

A young girl with her arms raised in a field, reaching for a large black 'S' on a yellow background. The background is a bright, sunny outdoor scene with a grid of white dotted lines.

S

Arrived!

Contribution made

SUSTAINABILITY REPORT 2016

 **Post**

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The annual reporting of Austrian Post encompasses three publications i.e. the Financial Report, the Magazine and the Sustainability Report. We make use of references to parts of other reports in order to avoid redundancies.

Our pictograms enable readers to quickly orient themselves. They show in which section of which report additional information can be found.



Financial Report 2016



Magazine 2016



Sustainability Report 2016

2

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We create sustainable value for the benefit of the people in our country.

2016: CONTRIBUTIONS MADE TO SUSTAINABLE DEVELOPMENT

- Value creation of EUR 2.7 bn, of which EUR 1.67 bn generated in Austria
- Legal requirements stipulated by the Universal Service Obligation surpassed once again
- 1,048 seminars offered to Austrian Post employees
- Environmental management system expanded; 1,387 e-vehicles already in operation

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FOCUS AREAS

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INFORMATION

— PROFILE

Austrian Post is the leading logistics and postal services provider in the country, with approx. 17,500 employees, about 450 company-operated branch offices and 1,350 postal partners. The branch network of Austrian Post ranks among the largest private customer networks in Austria. In this way, Austrian Post offers high quality postal, banking and telecommunications products and services to its customers throughout Austria.

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

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

— KEY INDICATORS

		2014	2015	2016
ECONOMY				
Revenue	EUR m	1,659.8	1,756.8	1,746.1
Earnings before interest and tax (EBIT)	EUR m	137.4	84.7	178.6
Earnings before tax (EBT)	EUR m	140.8	87.4	178.2
Profit for the period	EUR m	107.8	41.2	235.6
Customer satisfaction	Ø CSI-value	68	69	68
SOCIETY				
Letters delivered on the next working day	%	96.3	95.9	95.7
Parcels delivered within two working days	%	97.5	98.1	97.9
Postal service points	Number	1,826	1,785	1,792
thereof company-operated branch offices	Number	520	504	454
thereof postal partner offices	Number	1,306	1,281	1,338
EMPLOYEES				
Employees	Number FTEs	18,403	17,983	17,448
Further education and professional development	Man-hours	100,859	81,500	100,442
Women on the staff	% FTEs	29.1	29.3	29.0
Financial resources made available by post.sozial	EUR m	6.3	6.3	6.4
ENVIRONMENT				
CO _{2e} emissions (total)	t CO _{2e}	70,672	68,558	68,654
Energy consumption (total)	KWh m	142.2	133.7	125.2
Number of kilometres (total)	Km m	162	163	165
Fuel consumption (total)	Litres m	22.5	22.6	22.9
E-vehicles (total)	Number	862	1,012	1,387

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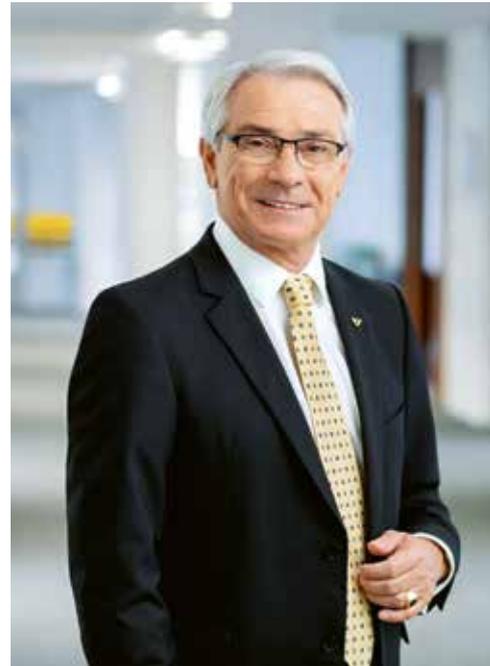
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Editorial



GEORG PÖLZL

Dear stakeholders,

Austrian Post provides comprehensive and nationwide postal services in Austria. In this way, we safeguard our customer's communications structures and make an important contribution to society. We aim to ensure that you can also rely on us in a constantly changing environment. Digital media are replacing letters and postcards. In contrast, Internet shopping serves as a growth driver of the parcel business. These worldwide trends in the postal and logistics sector create both challenges and opportunities. Competition is increasing and trade flows have become more internationalized. However, changes in customer requirements also open up the possibility for new business areas and innovative solutions.

Within the context of these changes, it is all the more important for us to systematically and sustainably orient our core business and evolve as a company. For this reason, we worked on our new sustainability strategy in 2016 against the backdrop of prevailing trends and developments. We have summarised our conviction under the motto "PROACTIVE! The Post. Sustainable for Austria". We can only be successful in the long term if we resolutely integrate ecological and social developments in our corporate behaviour and comprehensively fulfil our responsibility as an employer.

However, we are moreover convinced that sustainable development can only take place if the company's activities are oriented towards helping to achieve a larger, global objective. This is why we take account of the Sustainable Development Goals of the United Nations in our new sustainability strategy and are committed to actively being involved in achieving these targets by the year 2030.

In recent years, we have been playing a pioneering role in the logistics industry based on our CO₂ NEUTRAL DELIVERY initiative. We guarantee the CO₂ neutral delivery of letters, parcels, direct mail items and Magazines throughout Austria on a voluntary basis, without any additional charges for our customers. We took a further step towards this goal in 2016 by joining the "Science Based Targets" initiative. We have committed ourselves to achieving scientifically-based objectives in order to positively contribute to the global climate targets of the Paris Agreement, namely to maintain global warming at a level below 2 °C.

Furthermore, environmental and waste management are becoming increasingly important in our company. Most recently, in 2016, we had our largest operational unit, the letter mail centre in Vienna-Inzersdorf, certified in accordance with the globally recognised ISO 14001:2015 standard. Thus, we introduced a verified environmental management system. Within the course of 2017, we plan to extend our environmental management to further sites.

Customer orientation is a top priority for us as a means of meeting the demands of our customers and satisfying their needs, also in a time of change. In 2016, we continued to make investments and to introduce additional innovative solutions giving customers easier and, above all, more flexible access to postal services. One of the focal points of our efforts over the past year was in developing further offerings to simplify the receiving and shipment of mail items.

In 2016, we once again clearly outperformed the legal stipulations underpinning the Universal Service Obligation to supply the Austrian population with nationwide postal services. Accordingly, we further increased the required delivery quality for letter mail and parcels and the availability of our services compared to the previous year.

Motivated and well-trained employees are a key success factor, particularly in times of change. In the past year, we further developed our corporate culture in order to create a working environment in which people feel comfortable, and intensively invested in the professional and personal development of our employees. Thanks to the commitment of our approx. 17,500 employees, we not only achieved but repeatedly surpassed our economic, ecological and social targets. We would like to thank all our employees for their contribution to our success!

Looking back at 2016, we can proudly say that Austrian Post made a contribution to the benefit of the economy, society, the environment and its employees.

In this spirit, we are pleased to be able to present this year's Sustainability Report to you, and hope you will find this to be informative reading!

Sincerely yours,

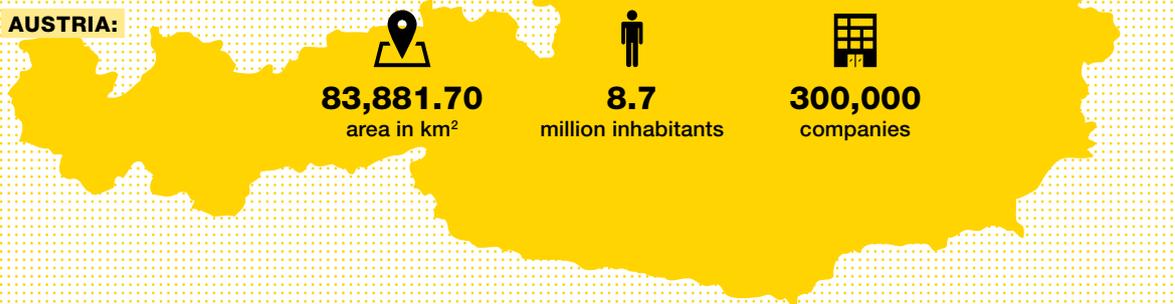


Georg Pözl,

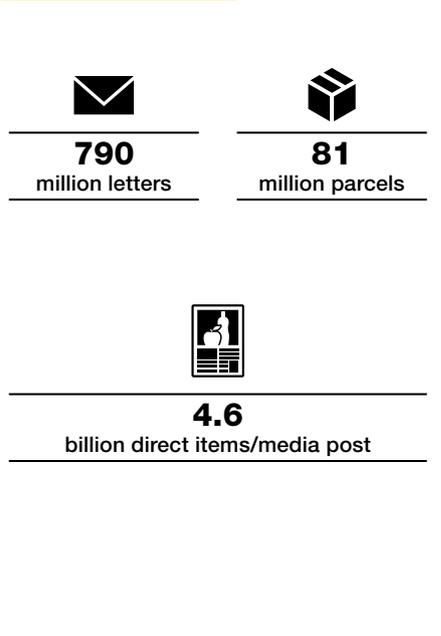
Chief Executive Officer of Austrian Post

What is Austrian Post up to?

