from 2010 to 2015 is likely to be achieved. In contrast to the previous year (decline of 18.6%), CO<sub>2</sub> emissions did not decline but rose by 1,065 tonnes of CO<sub>2</sub>.

Due to the increased shipment volumes in the parcel business and the additional kilometres driven, CO<sub>2</sub> emissions from the company’s own vehicle fleet rose by 1,132 tonnes. At the same time, greenhouse gas emissions of partner companies dropped slightly

by 443 tonnes. On balance, CO<sub>2</sub> emissions from transport operations rose by 689 tonnes.

With respect to the buildings it operates, CO<sub>2</sub> emissions also climbed by 376 tonnes. The main reason was the increase in natural gas consumption by 5.9m kWh. Moreover, the consumption of heating oil was also up by 0.7 kWh. The increase in natural gas consumption was related to improved data evaluation. Thermal heat requirements of leased space without any detailed consumption data (assuming natural gas as the form of energy used) was adjusted to reflect the thermal heat requirements of building space in which consumption levels are known.

With respect to its e-vehicle fleet, the number of electric-powered vehicles could be more than doubled from 2012 to 2013. Austrian Post already operated 653 e-vehicles at the beginning of 2014.

The company has now defined a new e-mobility target: by 2016 the entire delivery of letters and direct mail items to private customers in Vienna should be done by foot or with electric-powered vehicles.

Five districts in Vienna have already completely converted to “green” delivery. Moreover, in the previous year Austrian Post already set a goal of further professionalizing and expanding its internal environmental management. A company-wide waste manager was nominated in 2013.



Further details on sustainability targets and the extent to which they were achieved are also available in the Thematic and Goal Matrix on pages 72-73.

## 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:

On balance, a total of 5,622.5 tonnes of paper were used by Austrian Post in 2013. Compared to the prior-year level, consumption of copying paper was reduced by 164.2 tonnes. This decline was mainly due to the elimination of workplace printers. Instead there is a central printing station on each floor, which is automatically set to enable double-sided printing.

PAPER CONSUMPTION			
	2011	2012	2013
<b>Total paper consumption (t)</b>	<b>397.4</b>	<b>5.611.7<sup>2)</sup></b>	<b>5.622.5</b>
Copying paper	294.3	230.7	66.5
thereof recycling paper	62.0	150.0	41.3
Printed materials <sup>1)</sup>	103.1 <sup>3)</sup>	5.381.0 <sup>2)</sup>	5.556.0

<sup>1)</sup> 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.

<sup>2)</sup> In 2012 the figure for paper consumption for printed materials was retroactively corrected due to optimised calculation methods. Furthermore, direct mail items were retroactively included.

<sup>3)</sup> The figure for 2011 does not include direct mail items.



## ASPECT: ENERGY

### EN3

#### Direct energy consumption by primary energy source

### EN4

#### Indirect energy consumption by primary energy source

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.

ENVIRONMENTAL INDICATORS			
Consumption of significant quantities of resources (m kWh) <sup>2)</sup>	2011	2012	2013 <sup>1)</sup>
<b>Total</b>	<b>158.0</b>	<b>149.5</b>	<b>151.4</b>
Natural gas	33.0	31.4	37.3
Heating oil	9.7	6.2	6.9
District heat	40.3	40.7	39.7
Total electricity <sup>3)</sup>	75.0	71.2	67.5
thereof electricity from renewable energies	32.4	64.1	63.0
thereof grey electricity	42.6	7.1	4.5
<b>Total building space (m<sup>2</sup>)</b>	<b>1,130,165</b>	<b>1,121,801</b>	<b>1,097,377</b>
thereof owned by Austrian Post	695,840	680,144	669,342
thereof leased space	434,325	441,657	428,035
<b>Fuel consumption: petrol, super, diesel, natural gas (litre million)<sup>4)</sup></b>	<b>14.6</b>	<b>14.3</b>	<b>14.8</b>
thereof diesel	14.2	13.9	14.4

<sup>1)</sup> The energy consumption indicators for buildings include all energy use invoices for 2013 which were received by Austrian Post by the deadline July 29, 2014 (about 90%). The remaining share (to 100%) is an estimated value.

<sup>2)</sup> Consumption figures for 2013 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.

<sup>3)</sup> Since 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.

<sup>4)</sup> The figures for the vehicle fleet include the subsidiary Post. Wertlogistik GmbH.

### EN5

#### Energy saved due to conservation and efficiency improvements

Energy consumption in buildings was reduced by 13.3m kWh since 2010. 83.9m kWh is required for space heating and hot water. Close to half of total consumption (39.7m kWh) is covered by environmentally-friendly district heat. Compared to the previous year, consumption of this form of energy was down by 1m kWh. Natural gas consumption rose from the prior-year level by 5.9m kWh due to improved data preparation. Heating oil consumption was also up by 0.7m kWh from the prior year. Electricity use totalled 67.5m kWh in 2013.

In spite of the further mechanisation of mail item sorting, electricity consumption was down by 3.7m kWh from the previous year. The electricity was almost completely derived from renewable energy sources. Fuel consumption rose by 0.5m litres as a consequence of the increased mileage.

Energy consumption will decrease further by 2015. The figures for 2013 still partly include consumption by the former corporate headquarters in Postgasse and the distribution centre in Linz. In the meantime, the historic corporate headquarters have been put up for sale. The distribution centre in Linz is being replaced by the newly constructed Allhaming Logistics Centre. Further savings will arise due to the conversion from heating oil and natural gas to

district heat. The increase in the number of e-vehicles will lead to higher electricity use but lower fuel consumption. Methods designed to ensure a fuel-efficient way of driving are being evaluated in order to further reduce fuel consumption.

**Greater 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 9,000 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 classes Euro 5, Euro 5 EEV and Euro 6 has been increased from 2,495 in 2012 to 3,337 in 2013. 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 2013. For example, the number of electric bicycles was almost doubled compared

to the previous year, and the number of electric powered multi-track vehicles even rose four-fold. Supported by the funding program “klima:aktiv mobil“ launched by the Austrian Federal Ministry of Agriculture and Forestry, Environment and Water Management and the Climate and Energy Fund of the Austrian Federal Government, Austrian Post already operated more than 653 electric powered vehicles in 2013, including 581 single track e-vehicles, 72 multi-track vehicles and 71 vehicles powered by natural gas. The related test phases and surveys of drivers revealed that the new vehicles are well accepted. Nine out of ten e-drivers are satisfied or very satisfied with the vehicles.

**Planned measures in the vehicle fleet**

Austrian Post will increasingly focus on this future-oriented technology 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. The company plans to considerably expand its e-vehicle fleet to about 1,300 e-vehicles by 2016. 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 2016 in order to test and research the practical use of these vehicles in the mail delivery process.

In addition, all letters and direct mail to private customers in Vienna will be delivered by Austrian Post in a “green” manner by 2016. This means that no conventional mopeds and cars will be used any longer. Deliveries will be carried out on the basis of the delivery staff’s own muscle power or electrical energy in all 23 districts in Vienna.



<b>VEHICLES</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Vehicles (total)<sup>1)</sup></b>	<b>9,650</b>	<b>9,187</b>	<b>8,959</b>
Bicycles	1,049	958	789
thereof electric bicycles	94	164	439 <sup>2)</sup>
Mopeds	1,235	1,078	904
thereof electric mopeds	6	80	142 <sup>2)</sup>
Vehicles up to 3.5t	7,214	7,005	7,105
thereof natural gas-driven vehicles up to 3.5t	77	74	71
thereof electric-powered vehicles up to 3.5t	18	18	72 <sup>2)</sup>
Vehicles over 3.5t	152	146	161
<b>Total number of kilometres (km m)</b>	<b>155</b>	<b>159</b>	<b>162</b>
Austrian Post	119	119	123
Shipping companies	36	40	39
<b>Motorised vehicles according to emission class</b>			
Euro 0 (no Euromotor)	1,232	0	0
Euro 2	16	904	732
Euro 3	1,845	1,038	438
Euro 4	3,811	3,694	3,516
Euro 5	1,673	2,495	3,258
Euro 5 EEV	0	0	74
Euro 6	0	0	5

<sup>1)</sup> The figures for the vehicle fleet also include the Austrian Post subsidiary Post.Wertlogistik GmbH.

<sup>2)</sup> The figure includes all existing single track vehicles in 2013 (active and owned by Austrian Post), as well as the single-track e-vehicles being tested (i.e. mopeds and bicycles). Furthermore, the figure for 2013 includes all e-vehicles which were ordered but in part first delivered in January 2014 due to delivery problems.