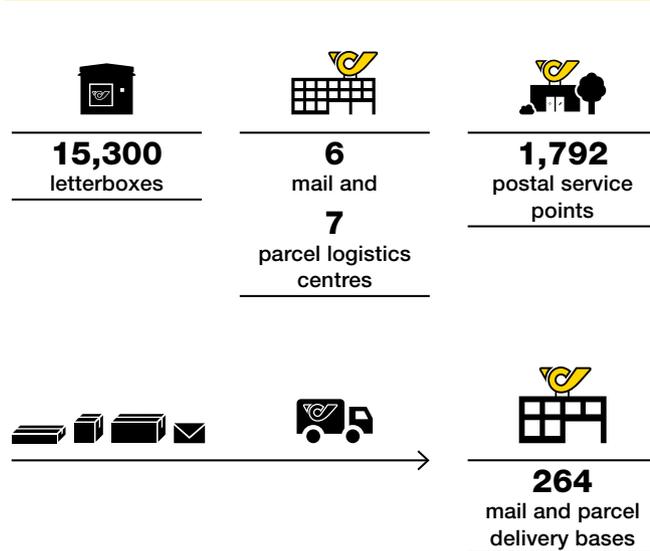
AUSTRIA:



IN THE YEAR 2016,



... WERE DELIVERED VIA AUSTRIAN POST'S ...



DELIVERY SERVICES ARE PROVIDED ...

- **IN THE HIGHEST QUALITY:
PROVEN BY CUSTOMER SURVEYS**
- **QUICKLY AND RELIABLY:
PROVEN BY THE HIGH
DELIVERY QUALITY**
- **IN A CO₂ NEUTRAL MANNER:
CERTIFIED BY TÜV AUSTRIA**

NATIONWIDE INFRASTRUCTURE OF ...

17,500
employees,
thereof
9,100
mail and parcel
carriers



9,000
vehicles, thereof
1,387
e-vehicles

**... TO**

4.4
million households
and companies

DISCLOSURE

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Austrian Post at a Glance

Austrian Post is the leading logistics and postal services provider in the country with close to 17,500 employees and annual revenue of EUR 1.7 bn. Its core business encompasses the transport and delivery of letters, direct mail items, print media and parcels as well as various logistics services. The company's headquarters are located in Haidingergasse 1 in Vienna's third district.

The Sustainability Report in hand exclusively refers to the parent company Österreichische Post AG, which generates about 86 % of total Group revenue and whose staff accounts for about 80 % of the total number of employees in the Austrian Post Group.

DISCLOSURE

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— COMPANY STRUCTURE AND BUSINESS AREAS

Austrian Post groups its business operations in two operating divisions i.e. the Mail & Branch Network Division and the Parcel & Logistics Division.

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

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

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

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

DISCLOSURE

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HIGHLIGHTS FROM THE MAIL & BRANCH NETWORK DIVISION

790

million letters,

590

million addressed direct mail items,

3.3

billion unaddressed direct mail items,

370

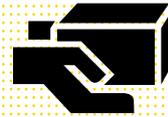
million print media and

290

million regional media are delivered annually by Austrian Post.

95.7 %

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



HIGHLIGHTS FROM THE PARCEL & LOGISTICS DIVISION

81

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

97.9 %

of all parcels are delivered within two working days.

91.7 %

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

42,000

parcels per hour are assigned to their intended destinations by 7 sorting facilities.

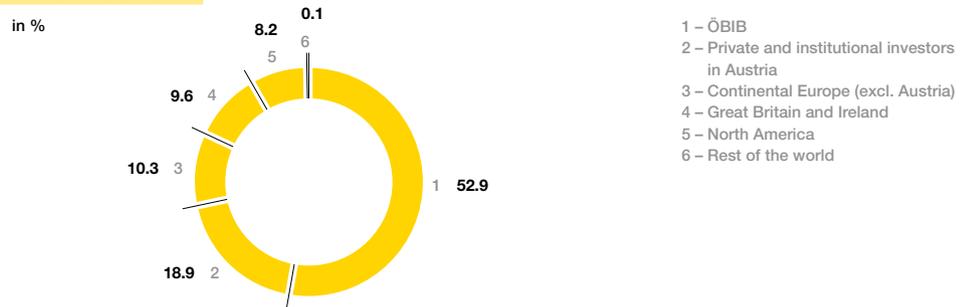
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— SHAREHOLDER STRUCTURE

Österreichische Bundes- und -Industriebeteiligungen GmbH (ÖBIB), formerly Österreichische Industrieholding AG (ÖIAG), owns a 52.85 % stake in the Austrian Post Group (based on 67,552,638 shares in circulation) and thus continues to be the majority shareholder of the company. Austrian Post is not aware of any other shareholders owning more than 4 % of the company’s shares.

A shareholder ID carried out at the beginning of 2017 concluded that, in addition to the main shareholder ÖBIB, around 40 % of the shares are held by European investors (this hasn't changed since the previous analysis at the beginning of 2016). All in all, 18.9% of these shares are held by private and institutional investors in Austria (plus 2.0 percentage points), 10.3 % in Continental Europe (minus 2.2 percentage points) and 9.6 % in Great Britain (plus 0.1 percentage points). A total of 8.2% of the shares (unchanged) are currently held by North American investors (USA, Canada), whereas investors in the rest of the world account for 0.1 % (unchanged).

SHAREHOLDER STRUCTURE



p. 08–09

Detailed information on the shares of Austrian Post as well as its shareholder structure can be found on pages 8–9 of the Financial Report 2016.

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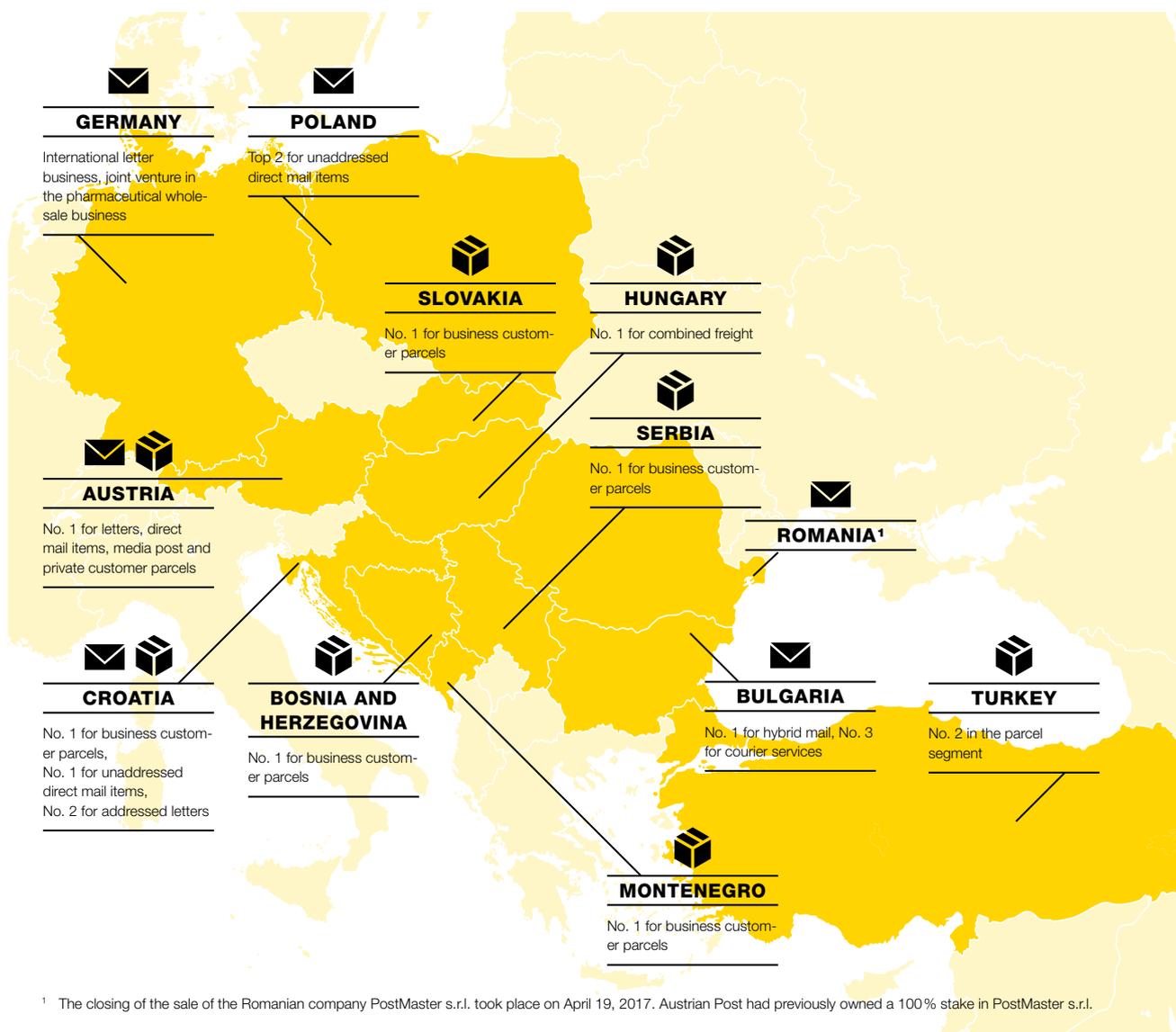
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— MARKETS, SITES AND CUSTOMERS

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

Austrian Post generated about 86 % of its revenue in its domestic market of Austria in 2016. Here Austrian Post is a market leader in the delivery of letters, direct mail items and newspapers as well as parcels.

The subsidiaries are primarily active in Central and Eastern Europe but also in Germany. They contribute a share of 14 % of total Group revenue and boast a good market position. For example, the Group is number one in the delivery of parcels to business customers in Slovakia, Croatia, Serbia, Montenegro and in Bosnia-Herzegovina.



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Austrian Post offers its services throughout the entire country, featuring 1,792 postal service points, including 454 company-operated branch offices and 1,338 postal partner offices. Austrian Post's network of postal service points ranks among the country's largest private customer networks.

Further information on the business activities and organisational structure of Austrian Post can be found on pages 28–29 of the Financial Report 2016.

Corporate Management

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

For this reason, Austrian Post has identified material topics with respect to managing the company:

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MATERIAL TOPICS IN THE AREA OF COMPANY AND VALUES

COMPLIANCE MANAGEMENT

ANTI-CORRUPTION

CONFIDENTIALITY AND DATA INTEGRITY

SUPPLIER MANAGEMENT

— CORPORATE GOVERNANCE

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

To ensure the creation of sustainable value and the company's continued existence, the Management Board as well as the Supervisory Board organise management and control according to national and international principles.

Since its Initial Public Offering, IPO, Austrian Post has been unreservedly committed to complying with the Austrian Corporate Governance Code (ACGC). The active implementation of the stipulations contained in the code is designed to ensure the responsible management and control of a company concentrating on the creation of long-term added value. For Austrian Post, maintaining and further developing the company's high internal standards is a top priority.

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DISCLOSURE
103-2

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

CORPORATE GOVERNANCE

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

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MANAGEMENT BOARD AND SUPERVISORY BOARD

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

In the 2016 financial year, the Management Board consisted of four members. Each member fulfils his executive responsibilities independently, and regularly informs the entire Management Board of key developments. The entire Management Board resolves on decisions of material importance to the company, basic issues relating to corporate policy and the business strategy. The by-laws for the Management Board stipulate the assignment of responsibilities and cooperation within the Management Board.

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

In the 2016 financial year, the Supervisory Board consisted of eight shareholder representatives elected by the Annual General Meeting and four members elected by the Central Works Council of Austrian Post. The Supervisory Board fulfils its tasks in plenary sessions insofar as individual matters are not delegated to Supervisory Board committees. At present, the following Supervisory Board committees convene: Executive Committee, Nomination Committee, Remuneration Committee, Audit Committee and Parcel & Logistics Committee. The intensive committee work supports the Supervisory Board with a view to ensuring focused discussions and efficient decision making.

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Further information on the composition and mode of operation of the Management Board and Supervisory Board can be found starting on page 13 of the Financial Report 2016.

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INDEPENDENCE

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

 p. 16-17

Details on the independence criteria of the Supervisory Board can be found on pages 16-17 of the Financial Report 2016.

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AVOIDING CONFLICTS OF INTEREST

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

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

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

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EXPERTISE OF THE MANAGING BODY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES

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

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

The continuing education programme initiated in 2015 has become an integral component of the Supervisory Board's work and was continued in 2016. The exchange of views with internal and external experts is particularly designed to deepen the market knowledge of the Supervisory Board members and consider key economic and social aspects.

Generally speaking, the Supervisory Board aims to optimally fulfil its supervisory, monitoring and advisory responsibilities based on the diversity of its members. Indicators of diversity particularly relate to internationality, varying ranges of experience and the proportion of women on the Supervisory Board.

The Supervisory Board members are all between the ages of 40 and 66. Two members are not Austrian nationals. 50 % of the members elected by the Annual General Meeting are women, a disproportionately high figure in Austrian comparison.

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DISCLOSURE

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DISCLOSURE

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REMUNERATION SYSTEM

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

The fixed salary is linked to the salary structure of publicly listed Austrian companies, and takes into account the range of duties and responsibilities assumed by each of the members of the Management Board.

The variable remuneration system is based on short-term objectives defined in advance. The amount depends on the achievement of these goals. The list of objectives underlying the variable salary includes measurable, quantitative performance indicators and also encompasses the achievement of qualitative performance targets. Indicators include all four components of sustainability which are of relevance to Austrian Post: economy, environment, employees and society. In the 2016 financial year, about 40 % of the targets were not economic, but also related to human resources development ("employees"), the expansion of the e-vehicle fleet ("environment") and improving service for the benefit of customers ("society").

The Long-Term Incentive Programme (LTIP) is based on the performance-based allocation of shares and aims at achieving a positive, long-term increase in shareholder value. The underlying goal is to align the interests of company management with those of Austrian Post shareholders and to achieve a medium to long-term increase in shareholder value.

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

F p. 19 ff.

Further information on the topic of the remuneration paid to the members of the Management Board and Supervisory Board can be found in the Remuneration Report starting on page 19 of the Financial Report 2016.

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PARTICIPATION IN THE DECISION-MAKING PROCESS

The Austrian Stock Corporation Act contains detailed regulations concerning the exercising of shareholder rights at the Annual General Meeting of a public limited company. In particular, this includes the right to pose questions and to vote on resolutions as well as the right to challenge resolutions. At the Annual General Meeting 2016, shareholders were once again given the opportunity to cast their votes by absentee ballot.

Moreover, within the context of the Annual General Meeting 2016, a series of sustainability oriented issues were discussed in response to requests on the part of shareholders. They included ecological aspects such as the expansion of the e-vehicle fleet and photovoltaic facilities in Vienna-Inzersdorf and Allhaming. Shareholders were particularly interested in the effects of structural change on the employees of the company and safeguarding a reliable supply of postal services to the population.

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

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

DISCLOSURE
102-11

RISK MANAGEMENT OF AUSTRIAN POST

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

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

Ecological, social and ethical aspects are integrated into the Risk Management System in the interest of sustainability. Risks and opportunities below defined thresholds of significance are monitored and managed by experts in the organisational units. Sustainability-related risks which reach this threshold are monitored by the CSR and Environmental Management Department and the relevant information is reported to the risk management.