<sup>3)</sup> The figure includes all existing multi-track vehicles in 2013 (active and owned by Austrian Post) as well as the multi-track vehicles being tested (i.e. e-cars, Kyburz trikes and Paxster quads). Furthermore, the figure in 2013 includes all e-vehicles which were ordered but in part first delivered in January 2014 due to delivery problems.

The specific expansion plans of the e-vehicle fleet up until the year 2016 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 in the near future. 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 constructed its own photovoltaic facility in 2013. Another photovoltaic facility will come on stream in the fall of 2014. The two plants enable the entire e-vehicle fleet of Austrian Post to be supplied 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.





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### 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 83.9m 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 (67.5m 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.

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 constructed one of the largest rooftop photovoltaic facilities in Austria at the Vienna-Inzersdorf Letter Centre. The distribution centre features a roof area of about 30,000 square metres. The planned photovoltaic facility will use about two-thirds of the roof area, and boast a maximum output of 882 kilowatt peak. A second photovoltaic plant with an output of 496 kilowatt peak, located on the roof of the Allhaming Logistics Centre, will come on stream in 2014. The energy derived from the plants 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 2016.

### Measures designed to raise awareness

In 2013 Austrian Post employees were continually informed about the initiative CO<sub>2</sub> NEUTRAL DELIVERY and other CSR measures via in-house infosccreens, the employee magazine and the sustainability magazine and sensitized about the need for climate protection. Another awareness-raising campaign is currently in the conception phase.

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 CO<sub>2</sub> 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 m<sup>2</sup>. In this way, energy savings can be realized and a contribution made to preserving biodiversity. The combination of a green roof and photovoltaic facility also led a crested lark couple to nest on the centre. This extremely rare bird and protected species uses the panels as protection against birds of prey, and has been breeding on the roof of the Vienna Letter Mail Centre since the spring of 2014. There are only 300 breeding pairs in all of Austria.

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 CO<sub>2</sub> 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.



## 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 15m litres of fuel annually for its approx. 9,000 vehicles, and consumes about 151m kWh of energy in its buildings. In turn, this leads to CO<sub>2</sub> 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 CO<sub>2</sub> emissions by 10% in the period 2007 to 2012 was one of the environmental targets which Austrian Post 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions including those of the shipping companies it contracts by 20% from 2010 to 2015.

## EN16

### Total direct and indirect greenhouse gas emissions by weight

ENVIRONMENTAL INDICATORS			
	2011	2012	2013
<b>CO<sub>2</sub> emissions (scope 1–3) according to the Greenhouse Gas Protocol (t)</b>	<b>78,533</b>	<b>70,834</b>	<b>71,899</b>
thereof scope 1 – road transport (own operations) <sup>2)</sup>	35,821	35,052	36,184
thereof scope 1 – buildings <sup>1) 3)</sup>	9,265	7,986	9,353
thereof scope 2 – buildings <sup>1) 3)</sup>	14,783	7,402	6,411
davon Scope 3 – Partnerunternehmen	18,664	20,394	19,951

<sup>1)</sup> The energy consumption indicators for buildings include all energy use invoices for 2013 which were received by Austrian Post by the deadline July 29, 2014 (about 90%). The remaining share (to 100%) is an estimated value.

<sup>2)</sup> The figures for the vehicle fleet include the subsidiary Post. Wertlogistik GmbH.

<sup>3)</sup> 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.

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](http://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 CO<sub>2</sub> emissions generated by the business operations of Austrian Post in 2013 amounted to about 71,899 tons. Approximately 15,764 tons were generated in the operation of buildings and distribution centres, 36,184 tons arose from company’s own vehicle fleet, and the remaining 19,951 tons from the operations of partner companies.

## EN17

### Other relevant greenhouse gas emissions by waste

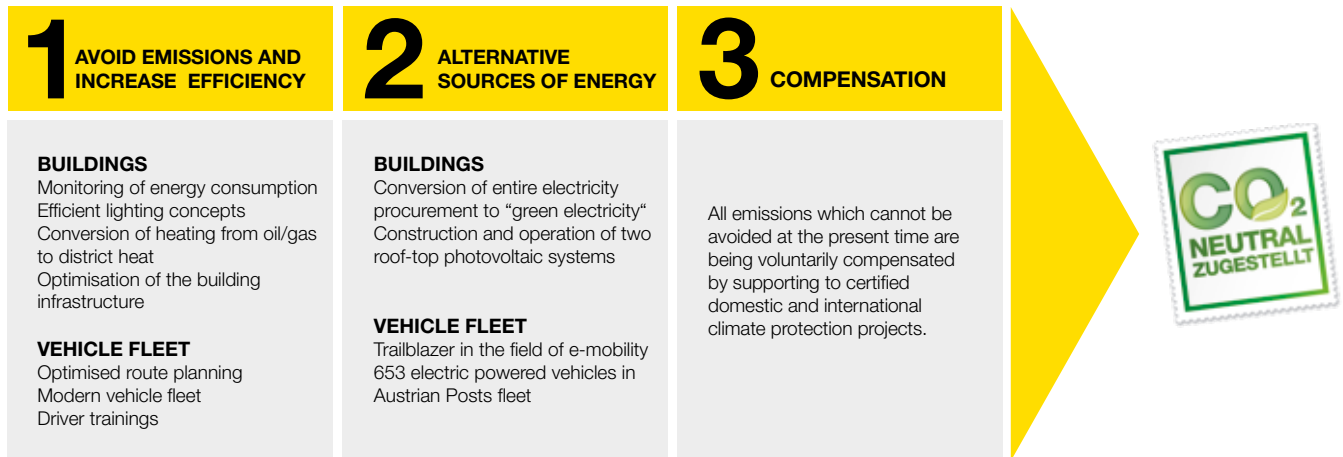
No other relevant greenhouse gas emissions arise within the context of Austrian Post’s business operations.

## 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 CO<sub>2</sub> emissions. Within the context of its initiative **CO<sub>2</sub> NEUTRAL DELIVERY**, all letters, parcels and direct mail items delivered in Austria by Austrian Post are delivered in a CO<sub>2</sub> 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 CO<sub>2</sub> neutral manner without exception.

The initiative **CO<sub>2</sub> 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 construction of a photovoltaic plant on the roof of the Vienna Mail Distribution Centre and on the new Allhaming Logistics 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 and the Climate and Energy Fund of the Austrian Federal Government. At the beginning of 2014 Austrian Post already operated 653 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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. Since the beginning of 2012, large customers of Austrian Post have received a certificate confirming the CO<sub>2</sub> 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.



**Austrian Post confirms its climate-neutral delivery with a certificate issued to its business customers.**



**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 strict 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.

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 fact that 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.

In the field of waste management, Austrian Post nominated a company-wide waste manager in 2013. In 2014 the company began to introduce a centralized data collection and assessment system. The aim is to develop a data base, in which the individual classes of waste can be recorded along with the respective volumes and the place where the waste was generated.

**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 the environmental impact 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 CO<sub>2</sub> neutral manner within the context of the initiative CO<sub>2</sub> NEUTRAL DELIVERY launched in the year 2011.
- Certificates confirming CO<sub>2</sub> neutral delivery will subsequently lead to improved ecological score cards 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 2013.
- 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 bears a special responsibility. For this reason, it attaches great importance to good working conditions for its employees. Occupational safety, health protection and healthcare play a key role. This is because motivated and productive employees are the basis for corporate success, especially in a service company. Austrian Post aims to create reliable future perspectives for employees and promote their individual professional development against the backdrop of a market environment in which change seems to be the only constant.

Austrian Post also places a great emphasis on its corporate and leadership culture. Only clearly-defined and mutually held visions and values enable the company to act in a target-oriented and sustainable manner. At the beginning Austrian Post began to focus on developing its new mission statement featuring three value categories and three main principles. They are being implemented and firmly enshrined in the daily work of all employees through a variety of measures. All the measures impacting employees and society are derived from these value categories.