Further details on the Central Risk Management System, risk strategy and policy and the internal control system can be found on pages 11-12 and starting on page 51 of the Financial Report 2016.

The description of the main risks faced by Austrian Post is included starting on page 52 of the Financial Report 2016. Details on environmental risks can be found in the section on environment on page 105.

F p. 11-12, 51 ff.

F p. 52 ff.

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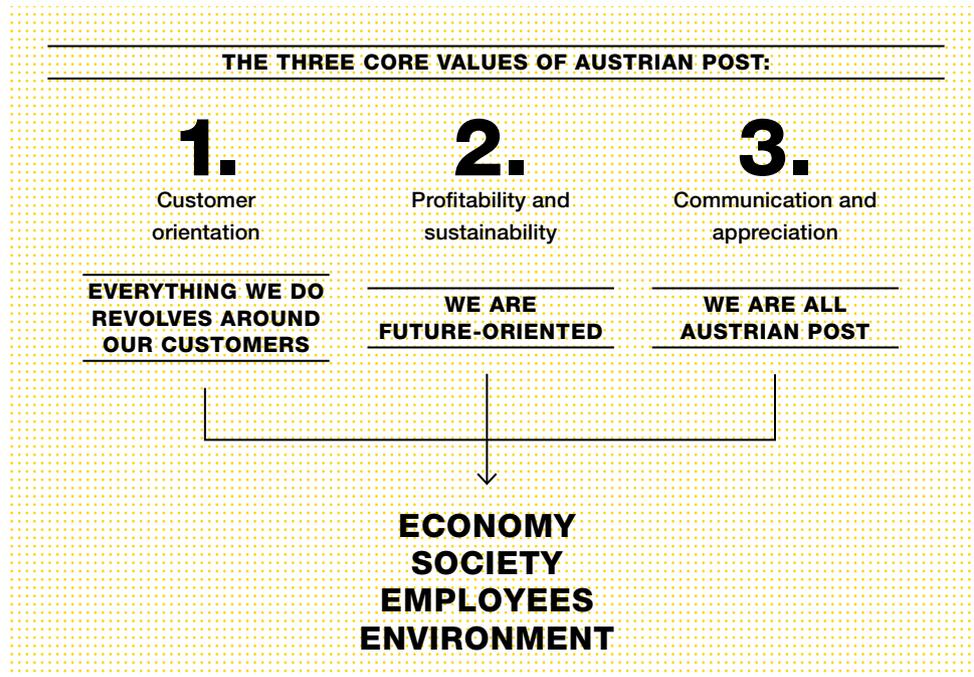
— MISSION STATEMENT AND CODE OF CONDUCT

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A SHARED MISSION STATEMENT

Austrian Post bears an important responsibility towards society in its position as Austria's universal service provider for postal and other logistic services and an international Group with a focus on logistics. Austrian Post aims to live up to this responsibility on the basis of its service orientation, competence and performance as well as the ethical manner in which it acts. This is only possible if every individual does his share. Impeccable and exemplary behaviour at all times represents a demand imposed on each employee, regardless of his or her position.

In order to create a mutually shared value system and a clear benchmark enabling executives and employees to measure their behaviour and decisions, the Mission Statement was developed in 2010 on the initiative of the Management Board. This was done in collaboration with 500 employees from all business areas of Austrian Post within the context of joint workshops or electronic surveys.



p. 32 ff.

The Mission Statement, which applies to all employees, stipulates the binding core values underlying the Group strategy (starting on page 32).

The Mission Statement of Austrian Post has a two-fold purpose. On the one hand, it serves as a benchmark for employees and the Management Board according to which they can orient their behaviour at work every day. On the other hand, the Mission Statement is of fundamental importance as the basis for clearly defined objectives, because it emphasizes that the sustainable corporate success of Austrian Post not only encompasses economic aspects but also extends to society, the environment and the employees.

DISCLOSURE
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CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics of Austrian Post is based on and oriented to the Mission Statement. Every core value in the Mission Statement can be assigned to principles contained in the Code of Conduct and Ethics.

The Code of Conduct and Ethics of Austrian Post was approved by the Management Board in 2011 to serve as binding rules throughout the Austrian Post Group. In 2012, the code was translated into all national languages represented in the company and rolled out throughout the Group.

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

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

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

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

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

Compliance Management

DISCLOSURE
103-2

— RESPONSIBLE BEHAVIOUR AS THE KEY TO SUCCESS

Austrian Post wants to be perceived as a trustworthy partner – by its customers, shareholders, business partners, and employees as well as by public authorities, institutions and the general public. The strict adherence to all rules and regulations applying to the company plays an important role and thus has a high level of importance to Austrian Post. This is because compliance risks may not only turn out to be costly to the company, but can damage its reputation. Good compliance makes a key contribution to sustainable development and value creation on the part of the company.

 p. 16

Austrian Post has established a compliance culture based on its Mission Statement and the Code of Conduct and Ethics (see page 16) to ensure impeccable and legally compliant behaviour. The Compliance Management System (CMS) is designed to ensure that this compliance culture is sustainably maintained.

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— COMPLIANCE MANAGEMENT SYSTEM OF AUSTRIAN POST

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

The central Compliance Office is supported by local compliance officers in embedding CMS throughout the entire Group. These compliance representatives are employees in close proximity to the division management or to the top management in the subsidiaries who assume responsibility for compliance tasks and move the compliance agenda forward.

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The Compliance Team and the Compliance Help Desk are available personally, by telephone, anonymously on the Intranet or per e-mail to respond to questions, comments and concerns. The compliance help desk can be accessed by all employees in the Group by a special e-mail mailbox, on the intranet and via a cost-free hotline. In 2016, the Compliance Help Desk answered and concluded 173 employee inquiries and documentation on the issues of the acceptance and granting of gifts, donations and sponsoring as well as the behavioural principles of Austrian Post.

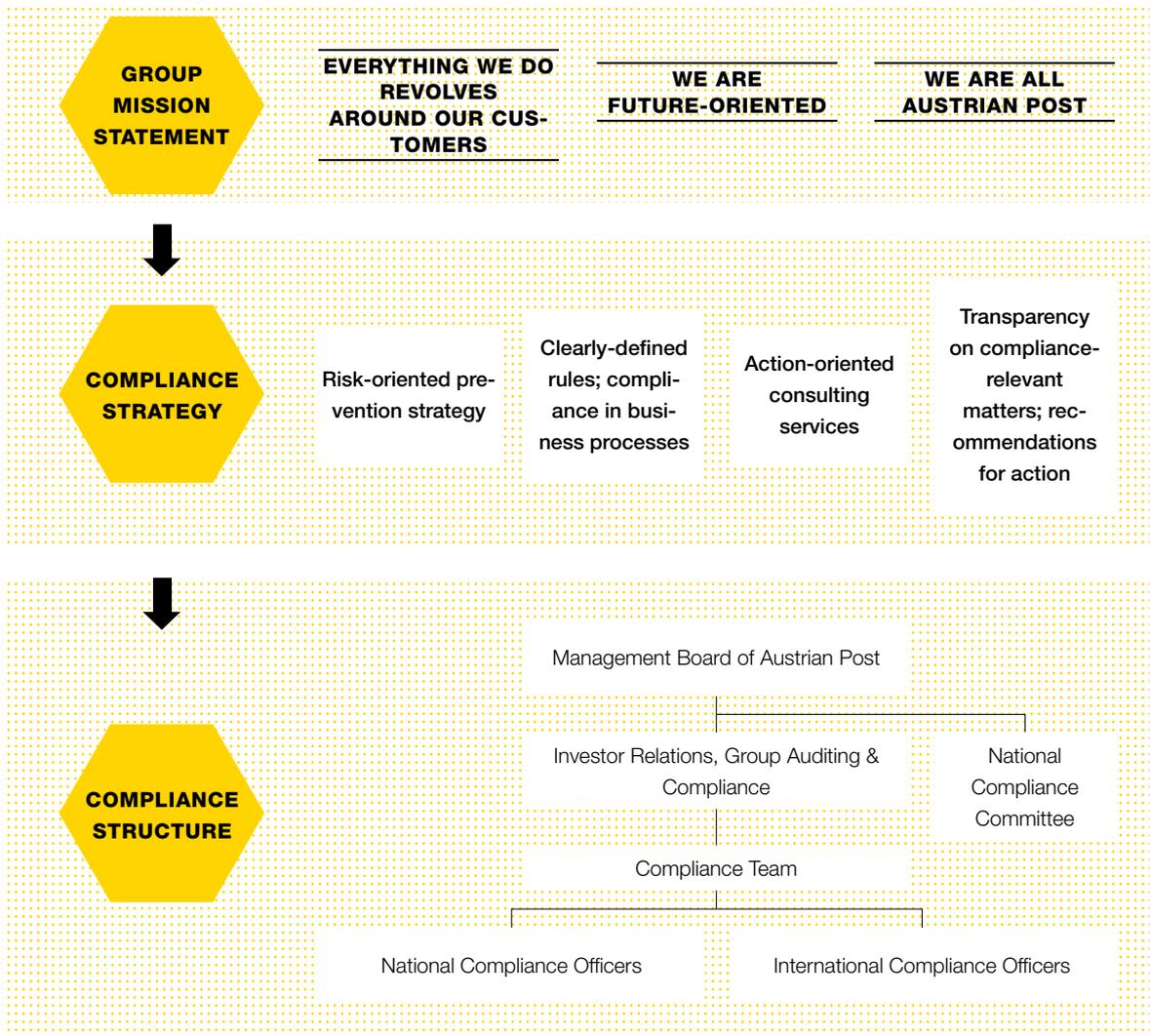
The activities of the central and regional compliance organisation ensure a sustainable, practice- and action-oriented professionalisation and further development of the Compliance Management System in all business units.

**DISCLOSURE
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The conception, suitability, implementation and effectiveness of the Compliance Management System in accordance with IDW PS 980, the standard recognised by the Institute of Public Auditors in Germany, was evaluated and confirmed by PwC in the year 2013.

The Compliance Management System encompasses the areas of “capital market” and “business compliance”, in which the issue of “anti-corruption” is included. At the end of 2015, the decision was made to expand the Compliance Management System to add the topic of “antitrust compliance.”

COMPLIANCE MANAGEMENT SYSTEM



CORNERSTONES OF THE COMPLIANCE MANAGEMENT SYSTEM OF AUSTRIAN POST



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COMPLIANCE GUIDELINES

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

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

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

The **INTERNAL DIRECTIVE ON THE ACCEPTANCE AND GRANTING OF GIFTS, INVITATIONS AND OTHER ADVANTAGES** describes the principles which must be adhered to in connection with accepting or granting gifts, invitations and other advantages in an employee's business dealings. The guidelines are regularly updated to reflect changing regulations of the Corruption Criminal Code Amendment Act or due to the experience the company has gained. The new rules which took effect in January 2015 were conveyed to employees within the context of Group-wide classroom trainings as well as via a comprehensive communications campaign. In 2016, employees were particularly informed about key rules via the employee Magazine "Meine Post".

The **GROUP POLICY ON SPONSORING AND DONATIONS** and the processes it outlines have been binding for all employees in the company since 2015. The guidelines clearly stipulate the requirements and procedures for donations and sponsoring. The policy was rolled out throughout the Group and discussed with the affected departments. After expiration of the evaluation year already planned for 2015, the guidelines were updated in 2016 and expanded to incorporate the experience gained during the year.

COMPREHENSIVE COMPLIANCE TRAINING

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

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

With respect to the issue of **CAPITAL MARKET COMPLIANCE**, the year 2016 was characterised by an extensive change in the legal situation. The focus was on classroom trainings as a means of imparting information on the new regulations as effectively as possible. In addition, the e-learning programme developed in 2014 was adapted to reflect the new legal regulations, and a new e-learning series was launched. The classroom trainings and e-learning was complemented by a monthly "compliance info-mail".

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

The **INTERNATIONAL COMPLIANCE DAY** of Austrian Post took place in October 2016 for the fourth time, involving all national and international compliance officers of the Austrian Post Group. In past years, new compliance officers were named. This time around, the focus of this year's International Compliance Day was on strengthening the entire team. Moreover, there were expert lectures on the issues of antitrust compliance and data protection as well as a practice report by the compliance officer of an international publicly listed company.

The business compliance focus in 2016 was on the issues of conflicts of interest and counter-trades and how to deal with them. Moreover, the Compliance Team worked together with Group Procurement to improve processes for the Vendor Integrity Check (see page 27).

Anti-corruption

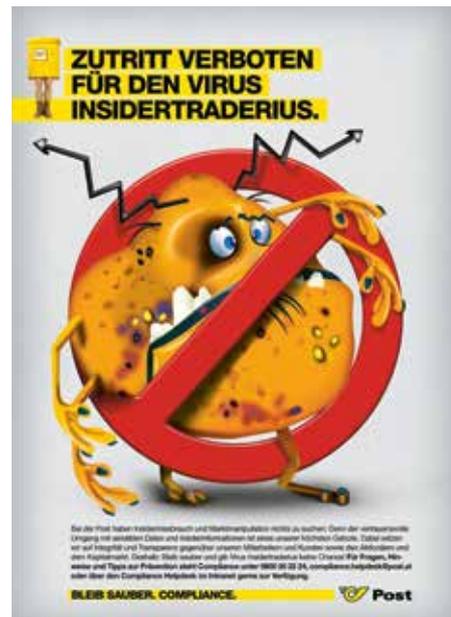
Austrian Post and its subsidiaries attach particular importance to a correct interaction with business partners and customers as well as public authorities and institutions. For this reason, values such as honesty, predictability and transparency comprise key benchmarks of the company's business dealings. This is complemented by all employees in the Group avoiding any appearance of corruptibility or dishonesty in their business dealings. Therefore anti-corruption plays a key role in the Compliance Management System of the Austrian Post Group.

DISCLOSURE 103-2

The Compliance Team continually works on intensifying its anti-corruption activities. The issue was also on the agenda of the International Compliance Day in 2016, which all national and international compliance officers of the Austrian Post Group attended. This is because an important prerequisite for an internationally successful fight against corruption is a reliable and trustworthy cooperation in the team.

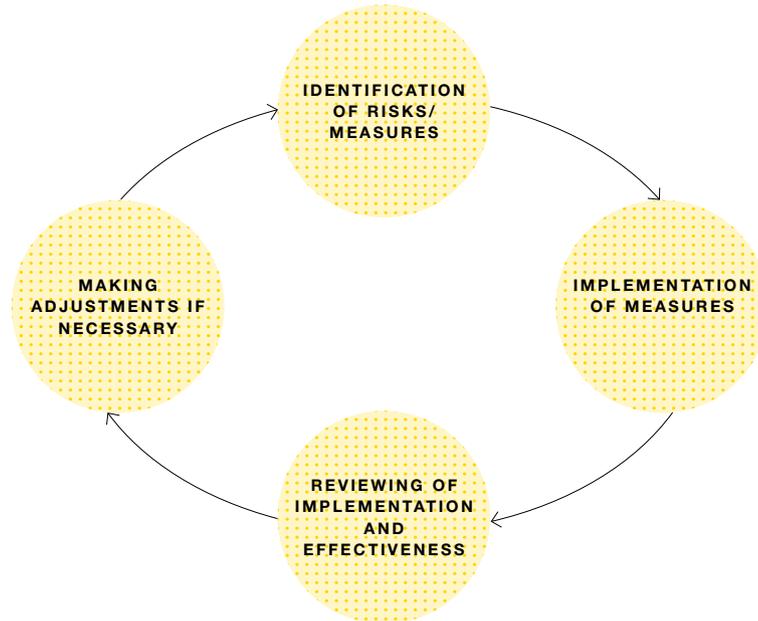
COMPLIANCE AS A PROTECTIVE SHIELD FOR AUSTRIAN POST

The four pathogens – Bacillus Bestechus, Bacteria Tratschephila, Bacillus Schimpficus and Virus Corruptionis – welcomed a new addition to the family in 2016. They are the protagonists of the internal Austrian Post campaign focusing on anti-corruption and corporate culture. Their offspring, Virus Insidertraderius, represents the danger of misusing inside information. The bacilli, bacteria and viruses are poison to the immune system of Austrian Post and thus are not allowed to enter. The campaign has been communicated via different channels to ensure that this situation does not change. The Compliance Help Desk is ready to respond to any questions.