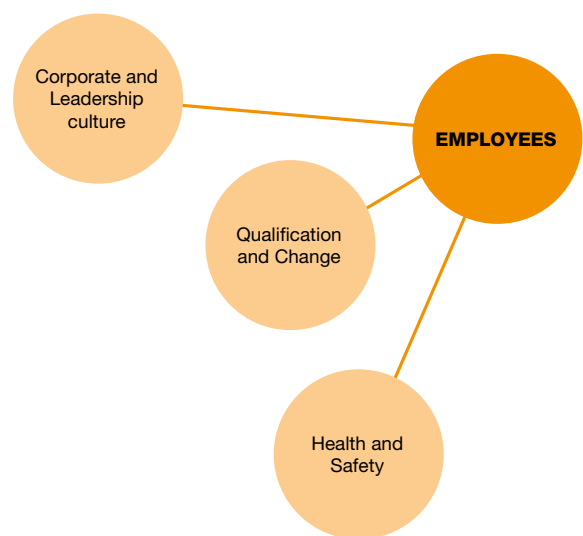
- **Customer orientation:**  
Everything we do revolves around our customers
- **Profitability and sustainability:**  
We are future-oriented
- **Communication and appreciation:**  
We are all part of Austrian Post

The value “communication and appreciation” is particularly crucial in the way the company deals with employees. In line with the guiding principle “We are all part of Austrian Post”, every individual employee should be committed to actively shaping the future of Austrian Post. This attitude is taken seriously in the company and is practised in reality. In June 2013 the first company-wide employee survey entitled “Together we will get even better” was carried out at Austrian Post. The objective was to capture the mood of employees as well as to identify relevant issues and improvement potential. The employees had the opportunity to express their

opinion on different aspects of the company and evaluate their employer. The results of the survey presented an objective view of where Austrian Post is seen to be at the present time. On this basis four fields of action were identified to which Austrian Post will pay increasing attention, and which will be used to implement specific improvements.

### Employee objectives

- Promoting a corporate and leadership culture
- Creating individual future perspective
- Promoting occupational health and safety



### Achievement of objectives in 2013

In the year 2013 all sub-targets were achieved as planned with respect to employees. A total of 693 executives took part in the Executive Academy compared to the planned figure of 300 executives. The “Career & Family” audit project was launched in 2013 as planned. It consists of various measures designed to improve the compatibility of work and family life.

The programme “Post employees to the federal public service” continued in 2013 and was expanded to encompass other ministries. The first Group-wide employee survey was carried out in 2013. The

survey was a success thanks to the response rate of 30.8%. Furthermore, the planned roll-out of compliance e-learning tools took place in 2013 as well.

New sub-targets have been defined for upcoming periods, for example the expansion of the Executive Academy and the programme “A day visiting customers”. In the field of “career & family”, measures will be implemented to enable employees on leave to facilitate access to company-relevant information and sensibillise executives about this issue. The ongoing programme “Post employees to the federal public service” will be continued. Moreover, it is planned to provide training to at least 50 employees in driver safety in order to reduce damage and the number of accidents.

Further details on sustainability targets and the extent to which they were achieved can also be found in the Thematic and Goal Matrix on pages 72-73.

## ASPECT: EMPLOYMENT

### LA1

#### Total workforce by employment type and employment contract

Austrian Post also employs externally leased staff if needed. These people are not included in the employee indicators of Austrian Post. The increase in the total number of leased full-time equivalents from 160 FTE in 2011 to 196 FTE in 2012 and 210 in 2013 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 2013.

AUSTRIAN POST – EMPLOYEE INDICATORS			
	2011	2012	2013
<b>Total number of employees (FTE)<sup>1</sup></b>	<b>19,907</b>	<b>19,534</b>	<b>18,951</b>
thereof women (FTE in %)	29.3%	29.3%	28.9%
thereof men (FTE in %)	70.7%	70.7%	71.1%
Civil servants (FTE)	10,266	9,738	9,146
Salaried employees (FTE)	9,429	9,558	9,548
Employees pursuant to the Austrian Civil Code <sup>2</sup> (FTE)	212	238	256
Full-time employees (total)	17,785	17,724	17,178
thereof women (in %)	23.1%	23.7%	23.4%
Part-time employees (total)	3,812	3,422	3,388
thereof women (in %)	83.3%	85.4%	83.5%
Average tenure of civil servants at Austrian Post (years)	27	28	29
Average tenure of salaried employees at Austrian Post (years)	11	11	11
Employees with special needs (total as of December 31st)	1,187	1,201	1,196

<sup>1</sup> FTE = Full-time equivalents

<sup>2</sup> 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).

## LA2

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

AUSTRIAN POST – EMPLOYEE INDICATORS			
	2011	2012	2013
<b>Employee attrition (nominal)<sup>1</sup></b>	<b>1,844</b>	<b>2,109</b>	<b>2,222</b>
thereof women	811	943	842
thereof men	1,033	1,166	1,380
By age group			
under 30	395	420	404
30–50 years	801	886	904
over 50	648	803	914
<b>Employee attrition (in %)<sup>2</sup></b>	<b>8.6%</b>	<b>10.1%</b>	<b>10.9%</b>
thereof women	44.0%	44.7%	37.9%
thereof men	56.0%	55.3%	62.1%
By age group			
under 30	21.4%	19.9%	18.2%
30–50 years	43.4%	42.0%	40.7%
over 50	35.1%	38.1%	41.1%
<b>New employee hires<sup>1</sup></b>	<b>1,354</b>	<b>1,458</b>	<b>1,801</b>
thereof women	672	643	785
thereof men	682	815	1,016
By age group			
under 30	271	495	851
30–50 years	695	683	760
over 50	388	280	190
<b>New employee hires (in %)<sup>2</sup></b>	<b>6.3%</b>	<b>6.9%</b>	<b>8.8%</b>
thereof women	49.6%	44.1%	43.6%
thereof men	50.4%	55.9%	56.4%
By age group			
under 30	20.0%	33.9%	47.3%
30–50 years	51.3%	46.8%	42.2%
over 50	28.7%	19.2%	10.5%

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

<sup>2</sup> 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 its being an accompanying measure supporting the necessary structural changes in the company.

## LA3

### Benefits provided to full-time employees that are not provided to temporary or part-time 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 annual EBIT bonus (participating in the company's success). The gross total of EUR 811 was voluntarily paid to each employee for the 2013 financial year (bonus of EUR 761 and a special bonus of EUR 50). Employees receive a pro rata share depending on their annual working time.

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.

**post.sozial – customised social services for Austrian Post employees**

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 and sports 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. In 2013 special attention was paid to burn-out prevention.



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**THE ACHIEVEMENTS OF POST.SOZIAL IN 2013**

<b>post.sozial</b>	<b>Total funding</b>	<b>EUR 6.4m</b>
<b>fair.reisen</b>	<b>Number of overnight stays</b>	<b>58,856</b>
<b>helfens.wert</b>	<b>Food coupons</b>	<b>EUR 4.3m</b>
	<b>Financial assistance</b>	<b>EUR 974,000</b>
<b>sehens.wert</b>	<b>Number of discounted admission tickets offered</b>	<b>19,122</b>
	<b>Events offered</b>	<b>124</b>
<b>postler.kids</b>	<b>Support for children's holiday camps</b>	<b>EUR 10,315</b>

People affected by the Austrian-wide flooding in the first half of 2013 could be quickly helped thanks to the speedy and unbureaucratic financial assistance which the association post.sozial put at their disposal.

In order to be able to finance all these measures, 1% of the wage bill paid by Austrian Post and its subsidiaries is devoted to funding the association. Total funding for the benefit of employees amounted to EUR 6.4m in 2013. The association is also supported by third-party donations.

## ASPECT: EMPLOYEE-EMPLOYER RELATIONSHIP

### LA4

#### Percentage of employees covered by collective bargaining agreements

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.

AUSTRIAN POST – EMPLOYEE INDICATORS			
	2011	2012	2013
Salaried employees (FTE) <sup>1</sup>	9,429	9,558	9,548
thereof salaried employees	7,177	6,747	6,198
thereof salaried employees subject to CBA 2009 <sup>2</sup>	2,234	2,795	3,333
thereof trainees	17	16	18
Civil servants (FTE)	10,266	9,738	9,146
Salaried employees (FTE in %) <sup>1</sup>	47.4%	48.9%	50.4%
thereof salaried employees	36.1%	34.5%	32.7%
thereof salaried employees subject to CBA 2009 <sup>2</sup>	11.2%	14.3%	17.6%
thereof trainees	0.1%	0.1%	0.1%
Civil servants (FTE in %)	51.6%	49.8%	48.3%

<sup>1</sup> FTE = Full-time equivalents

<sup>2</sup> CBA = Collective bargaining agreement

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) and are therefore not included in this chart.

### 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 more than two months on average before they are actually carried out.

## ASPECT: OCCUPATIONAL SAFETY AND HEALTH

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. For this reason we are working to design a health-promoting and ergonomic working environment as well as on workplaces tailored to the needs of disabled or older employees.

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 with respect to exercise, nutrition, mental health and abuse prevention, as well as with target group-oriented and thematic occupational health care programmes.

## LA6

### Representation in management worker health and safety committee and consulting on occupational health and safety programmes

A central health and safety committee has been set up for the parent company Österreichische Post AG as well as some 25 regional health and safety committees at the individual facilities with more than 100 employees and for facilities which pose certain dangers to employees.

The relevant regulations are contained in Sections 88 and 88a of the Employee Protection Act (ASchG). Improvement suggestions are developed on individual safety and health-related issues and the implementation of measures is discussed. A written protocol is prepared outlining the results of each meeting, which is filed on a regional basis (for the health and safety committees) or centrally (for the central health and safety committee).