— MEASURES TO PREVENT CORRUPTION

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



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IDENTIFYING POTENTIAL CORRUPTION RISKS

Potential corruption risks are identified via the Group Risk Management System and the annual Compliance Risk Analysis of Austrian Post. The Central Risk Management System did not report any corruption risks for Austria in the year 2016.

Nevertheless, a major pillar in recognising corruption risks is the annual Compliance Risk assessment carried out by the Compliance Team. Accordingly, a Group-wide compliance risk analysis encompassing all sites was conducted in 2016. The conclusions of this analysis were integrated into the compliance programme for 2017. The results are reported to the Management Board, which then approves the resulting programme. The compliance risk analysis indicates, similar to the Risk Management System that the issue of anti-corruption requires ongoing activities, but there is no acute corruption problem at the present time.

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TARGETED TRAINING ACTIVITIES

Continuous, comprehensive risk and target group oriented training activities comprise an essential part of the anti-corruption measures. These take place in the form of classroom trainings as well as via e-learning. Moreover, regular communication and information measures supported by posters and info screens contribute to raising awareness among employees of the need for compliance.

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MEASURES TAKEN IN RESPONSE TO CORRUPTION CASES

No cases of corruption at Austrian Post were reported in 2016. If such a case occurs, Austrian Post takes legal steps in line with prevailing labour laws as well as disciplinary measures. Measures previously initiated to prevent corruption were successfully continued throughout the Group in 2016 within the context of the Compliance Management System of Austrian Post (see above).

Confidentiality and Data Integrity

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

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— DATA PROTECTION AND SECURITY

Due to technical developments as well as the large volume of data, Austrian Post implements extensive measures to ensure the confidentiality and integrity of customer and company data as well as the integrity and availability of the IT systems operated by Austrian Post. A separate team in Group Security at Austrian Post has been set up to protect information and digital data.

In compiling, using and processing personal data, Austrian Post strictly adheres to the legal regulations contained in the Data Protection Act (DSG 2000) and the Telecommunications Act (TKG 2003).

The General Data Protection Regulation (EU-GDPR) was officially approved by the EU in 2016. Now, Austrian Post is focusing on analysing the potential need to adjust its data processing activities and determining the consequences of EU-GDPR on Austrian Post.

The year 2016 was also characterised by data protection support for preparations to move into the company's new corporate headquarters "Post am Rochus" and consulting specialist departments with respect to innovative ideas, particularly against the backdrop of increasing digitalisation. Austrian Post continues to attach great importance to raising awareness among employees about data protection issues, for example by carrying out training measures at both the parent company Austrian Post and its subsidiaries.

Dialogue with Political Decision Makers

In its role as the leading logistics company in Austria, Austrian Post continually exchanges views with political decision makers. The interests represented by Austrian Post mainly relate to its providing services and the underlying conditions. For this reason, Austrian Post is committed to ensuring that the political framework is commensurate with the demands imposed upon Austrian Post as well as the needs of its customers. Austrian Post is also interested in ensuring that its concerns are conveyed to legislators with regard to laws and decisions affecting e-government, parcel delivery, regulation of the postal sector and transport operations. Naturally, the underlying goal is to ensure that its concerns are actually taken into account.

DISCLOSURE
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— TRANSPARENCY WITH RESPECT TO LOBBYING AND INTEREST REPRESENTATION

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

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

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

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

Supplier Management

Austrian Post's internal processes are not the only decisive factor when it comes to upholding its claim to be a responsible and ethically sound company. Austrian Post also aims to take responsibility along the entire value chain. For this reason, it is equally important with whom the company works and how these business relationships are defined with respect to responsibility and integrity.

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— RESPONSIBILITY ALL ALONG THE LINE

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

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

INFRASTRUCTURE & LOGISTICS

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

INDIRECT MATERIALS & SERVICES

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

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GREEN PROCUREMENT

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

Further information on Green Procurement can be found in the chapter on the environment starting on page 116.

 p. 116 ff.

BUSINESS RELATIONSHIPS OF AUSTRIAN POST

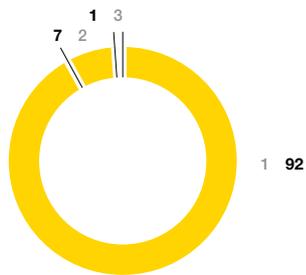
Group Procurement is responsible for an annual order volume of more than EUR 0.5 bn. Accordingly, Austrian Post ranks among the leading purchasers in the Republic of Austria.

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

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SUPPLIERS OF AUSTRIAN POST (ORIGIN)

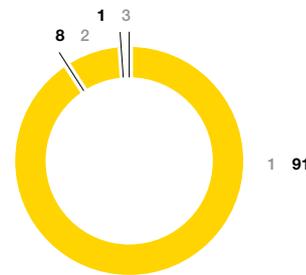
in %



1 - Austria
2 - EU-28
3 - Europe (outside of EU-28)

DISTRIBUTION OF PURCHASING VOLUMES AT AUSTRIAN POST

in %



1 - Austria
2 - EU-28
3 - Europe (outside of EU-28)

CORPORATE PROCUREMENT POLICY AND LOCAL PROCUREMENT POLICY

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

These two guidelines stipulate that all business relationships have to be oriented to ethical principles and correspond to the requirements of fairness.

A further principle contained in the Corporate Procurement Policy is sustainability. The Corporate Procurement Policy also stipulates that Group Procurement must carry out its activities in cooperation with environmentally and socially responsible suppliers. Moreover, in procuring products and services, it is important to take account that the business ties are in accordance with the sustainability strategy of Austrian Post, with particular attention paid to the issues of energy, mobility and CO_{2e} emissions.

The rules in the Corporate Procurement Policy relating to procurement excellence (quality standards, reporting and supplier evaluation) and compliance not only apply to the entire Group Procurement but also purchases which are processed in a decentralized manner by the operating units. The compliance rules also apply to those exceptions (list of exceptions) which are subject to special rules in line with the Procurement Guidelines of Austrian Post.

In its procurement management, Austrian Post also applies internal guidelines to select suppliers.

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CODE OF CONDUCT FOR SUPPLIERS

The Code of Conducts and Ethics of Austrian Post has already been part of the standard documentation in tender procedures since 2012.

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

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

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

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

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VENDOR INTEGRITY CHECK

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

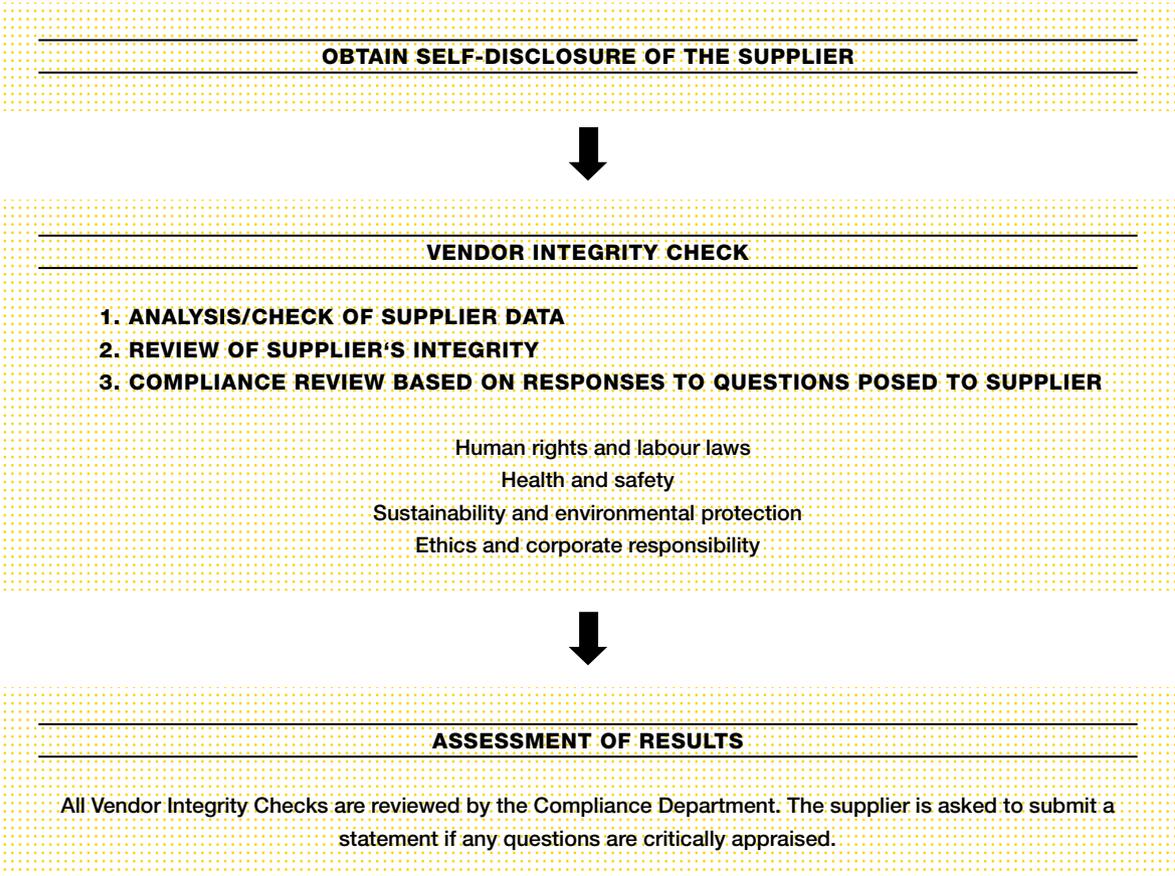
If a supplier takes part in the Vendor Integrity Check (VIC) and is given a positive assessment, the supplier will be subject to the VIC again in three years. The situation is different for suppliers which do not fulfil the criteria laid down in the Vendor Integrity Check. In consultation with the Compliance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

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

All 24 postal companies which are members of the international association of postal companies (International Post Corporation)¹ are working on a systematic documentation of their effects on climate change and a reduction of their CO₂ emissions. The objectives and measures of the International Post Corporation are published each year in the IPC Sector Sustainability Report and on the Website of the IPC.

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

PROCEDURES RELATING TO THE VENDOR INTEGRITY CHECK



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— RESULTS OF SUPPLIER MANAGEMENT

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

SUPPLIER ASSESSMENT

In the first step of the Vendor Integrity Check, suppliers are asked to provide details on their measures in the areas of human rights and labour laws, health and safety, sustainability and environmental protection as well as ethics and corporate responsibility. 68 % of the suppliers complied with this request. After consulting with the Compliance Department of Austrian Post, only two of the suppliers were found to have not fulfilled the required criteria. Appropriate measures were initiated.

The suppliers were subsequently evaluated by the specialist departments and Group Procurement of Austrian Post with respect to commercial criteria, performance and quality as well as innovation and sustainability. Thanks to the high response rate, 99 % of suppliers were fully assessed and 96 % reached the required point total.

In consultation with the relevant specialist departments, suppliers with a lower result were either removed from the list or had to initiate improvement measures. Finally, the suppliers were examined with regard to their financial situation. 100 % of the suppliers completely fulfil the credit rating criteria.

SUPPLIER AUDITS

At present, Austrian Post is carrying out supplier audits on an event-driven basis. Such an event can be tenders, where not only intensive offsite inspections take place, in which the information received is reviewed, but on-site meetings and inspections are also implemented. These on-site evaluations take place, for example, in cases where the contract order features a specified complexity or size, or when a higher risk has been identified.

EXAMPLE OF AN EVENT-DRIVEN AUDIT BY AUSTRIAN POST

OFF-SITE EVALUTION – REVIEW OF INFORMATION



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



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



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







ON-SITE EVALUATION – REVIEW ON SITE

(Inspection of production areas and workplaces)



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



STRATEGY AND OBJECTIVES

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CORE STRATEGY

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SUSTAINABILITY
STRATEGY

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STAKEHOLDER
MANAGEMENT

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MATERIAL TOPICS

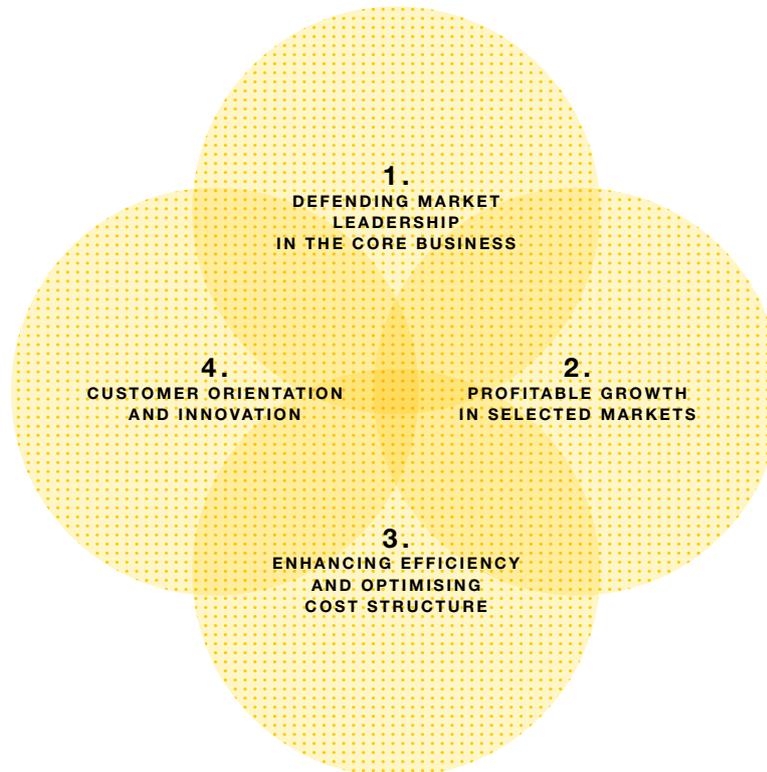
Core Strategy

With its business model, Austrian Post operates in an environment characterised by a considerable pressure to change. This is primarily triggered by increasing digitalisation and the internationalisation of markets, both of which are major challenges Austrian Post has to adapt to and which it has already mastered well in recent years. This is particularly demonstrated by the stable and sustainable level of profitability of the company in 2016.

Market challenges also open up opportunities. Austrian Post takes advantage of these opportunities to achieve its goals on the basis of its leading market position, close customer proximity and clearly-defined strategy which has proven its value for years.

Sustainable profitability will always comprise the top priority of Austrian Post. This is because it serves as the basis for the further expansion of its services for the customers, the promotion of its international business and the modernisation of the logistics infrastructure. In order to safeguard profitability in the long term, Austrian Post relies on four strategic levers comprising the core of its overall strategic orientation:

KEY COMPONENTS OF AUSTRIAN POST'S STRATEGY



Austrian Post continues to leverage its strengths so that it will remain the number one in its core business i.e. the domestic letter mail and parcel business.



Austrian Post positions itself in growing markets such as the international parcel business, transnational shipment solutions and innovative online services.



Austrian Post improves its efficiency and adjusts processes to increasingly complex market conditions.



Austrian Post expands customer convenience via new products and services.

S p. 15 ff.

F p. 06 ff.

M p. 59 ff.

The Mission Statement of Austrian Post (starting on page 15) prescribes the binding core values underlying the strategy for all executives and employees.

Detailed information on the strategy, objectives and measures can be found starting on page 6 of the Financial Report 2016 as well as in the Magazine starting on page 59.

Sustainability Strategy

Austrian Post believes that the sustainable orientation of its business operations will open up major opportunities for the entire company. For this reason, in addition to economic factors, ecological and social considerations play a role in managing the business in order to secure the long-term success of the company.

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Austrian Post has already been a member of the UN Global Compact since 2007. In implementing its goals and activities, it orients its operations to these principles with regard to human rights, labour laws, environmental protection and anti-corruption. Austrian Post is also committed to the Sustainable Development Goals (SDGs) of the United Nations which have been in effect since January 2017, and has integrated these goals in its sustainability strategy (refer to page 39).

In 2016, Austrian Post continued its participation in international programmes such as the “Environmental Measurement and Monitoring System” (EMMS) of the International Post Corporation (IPC).

The fact that Austrian Post operates in a sustainable manner from a capital market perspective is demonstrated by its acceptance for listing in the Austrian sustainability index VÖNIX of the Vienna Stock Exchange since 2007. Austrian Post once again improved its standing in the Carbon Disclosure Project (CDP), the world’s largest data base for company-relevant environmental and climate change information extensively used by capital market participants as a means for evaluating potential investments.