In accordance with legal regulations, the bodies responsible for occupational health and safety at smaller sites play an advisory role. In this way the entire staff is looked after by those responsible for occupational health and safety (safety experts and occupational physicians).

## LA7

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

In the reporting year 2013, the number of occupational accidents increased from 903 to 980. It is assumed that this increase can be largely attributed to weather conditions (the toughest winter in 100 years). In the year under review, one deadly accident took place while the employee was at work (collision of a delivery vehicle with a truck).



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".

Eight accidents occurred at work in 2013 involving leased personnel, comprising a 3.8 percent share of total accidents.

## LA8

### Measures designed to prevent serious diseases

More than 3,600 inspections of workplaces were carried out by security experts or occupational physicians. Many employees and executives

AUSTRIAN POST – EMPLOYEE INDICATORS			
	2011	2012	2013
Rate of employees on sick leave (FTE <sup>1</sup> in %)	7.4%	7.4%	8.7%
Days lost per sick leave (working days)	10.0	10.1	11.2
Number of occupational accidents <sup>2,3</sup>	837	903	980
Average number of (calendar) days lost per accident <sup>3</sup>	22.3	21.6	21.9
Accident rate <sup>3,4</sup>	4.2	4.6	5.2
Fatalities resulting from occupational accidents	0	1	1

<sup>1</sup> FTE = Full-time equivalents

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

<sup>3</sup> 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.

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

were informed about the ergonomic, safe and health-promoting design of workplaces. Improvement suggestions were made and advisory services were rendered exceeding the legally stipulated level.

Employees and executives were also instructed in the correct behaviour in case of emergencies (fire, acute illness, accidents) 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 400 trainings.

Furthermore, numerous occupational-psychological consultations were held by occupational physicians on issues such as mobbing, burnout and stress prevention. In order to prevent employees from coming down with the flu or other serious diseases (TBE, tetanus, diphtheria, polio and hepatitis), some 3,200 vaccinations were given to employees throughout Austria in 2013 at very attractive rates.

Since 2011 Austrian Post has been offering a voluntary additional service i.e. personalised back exercises including spinal screening and posture analysis. By the end of 2013 about 1,700 employees had already participated. This programme was launched to complement the previous priority initiative, "Austrian Post on the move – the right exercises bring something for everybody". The cornerstone of this programme is information events concerning correct posture and exercise at the workplace. Refresher courses are being continually offered by our occupational health care team.

Starting in the fall of 2013 a new health care programme entitled "A Healthy Heart and You" started in cooperation with the Austrian Heart Foundation. All Austrian Post employees had the possibility to have a personalised risk profile developed along with individual recommendations by undergoing a "heart risk check". The first measure implemented on the basis of an anonymous overall data evaluation was an expansion of the previous health counselling offering (including measurement of blood sugar, cholesterol level and blood pressure) and Austrian Post Health Days planned for 2014.



Three such days were held in 2013, attracting 570 participants and featuring numerous one-on-one consultations by occupational physicians.

**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 few years and which was put on a new footing. In the initial step, executives are called upon to identify employee potential and expand their skills through individual career development. The foundation for this is the leadership guidelines of Austrian Post based on four guiding values: assume responsibility, provide orientation, promote cooperation and build confidence.

An Executive Academy was established in May 2012 on the basis of the leadership guidelines. The objective of this initiative offering a customized programme is to support executives in their efforts to implement the leadership guidelines. All top executives and managers supervising more than three employees take part in special trainings tailored to their specific area of responsibility. Leadership skills are imparted via different modules and with the help of specially trained coaches. The topics include communication and motivation, management styles and instruments or presentation techniques. The so-called "Leadership Workshop" is designed to deepen the knowledge the participants have gained.

In the year 2013 some 700 executives participated in the Executive Academy. The four target group-oriented programmes to further develop the skills of company executives will be continued in 2014.

Austrian Post attaches considerable importance to customer-oriented thinking and behaviour in the spirit of embedding the mission statement in its daily

business operations. This presumes that executives have a good knowledge of the processes and activities taking place every working day "on the front". More than 380 managers were given the opportunity in 2013 to gain an insight into the daily work of their colleagues on the delivery staff, in the branch network or in the customer service department. The managers spent a day for example accompanying a mail carrier and helping out with his or her work in direct contact with customers. Last but not least, this measure provided an opportunity to get a better understanding of the challenges and problems involved in interacting with customers.

#### 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 2013. 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.

Furthermore, numerous skills and potential assessments were carried out spanning all divisions. On total, 443 people took part, primarily from the branch network and letter mail segment.

A trainee programme designed to promote the professional skills of junior staff was launched in September 2013. On balance, a total of 27 trainees will participate in a one-year training programme aimed at enabling them to acquire a thorough knowledge of the company and to engage in cross-divisional networking. They will be employed in the delivery operations, in a branch office and in a logistics centre, among other responsibilities.

#### FACTS AND FIGURES: TRAINING AND EDUCATION

	2011	2012	2013
Number of seminars	836	1,389	1,347
Number of participants	3,240	7,525	6,495
thereof women in %	31.7%	39.4%	32.6%
thereof men in %	68.3%	60.6%	67.4%
Person hours	18,095	84,580	76,273
Annual average number of person hours for women	0.8	4.2	3.3
Annual average number of person hours for men	0.9	3.9	3.9

In the year 2013, a total of 1,347 seminars were held for Austrian Post employees. More than 6,000 employees took part in these events. 67.4% of the participants were men, and 32.6% were women. On balance, each male employee spent 3.9 hours per year being trained, and each female employee 3.3 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 again was on training executives. All in all, 114 events were held for this group of employees, with 693 executives participating. Most of the executives taking part in these events were in the fields of distribution, the branch network and parcel logistics. On balance, employees at Austrian Post participated in 76,273 seminar hours.

In addition, a total of 16,198 hours of training were held for 899 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 Austrian Post's "Internal Labour Market".

Increasing competition and the liberalisation of the letter mail market require 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.

The "Internal Labour Market" is a platform designed to prepare employees for new jobs inside or outside the company.

In 2013 the focus was on the cooperation with PDG, Post Dienstleistungs Gesellschaft mbH, which offers comprehensive services for Austrian

Post, such as repairs and maintenance work, the implementation of various construction measures as well as support carrying out administrative activities. Employees belonging to the Internal Labour Market are also deployed to carry out these services, if possible. Some 400 postal partner offices were thus supported in implementing Austrian Post's corporate design. Furthermore, employees of PDG as well as the Internal Labour Market were deployed on behalf of the Federal Ministry of Finance to collect soil samples as a means of estimating the value of land throughout Austria.

#### **Success model: transfer of Post employees to the federal public service**

In 2013 civil servants at Austrian Post once again transferred to the federal public service, more specifically to the Federal Ministry of Internal Affairs, the Ministry of Justice and the Ministry of Finance. Numerous applications and visits to information events demonstrate the widespread interest in the programme. By the end of 2013 close to 400 employees had transferred to the federal public service, showing that the competencies acquired at Austrian Post are very much in demand at the ministries. Since the year 2013 the Federal Ministry of Education and Women's Affairs has also offered career opportunities. The positions involved encompass a broad range of responsibilities, from demanding specialist jobs in the ministries to supporting functions in schools.

The Federal Office for Aliens' Affairs and Asylum (BFA), the new government body created by the Federal Ministry for Internal Affairs, commenced operations at the beginning of 2014 with offices in all the federal provinces. It is also a new place to deploy Austrian Post employees. 18 Austrian Post employees have committed themselves to accepting the new challenge and will strengthen the BFA's human resources. They are undergoing training by experienced employees from the Federal Asylum Office and the Aliens Police. Upon concluding their instruction, the new employees will have gained a working knowledge of basic administrative procedures, the right to asylum and immigration laws. Subsequently they will be directly supported by team leaders at their workplaces and receive further training.

## LA12

### Performance reviews and career development planning

Regular performance appraisals (employee reviews) are held regularly between employees and their direct 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

In 2013 Austrian Post employed an average of 18,951 people, of which approximately one-third (28.9%) were women. 2,829 women and 559 men take advantage of customised part-time work models with which Austrian Post promotes the compatibility of family and career.

Moreover, Austrian Post's workforce consists of employees from 88 different nations. Some 1,302 employees are not Austrian citizens. The senior management level at Austrian Post also includes 11 individuals who do not have Austrian citizenship.

In past years Austrian Post more than fulfilled its employment obligations towards people with disabilities. In the year 2013 1,196 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, three out of the twelve Supervisory Board members are under the age of 50, and two members are not Austrian citizens. Two of the Supervisory Board members are women, namely Edith Hlawati (Deputy Chairperson) and Elisabeth Stadler.

<b>AUSTRIAN POST – EMPLOYEE INDICATORS</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Total number of employees (FTE)<sup>1</sup></b>	<b>19,907</b>	<b>19,534</b>	<b>18,951</b>
thereof women (FTE in %)	29.3%	29.3%	28.9%
thereof men (FTE in %)	70.7%	70.7%	71.1%
Full-time employees (total)	17,785	17,724	17,178
thereof women (in %)	23.1%	23.7%	23.4%
Part-time employees (total)	3,812	3,422	3,388
thereof women (in %)	83.3%	85.4%	83.5%
Employees with special needs (total as at December 31)	1,187	1,201	1,196
<b>Employees by age group (FTE)</b>			
Under 30	1,600	1,735	1,837
30–50 years	13,210	12,218	11,131
Over 50	5,098	5,581	5,982
<b>Employees in management positions<sup>2</sup></b>			
Number of employees in management positions	147	159	153
thereof women	34	38	39
thereof men	113	121	114
By age group			
Under 30	2	2	1
30–50 years	109	113	117
Over 50	36	44	35
Employees in management positions (%)	0.7%	0.8%	0.8%
thereof women	23.3%	24.1%	25.2%
thereof men	76.7%	75.9%	74.8%
By age group			
Under 30	1.3%	1.0%	0.8%
30–50 years	74.5%	71.1%	76.0%
Over 50	24.2%	27.9%	23.1%

<sup>1</sup> FTE = Full-time equivalents

<sup>2</sup> 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

### Diversity in practice

Austrian Post puts a great deal of emphasis on ensuring sufficient diversity in the company. Appreciation of, respect for and the promotion of diversity have a positive effect on Austrian Post's corporate culture and contribute to its business success.

Diversity of the staff means different points of view, which in turn leads to new ideas and the promotion of creative thinking outside the box. Diversity can also contribute to more effective decision making and problem solving.

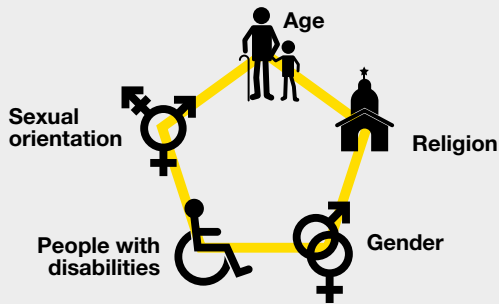
### Charter of Diversity

Austrian Post signed the Charter of Diversity in 2013 and voluntarily committed itself to promoting greater tolerance, fairness and respect within the context of its diversity management efforts.

### “Career and Family Certificate“

The fact that Austrian Post attaches great importance to the compatibility of family and career was officially confirmed in 2013, when the company was given the basic “Career and Family“ certificate by the Federal Ministry of Science, Research and Economy. By participating in the “Career and Family“ audit,

## FIVE CORE DIMENSIONS OF DIVERSITY MANAGEMENT



- Diversity** attracts new customers.
- Diversity** helps to lure talented employees.
- Diversity** promotes creativity and the capacity for innovation.
- Diversity** helps to open up international markets.
- Diversity** retains employees in the long term and increases efficiency.
- Diversity** improves the image of Austrian Post.

Austrian Post aims to draw attention to its existing family-friendly offering and also continually expand, improve and adjust it to employee needs.

The audit continually promotes the awareness of families and their needs in all relevant areas of the company. Studies have shown that a family-friendly working environment increases employee motivation, loyalty and commitment. Initially measures were carried out at corporate headquarters and overhead functions of the regional offices, due to the fact that employment structures within Austrian Post are quite complex. There are employees who do shift work and whose working hours constantly change. Some stand behind the counter, whereas others do not even have a PC at their workplace. The size of teams varies immensely, and also local conditions

are not the same everywhere. For this reason, it was important to focus on one specific area at Austrian Post at the beginning of the audit. The more one can ensure a level playing field when starting out, the easier it is to agree on targeted measures for this area.

Following the successful implementation of measures, the audit will be gradually expanded to other business areas in the company.

### Business cross mentoring

Austrian Post already boasts a large share of women in management positions, which reached a level of 25.2% in 2013. A special programme is designed to particularly promote the advancement of female “high potentials” in the company. The second Business Cross Mentoring programme established for this purpose was launched in 2013. A total of 32 female employees participated. The objective is to further promote equality of opportunity for success-oriented women, but also to strengthen the exchange of views and experience between employees and their personal mentors.

### 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

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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](http://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.

### **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 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 and parcel 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 contractors of Austrian Post and their own subcontractors and suppliers.

#### **HR4**

##### **Total number of incidents of discrimination and corrective action taken**

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 2013 there was not a single case focusing on alleged discrimination which was forwarded to the National Equal Treatment Commission.



# SOCIAL PERFORMANCE INDICATORS

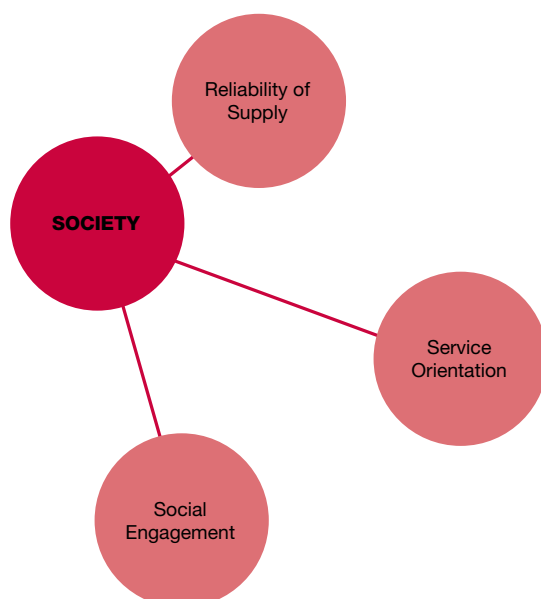
## SOCIETY

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.

Austrian Post also makes its contribution to society by supporting a series of social projects. In this regard, the company strives to be involved in projects which have a direct connection to the core business of the company i.e. its high logistics competence and nationwide network of branch offices.

### Social objectives

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



### Achievement of objectives 2013

During the period under review, Austrian Post completely achieved its goal of promoting self-service solutions. The aim was to equip 160 branch offices with self-service zones. In reality, self-service zones were installed in 180 branch offices. Austrian Post also surpassed its target of installing about 2,000 Pick-up Boxes by far. At the end of 2013, there were already about 5,000 Pick-up Boxes in order to be able to offer optimal service in the parcel segment.

Austrian Post's goal of implementing a new partnership to promote a culture of reading and writing was achieved in 2013 thanks to its cooperation with libraries. Picture book cinemas for children of kindergarten age were organised throughout the country under the project name "Austria reads – meeting in the library".

Austrian Post reached its required level of expansion with respect to its network of postal service points. As of December 31, 2013, Austrian Post had a total of 1,894 postal service points, and defined a goal of stabilizing the number of postal service point at this high level. Austrian Post has also met its needs with respect to the number of jointly operated branch offices with its banking partner BAWAG P.S.K., operating a total of 476 at the end of 2013. The new goal is to adjust the number of jointly operated Post and BAWAG P.S.K. branch offices to customer requirements.

For 2014, Austrian Post has set the goal of expanding the number of self-service zones to 250 branch offices, and increasing the number of Pick-up Boxes to 8,000. Furthermore, the installation of 100 collection stations by the end of 2014 should further enhance customer comfort. With regard to data security, the company intends to introduce a mobile device management system for the encryption of mobile devices.

Further details on sustainability targets and the extent to which they were achieved can also be found in the Thematic and Goal Matrix on pages 72-73.





postal services as of the end of 2013, including food stores, petrol stations, tobacconists and municipal authorities, ensuring the optimal regional availability and accessibility of Austrian Post and the services it offers.

The advantages of the postal partner concept are obvious. 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.

In 2013 the cooperation between Austrian Post and BAWAG P.S.K. was also intensified. By the end of 2013, a total of 476 branch offices were jointly operated. They offer postal and bank services, retail and telecommunications products under one roof. The strategic advantages of this concept and the combined exploitation of the respective strengths of Austrian Post and BAWAG P.S.K. have consistently proven to be successful, generating extensive synergies. The shared design and expanded offering – like the response to the postal partner concept – have been very well received by customers.

Austrian Post's cooperation with postal partners in the social sector has proven to be particularly successful. For example, the charitable organisation "Die Laube" now runs seven postal service points. "Die Laube" works with mentally stressed people who cannot take part in the normal working world due to their illness. The organisation offers employment via its facilities in Salzburg and Vienna, and also contributes to reintegrating them into the job market.

## ASPECT: LOCAL COMMUNITY

### SO1

#### Impact of business activities on the local community

Austrian Post makes a decisive contribution towards maintaining and further developing the communications infrastructure of the country in a future-oriented manner by reliably providing the entire country with postal services. Only Austrian Post delivers letters and parcels each day to every address and doorstep throughout Austria, thus ensuring that basic postal services of outstanding quality are provided to the Austrian population. External quality measurements concluded that 95.5% of all letters are delivered to recipients on the next working day, higher than the legally stipulated level of 95%. In addition to seven modern logistics centres and 265 delivery bases, Austrian Post operates a nationwide branch network comprising 1,894 postal service points at the end of 2013.

Conditions in the postal sector are being subject to major changes. For this reason, Austrian Post must continually adapt its services and infrastructure in a customer-oriented manner. A primary focus of the company's efforts is the expansion of the very successful postal partner concept. On balance, a total of 1,359 postal partners were providing

## 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 expanded the organisational outreach of its compliance management system in 2013, and also intensified and professionalized the communications of its compliance agenda.

Due to the huge success of the 1<sup>st</sup> International Compliance Day in 2012, a further event was held in 2013 which once again aroused extensive interest on the part of Austrian Post employees. In addition to Peter Umundum, Member of the Management Board, participants included the regional compliance representatives, members of the Compliance Committee and employees responsible for the subsidiaries (especially in the CEE/SEE region). External input was provided by renowned speakers of the International Anti-Corruption Academy (IACA), the University of Lausanne and international companies.

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 behaviour.

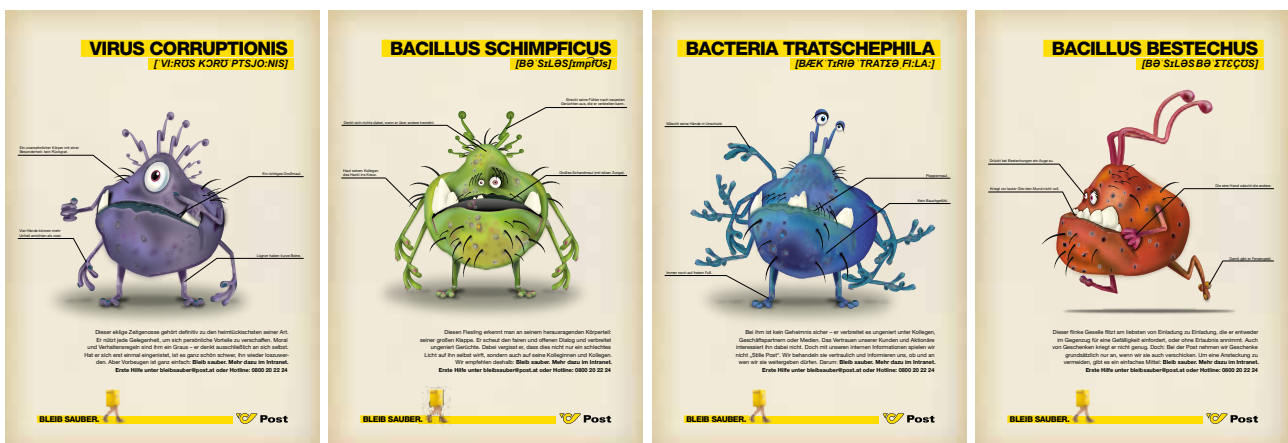
The campaigns were rolled out to employees by using specially designed billboards and folders, and

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.

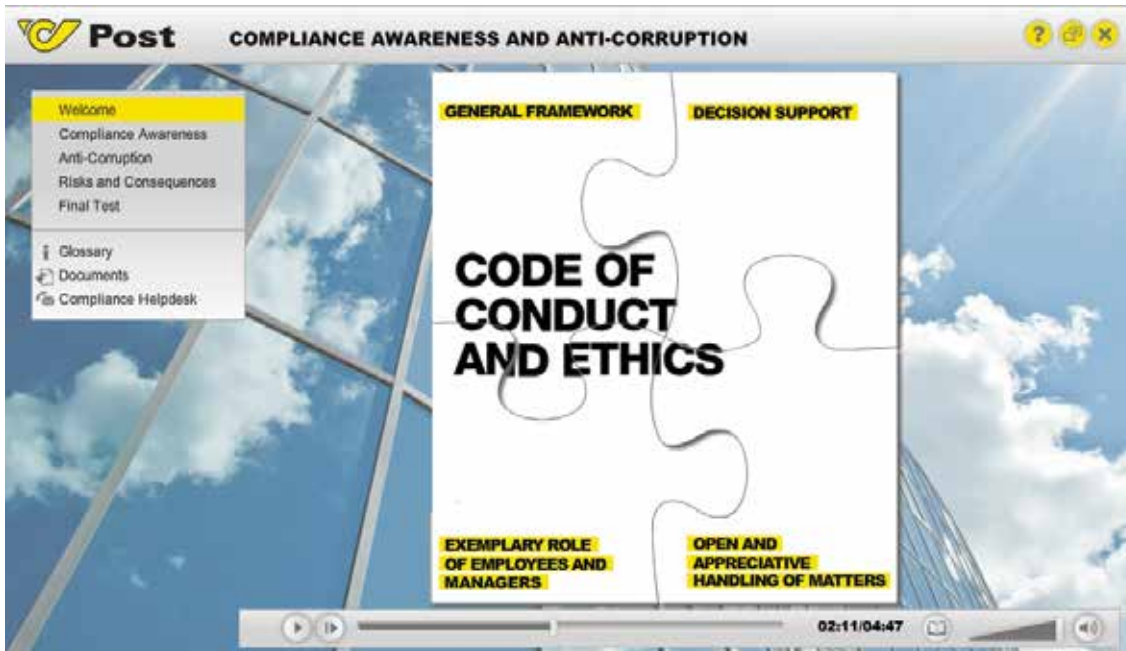
Austrian Post employees find information on gifts, invitations and other advantages compactly summarised in a single folder. The comprehensive communications materials were rounded off by special give-aways dealing with the issue of compliance with a little smile – thus embedding the messages even more strongly in the employees’ memories. In addition to the Compliance First Aid Kits, there were also specially designed ponchos featuring the slogan “Compliance won’t leave you out in the rain.” In addition, they were provided with contact details about the Compliance Help Desk, which employees can contact for additional information or if they have any inquiries.

### S02 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 2013. In addition, a Group-wide compliance risk assessment was carried out, particularly focusing on the issue of anticorruption. The results of the compliance risk assessment (and the audit by PwC) will be integrated in the compliance programme for the year 2014.



**No chance for corruption bacteria: Austrian Post rolled out a comprehensive awareness campaign on the issue of compliance.**



### **SO3**

#### **Measures 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, an e-learning tool was developed and 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 2013 the measures initiated by Austrian Post to prevent corruption within the context of its compliance management system were successfully continued throughout the Group (see SO3).

### **ASPECT: PUBLIC POLICY**

### **SO5**

#### **Public policy positions and participation in public policy development**

In 2013 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

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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.

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. The average CSI in 2013 reached a level of 67, two index points higher than in the previous year, and was thus in the range rated as good. Over the four quarters the index only fluctuated marginally between 65 and 68. The fourth quarter of 2013 even showed the highest value ever measured. In this regard, young people in particular were among the most satisfied customers.

The postal service points and delivery services were also given very good grades. In particular, overall satisfaction with delivery increased once again in the fourth quarter of 2013, and reached 76 index points for letter mail, a rise of five index points from the prior-year level, and 77 index points for parcels, up four index points.

The perception of the company's sustainable development with respect to environmental protection as well as its responsibility to society and employees is also taken into account in the customer satisfaction survey. The results of the fourth quarter of 2013 show that Austrian Post's activities focusing on the environment and its social commitment are positively perceived.



## 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	Everything we do revolves around our customers		We are future-oriented	
CSR priorities	SOCIETY		ENVIRONMENT	
Main objectives	1. Expansion of reliable, nationwide postal services 2. Ongoing further development of solutions to enhance customer benefits 3. Promoting business-related and socially relevant projects and activities		1. CO <sub>2</sub> reduction and annual compensation for remaining emissions 2. Expansion and improvement of a central environmental management system 3. Sensibilisation of relevant stakeholders for environmental and climate protection	
Sub-targets	Achievement of objectives 2013		Achievement of objectives 2013	
	Expansion of network to 2,000 postal service points by 2013	1,894	CO <sub>2</sub> neutral delivery since 2011	✓
	Expansion of jointly operated branch offices with BAWAG P.S.K. to 500 in 2013	476	CO <sub>2</sub> reduction by 20% in the period 2010-2015	-17.4%
	Installation of self-service zones in 160 branch offices by 2013	180	Expansion of e-vehicle fleet to more than 1,300 vehicles by 2016	653
	Installation of more than 2,000 Post Pick-up Boxes by 2013	5,000	„Green Vienna“: delivery of all letters and direct mail items to private customers by foot or e-vehicles by 2016	5 districts
	Conception and implementation of a new partnership by 2013 to promote a culture of reading and writing	✓	Nomination of a company-wide waste manager by 2013	✓
New sub-targets 2014	Required number of postal service points reached, stabilization at a high level.		Continuation of the initiative CO <sub>2</sub> NEUTRAL DELIVERY	
	Demand-oriented adjustment of the postal partner concept.		„Green Vienna“: conversion of another three districts by the end of 2014	
	Demand-oriented adjustment of number of jointly-operated Post-BAWAG P.S.K. offices		Optimisation of waste management: creation of a consistent database by the end of 2014	
	Expansion of self-service zones to 250 branch offices by the end of 2014			
	Increase number of Post Pick-up Boxes to 8,000 by the end of 2014			
	Installation of 100 collection stations by the end of 2014			
	Data security: introduction of a mobile device management system for the encryption of mobile devices			

- Target period concluded, goal achieved on schedule.
- Target period concluded, goal changed as needed.
- Target period concluded, goal was not achieved.
- Target period underway, level of achievement is provided



We are future-oriented		We are all part of Austrian Post		Mission statement
<b>ECONOMY</b>		<b>EMPLOYEES</b>		<b>CSR priorities</b>
1. Medium-term revenue growth and solid profitability 2. Generation of value added for all stakeholders 3. Sustainable increase in enterprise value in line with shareholder expectations		1. Promoting a corporate and leadership culture 2. Creating individual future perspectives 3. Promoting occupational health and safety		<b>Main objectives</b>
<b>Achievement of objectives 2013</b>		<b>Achievement of objectives 2013</b>		<b>Sub-targets</b>
Medium-term revenue growth of 1-2% per year <sup>1)</sup>	✓	Participation of more than 300 executives in the Executive Academy by 2013	693	
EBITDA margin in the targeted range of 10-12% <sup>1)</sup>	✓	Start of the audit "Career&Family" in 2013	✓	
Attractive dividend policy with distribution of at least 75% of the Group net profit <sup>1)</sup>	✓	Expansion of the programme "Post employees to the federal public service" to other ministries or federal provinces in 2013	✓	
Stable or slightly positive revenue development in 2013	✓	Implementation of a company-wide employee survey in 2013	✓	
Further earnings improvement (EBIT) in 2013	✓	Roll-out of a compliance e-learning tool by 2013	✓	
Expansion of market share in the B2B parcel segment to over 20% by 2013	25%			
Medium-term revenue growth of 1-2% per year <sup>1)</sup>		Expansion of the Executive Academy to 3,000 person days by the end of 2014		<b>New sub-targets in 2014</b>
EBITDA margin in the targeted range of 10-12% <sup>1)</sup>		Participation of 250 executives in the programme "A day visiting customers" by the end of 2014		
Stable revenue development in 2014		Audit "Career&Family": -) 4 executive newsletters by the end of 2014 -) Inclusion of employees on leave in the internal information network by the end of 2014 -) 1 networking event by the end of 2014		
Improvement of EBIT in 2014		Integration of the issue "sustainability" in the Welcome Day by the end of 2014		
		Continuation of the programme "Post employees to the federal public service"		
		At least 50 participants in driver safety trainings to reduce damage and accidents		
		Further sensibilisation of management for the issue of CSR		

<sup>1)</sup> Rolling targets, also apply to subsequent years

# GRI CONTENT INDEX

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>Declaration on the profile</b>					
<b>1. Strategy and analysis</b>					
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		
<b>2. Organisational Profile</b>					
2.1	Name of the Organisation		Page 17		
2.2	Primary brands, products and/or services		Page 17		
2.3	Operational structure of the organisation		Page 17		
2.4	Location of organisation's headquarters		Page 17		
2.5	Number of countries where the organization operates		Page 18		
2.6	Nature of ownership and legal form		Page 19		
2.7	Markets served		Page 19		
2.8	Scale of the reporting organisation		Page 17		
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 20		
<b>3. Report Parameters</b>					
3.1	Reporting period for information provided		Page 21		
3.2	Date of most recent previous report		Page 21		
3.3	Reporting cycle		Page 21		
3.4	Contact point for questions regarding the report or its contents		Page 87		
3.5	Process for defining report contents		Page 21		
3.6	Boundaries of the report		Page 21		
3.7	Limitations on the scope or boundary of the report		Page 21		
3.8	Basis for reporting on joint ventures, subsidiaries etc.		Page 21		
3.9	Data measurement techniques and the bases of calculations		Page 22		
3.10	Re-statements of information		Page 21		
3.11	Significant changes from previous reporting periods		Page 21		
3.12	GRI Content Index		Page 74		
3.13	External assurance for the report		Page 84		

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>4. Governance, Commitments and Engagement</b>					
4.1	Corporate governance and governance structure		Page 23	Measures to implement principles 1-10	
4.2	Independence of the highest governance body		Page 24		
4.3	Structure of the highest governance body in organisations without a Supervisory Board		Page 24		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Page 24		
4.5	Linkage between compensation for members of the highest governance bodies and the organisation's performance		Page 24		
4.6	Processes in place to prevent conflicts of interest		Page 25		
4.7	Expertise of the highest governance body on economic, environmental and social issues.		Page 25		
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to sustainability		Page 25		
4.9	Procedures for overseeing sustainability performance		Page 28		
4.10	Processes for evaluating the highest governance body's own performance with respect to sustainability		Page 28		
4.11	Extent to which the precautionary approach is addressed by the organisation		Page 28	Measures to implement principle 7	
4.12	External developed charters, principles or other initiatives		Page 28	Measures to implement principles 1-10	
4.13	Memberships in associations and industry associations		Page 28		
4.14	List of the stakeholder groups engaged by the organisation		Page 29	Progress report conveyed to stakeholders of the company	
4.15	Basis for identification and selection of stakeholders with whom to engage		Page 29		
4.16	Approaches to stakeholder engagement		Page 29		
4.17	Key topics and concerns raised through stakeholder engagement		Page 30		
<b>Disclosures on Management Approach</b>					
DMA EC	Disclosure on Management Approach EC (economic performance)		Page 35	Measures to implement principles 1, 4, 6 and 7	
DMA EN	Disclosure on Management Approach EN (environmental performance)		Page 39	Measures to implement principles 7, 8 and 9	

 Fully reported  
 Partially reported

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

# GRI CONTENT INDEX

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
DMA LA	Disclosure on Management Approach LA (labour practices and humane working conditions)		Page 50	Measures to implement principles 1, 3 and 6	
DMA HR	Disclosure on Management Approach HR (human rights)		Page 62	Measures to implement principles 1, 2, 3, 4, 5 and 6	
DMA SO	Disclosure on Management Approach SO (society)		Page 64	Measures to implement principle 10	
DMA PR	Disclosure on Management Approach PR (product responsibility)		Page 69	Measures to implement principles 1 and 8	
<b>Economic Performance Indicators</b>					
EC1	Direct economic value generated and distributed.		Page 36		Investments for the company are not clearly definable – most investments are made to maintain a reliable supply of postal services and thus benefit the company.
EC2	Financial implications of climate change.		Page 11 Page 15		Investments for the company are not clearly definable – most investments are made to maintain a reliable supply of postal services and thus benefit the company.
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.			Not a significant additional indicator.
EC6	Policy and practices towards local suppliers.		Page 38		
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).
EC8	Development and impact of infrastructure investments and services		Page 65		See indicator SO1.
EC9	<i>Understanding and describing significant indirect economic impacts</i>		Page 38		
<b>Ecological Performance Indicators</b>					
EN1	Materials used by weight or volume.		Page 40	Results of implementing principle 8	
EN2	Percentage of materials used that are recycled input materials.		Page 40	Results of implementing principles 8 and 9	
EN3	Direct energy consumption by primary energy source.		Page 41	Results of implementing principle 8	

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
EN4	Indirect energy consumption by primary source.		Page 41	Results of implementing principle 8	
EN5	<i>Energy saved due to conversation and efficiency improvements.</i>		Page 41	<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>	n.a.			Not a significant additional indicator.
EN7	<i>Initiatives to reduce indirect energy consumption and reductions achieved.</i>	n.a.			Not a significant additional indicator.
EN8	Total water withdrawal by source.	n.a.			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>	n.a.			Not a significant additional indicator.
EN10	<i>Percentage and total volume of water recycled and reused.</i>	n.a.			<i>Not a significant additional indicator.</i>
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 45		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.			Not a significant additional indicator.
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.			Not a significant additional indicator.
EN16	Total direct and indirect greenhouse gas emissions by weight.		Page 46	Results of implementing principle 8	

 Fully reported  
 Partially reported

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

# GRI CONTENT INDEX

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>Ecological Performance Indicators</b>					
EN17	Other relevant indirect greenhouse gas emissions by weight.		Page 46	Results of implementing principle 8	
EN18	<i>Initiatives to reduce greenhouse gas emissions and reductions achieved.</i>		Page 46	Measures and results of implementing principles 7, 8 and 9	Similar to EN5, the most important initiatives and measures to reduce greenhouse gas emissions were described in the report. However, the emissions saved could not be assigned to the individual activities.
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 <sub>x</sub> , SO <sub>x</sub> , 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 48	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 48	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.			Not a significant additional indicator.
EN26	Initiatives to mitigate environmental impacts of products and services.		Page 48	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 49	Results of implementing principle 8	

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
EN29	<i>Significant environmental impacts of transporting products and other goods and materials</i>		Page 49	Results of implementing principle 8	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.
<b>Social performance indicators: labour practices and decent work</b>					
LA1	Total workforce by employment type, employment contract and region.		Page 51		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 hires and employee turnover by age group, gender and region.		Page 52	Results of implementing principle 6	
LA3	<i>Benefits provided depending on employment relationship.</i>		Page 52		
LA4	Percentage of employees covered by collective bargaining agreements.		Page 54	Results of implementing principles 1 and 3	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		Page 54		
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 55		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities.		Page 55	Results of implementing principle 1	These indicators are not compiled from external shipping companies.
LA8	Measures designed to prevent serious diseases.		Page 55	Measures to implement principle 1	
LA9	<i>Health and safety topics covered in formal agreements with trade unions.</i>		Page 56		
LA10	Average hours of training per year per employee and employee category.		Page 57		
LA11	<i>Programmes that support the continued employability of employees and assist them in managing career endings</i>		Page 58		
LA12	<i>Performance of employees receiving regular performance and career development reviews.</i>		Page 59		Records pertaining to the implementation of employee appraisal interviews are not centrally recorded.
LA13	Diversity of employees and governance bodies		Page 59	Results of implementing principles 1 and 6	
LA14	Ratio of basic salary and remuneration of women to men.		Page 61		

 Fully reported  
 Partially reported

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

# GRI CONTENT INDEX

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>Social performance indicators: human rights</b>					
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 62	Measures and results of implementing 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 2013).
HR3	<i>Employee training on human rights.</i>		Page 62		
HR4	Total number of incidents of discrimination and corrective actions taken.		Page 63		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.
HR8	<i>Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.</i>	n.a.			Not a significant additional indicator, due to the fact that the business activities of the reporting organisation are in Austria.
HR9	<i>Total number of incidents of violations involving rights of indigenous people and actions taken.</i>	n.a.			Not a significant additional indicator, due to the fact that the business activities of the reporting organisation are in Austria.
HR10	<i>Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.</i>	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.
<b>Social performance indicators: society</b>					
SO1	Programmes to assess the impacts of operations on communities and society.		Page 65		
SO2	Analyses of risks related to corruption.		Page 66	Results of implementing principle 10	



GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>Social performance indicators: society</b>					
SO3	Employee training in anti-corruption policies and procedures.		Page 67	Results of implementing principle 10	Specific data is not available at the present time.
SO4	Actions taken in response to incidents of corruption.		Page 67	Results of implementing principle 10	
SO5	Public policy positions and participation in public policy development and lobbying.		Page 67	Results of implementing principle 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 68		
SO8	Sanctions and fines for noncompliance with laws and regulations.		Page 68		
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.
<b>Social performance indicators: product responsibility</b>					
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 and results of 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.			Not a significant additional indicator.
PR3	Products and services subject to statutory information requirements.		Page 69	Measures and results of 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 69	<i>Measures and results of implementing principle 8</i>	

 Fully reported  
 Partially reported

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

# GRI CONTENT INDEX

GRI Code	Indicator	Status	Refer to	UNGC	Explanation/Reason
<b>Social performance indicators: product responsibility</b>					
<i>PR5</i>	<i>Practices related to customer satisfaction.</i>		Page 69		
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications.		Page 70		No internal guidelines exist on complying with behavioural rules with respect to advertising.
<i>PR7</i>	<i>Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications.</i>		<i>Page 70</i>		
<i>PR8</i>	<i>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</i>		Page 70	Results of implementing principle 1	
PR9	Fines for noncompliance with laws and regulations related to products and services.		Page 70		

 Fully reported  
 Partially reported

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

The Sustainability Report 2013 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.



## To the Management Board of Austrian Post Independent Certification (in German)

Unabhängige Prüfung des vorliegenden Nachhaltigkeitsberichts 2013 der Österreichischen Post Aktiengesellschaft

### Auftragsgegenstand

Wir wurden von der Österreichischen Post Aktiengesellschaft mit der Durchführung einer Prüfung zur Erlangung einer begrenzten Sicherheit (nachfolgend „**Prüfung**“) des vorliegenden „Nachhaltigkeitsbericht 2013 nach GRI“ (nachfolgend „**Bericht**“) beauftragt.

Die Prüfung umfasste den Nachhaltigkeitsbericht nach der GRI G3.1.

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 jener für *hinreichende Prüfsicherheit* (wie beispielsweise bei einer Jahresabschlussprüfung), sodass ein geringerer Grad an Prüfsicherheit gegeben ist.

Gemäß der „Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe“<sup>1</sup> 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 Österreichischen Post Aktiengesellschaft und etwaigen 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 und Aussagen, sowie Informationen aus dem Corporate Governance Bericht 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 beurteilen die Informationen im Bericht auf Basis der folgenden für das Geschäftsjahr 2013 maßgeblichen Kriterien (nachfolgend „**die Kriterien**“):

- ▶ GRI-Leitfaden zur Nachhaltigkeitsberichterstattung G3.1<sup>2</sup>, Anwendungsebene A+

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

### Verantwortung des Managements

Das Management der Österreichischen Post Aktiengesellschaft ist für die Erstellung des Berichts, sowie 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 der Berichterstattung 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“<sup>3</sup> - 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 Konzern-, Vorstands- und Managementebene, um Bewusstsein und Priorität der Themen im Bericht zu beurteilen und um zu verstehen, wie Fortschritte überwacht werden;
- ▶ Erhebung der Risikomanagement- und Governance-Prozesse in Bezug auf Nachhaltigkeit und kritische Evaluierung der Darstellung im Bericht;

<sup>2</sup> <https://www.globalreporting.org/reporting/G3andG3-1/g3-guidelines/Pages/default.aspx>

<sup>3</sup> International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000) effective for assurance statements dated after January 1, 2005

<sup>1</sup> Fassung vom 21. Februar 2011, herausgegeben von der Kammer der Wirtschaftstreuhänder, Kapitel 8, [http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB\\_2011\\_de.pdf](http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_de.pdf)

- ▶ Durchführung analytischer Prüfungshandlungen auf Unternehmensebene;
- ▶ Stichprobenartige Überprüfung der Daten und Prozesse, um zu erheben, ob diese angemessen übernommen, konsolidiert und berichtet worden sind. Dies umfasste die Beurteilung, ob die Daten in genauer, verlässlicher und vollständiger Art und Weise berichtet worden sind;
- ▶ Bewertung der Berichterstattung zu wesentlichen Themen hinsichtlich Kernthemen, welche im Rahmen von Stakeholderdialogen angesprochen worden sind, über welche in externen Medien Bericht erstattet worden ist und zu welchen wesentlichen Wettbewerber in ihren ökologischen und gesellschaftlichen Berichten Bezug nehmen;
- ▶ Evaluierung der Wesentlichkeitsanalyse unter Einbeziehung von branchenspezifischen Megatrends, sowie Aspekten von GRI;
- ▶ Stichprobenartige Überprüfung der Aussagen im Bericht auf Basis der GRI-G3-Berichtsprinzipien und

- ▶ Beurteilung, ob für die Anwendungsebene A+ die GRI-G3-Richtlinien konform angewendet wurden.

## Unsere Bestätigung

Auf Grundlage unserer Prüfung zur Erlangung einer begrenzten Prüfsicherheit sind uns keine Sachverhalte bekannt, die uns zu der Annahme veranlassen, dass die Informationen im Bericht nicht in Übereinstimmung mit den oben definierten Kriterien sind.

Es sind uns keine Sachverhalte bekannt, die uns zu der Annahme veranlassen, dass der Bericht der Post nicht der Anwendungsebene A+ entspricht.

Wien, 15. September 2014

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H.

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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 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 15, 2014