The sustainability activities of Austrian Post were also analysed and granted a positive assessment by oekom research, one of the world’s leading rating agencies in sustainable investments. In particular, targets and measures regarding environmental and climate protection were highlighted, such as the relatively high proportion of e-vehicles, as well as the implementation of occupational health and safety standards.

 p. 138 ff.

Awards and recognition of the respective initiatives can be found starting on page 138.

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— RESPONSIBILITY FOR SUSTAINABILITY

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

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

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

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

— PROACTIVE! THE NEW SUSTAINABILITY PROGRAMME OF AUSTRIAN POST




PRO ACTIVE
for employees


PRO ACTIVE
for the environment


PRO ACTIVE
for the economy


PRO ACTIVE
for society

The sustainability strategy of Austrian Post is derived from the strategic cornerstones and core values contained in the mission statement, taking stakeholder concerns as well as opportunities and risks into consideration. The sustainability strategy encompasses the four areas of economy, employees, society and the environment.

In the year 2016, Austrian Post worked intensively on its sustainability strategy. The new programme is called “PROACTIVE! Austrian Post. Sustainable for Austria” to underline the fact that sustainability is not a static state a company achieves once but an ongoing process requiring activities in different areas.

MAIN TARGETS AND SUBTARGETS OF THE SUSTAINABILITY STRATEGY

This attitude is underlined by the main targets defined by the individual working groups in the respective thematic areas; which determine the medium-term direction to be taken by Austrian Post. Within the context of revising its sustainability programme, Austrian Post reduced the three main objectives in each thematic area defined in 2011 to two and in some cases rephrased these goals in order to ensure a stronger focus in its sustainability management and increase efficiency in achieving its stipulated targets.

MISSION STATEMENT	THEMATIC FOCUS	MAIN OBJECTIVES UNTIL THE END OF 2015	MAIN OBJECTIVES STARTING AT THE BEGINNING OF 2016
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WE ARE FUTURE-ORIENTED

Economy	<ul style="list-style-type: none"> - Solid business model with an average revenue growth of 1-2 % p.a. - High earnings capability and solid profitability - Attractive dividends and sustainable total shareholder return 	<ul style="list-style-type: none"> - Focus on customers and innovations - Further development of the sustainable business model
Environment	<ul style="list-style-type: none"> - CO₂ reduction, annual compensation of remaining emissions and specification of a new CO₂ reduction target - Setting up and improvement of a central environmental management system - Sensibilisation of relevant stakeholders to the need for environmental and climate protection 	<ul style="list-style-type: none"> - Protecting the climate and preserving resources - Strengthening environmental awareness

EVERYTHING WE DO REVOLVES AROUND OUR CUSTOMERS

Society	<ul style="list-style-type: none"> - Safeguarding the reliable and nationwide supply of postal services - Continuous development of solutions to enhance customer benefits - Promoting business-related, socially-relevant projects and activities 	<ul style="list-style-type: none"> - Ensuring reliability of supply and shaping underlying conditions - Promoting social commitment
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WE ARE ALL AUSTRIAN POST

Employees	<ul style="list-style-type: none"> - Promoting a corporate and leadership culture - Supporting qualifications and change - Paying attention to health and safety 	<ul style="list-style-type: none"> - Promoting a corporate and leadership culture - Paying attention to health and safety
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The individual working groups specify annual subtargets to complement the main targets in the respective thematic area in order to make these main targets more manageable and pursuable. They divide the main targets into milestones to increase their chances of being achieved. The subtargets also take account of the issues stakeholders consider to be of importance (page 44).

 p. 44

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THEMATIC FOCUS	SUBTARGETS 2016	STATUS	NEW SUBTARGETS 2017
ECONOMY			
	Revenue Revenue of EUR 2bn following sale of the German subsidiary trans-o-flex	✓	Target is to maintain 2017 revenue at a stable level (revenue of EUR 1.9bn excl. trans-o-flex in 2016)
	Optimisation Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency	✓	Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency
	EBIT Operating EBIT at the prior-year level (EUR 198m)	✓	Target to generate a stable operating EBIT at the level of 2016 (EBIT 2016 of EUR 202.3m)
	Promotion of online solutions to increase customer convenience Track & trace, SMS/E-Mail notification. Post App, parcel stamp, e-commerce services	✓	Promotion of online services such as Post App and the e-letter
	Post pick-up boxes Increase to 16,000 units	✓	Increase in the number of Post pick-up boxes to achieve medium-term target of 20,000 units
	Pick-up stations Expansion to 250 stations	✓	Expansion of pick-up stations to achieve medium-term target of 300 units
	Self-service zones Expansion to 330	✓	Expansion of self-service zones to achieve medium-term target of 400
ENVIRONMENT			
	CO₂ reduction target Formulation of a new CO ₂ reduction target on the basis of the Science Based Targets Initiative	✓	Submission and evaluation of the CO ₂ reduction target on the basis of the Science Based Targets Initiative
	CO₂ NEUTRAL DELIVERY Continuation of the CO ₂ NEUTRAL DELIVERY initiative	✓	Continuation of the CO ₂ NEUTRAL DELIVERY initiative
	"Green Vienna" Completion of the "Green Vienna" project	98%	Completion of the "Green Vienna" project by the end of 2017
	Energy efficiency Implementation of efficiency measures in the categories of lighting, district heat, boiler replacement, thermal renovation and hot water supply	✓	Implementation of efficiency measures in the categories of lighting, district heat, boiler replacement, thermal renovation and hot water supply
	Waste and recycling management: pilot project for optimisation and quality assurance of waste management	✓	Roll-out of the project for the optimisation and quality assurance of waste management at 25 sites in the Eastern Region of Austria
	Environmental management system Launch of an environmental management system at the Vienna-Inzersdorf letter mail centre according to the ISO 14001:2015 standard	✓	Launch of an environmental management system in the subsidiary Medien-Zustell GmbH according to the ISO 14001:2015 standard
			Sensibilisation of employees: publication of an employee brochure to raise awareness of environmental issues

DISCLOSURE

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THEMATIC FOCUS	SUBTARGETS 2016	STATUS	NEW SUBTARGETS 2017
SOCIETY			
	Reliable delivery Safeguarding reliable delivery and surpassing legally stipulated performance targets	✓	Safeguarding reliable delivery and surpassing legally stipulated performance targets
	Reliability of supply Safeguarding network security and enhancing quality for company-operated and partner-operated branch offices	✓	Safeguarding network security and enhancing quality for company-operated and partner-operated branch offices
	Support for social projects based on the logistics competence of Austrian Post	✓	Support for social projects based on the logistics competence of Austrian Post
EMPLOYEES			
	Executive Academy Holding of at least 1,500 man-days of trainings and seminars	✓	Holding of at least 1,500 man-days of trainings and seminars
	"A Day Visiting Customers" Participation of at least 250 executives	✓	Participation of at least 250 executives
	"Career and family" audit conclusion of the audit and start of the re-audit	✓	Continuation of the re-audit
	Support for jogging events	✓	
	Implementation of heart rate variability stress analyses and health workshops at a minimum of three sites	✓	Implementation of heart rate variability stress analyses and health workshops at a minimum of five sites
	Conducting of at least 1,000 health consultations and 15 health days	✓	Conducting of at least 800 health consultations and ten health days
	Evaluation of psychological stress Data evaluation for the branch network and delivery bases	✓	Derivation of measures for the branch network and delivery bases; data evaluation for the distribution centres and delivery bases of Parcel Logistics Austria
	Development and continuation of healthcare projects: "A healthy heart and you", back and first aid training	✓	Development and continuation of healthcare projects "A healthy heart and you", first aid training for executives, healthy lifting and carrying, stop smoking seminars, healthy nutrition
	Continuation of the programme "Post employees to the federal public service"	✓	
			Carrying out of an employee survey

DISCLOSURE
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— SUSTAINABLE DEVELOPMENT GOALS

Sustainability has been an integral part of key business processes at Austrian Post for years. Austrian Post has also been a member of the UN Global Compact since 2007. In implementing its goals and activities, it orients its operations to these principles with regard to human rights, labour laws, environmental protection and anti-corruption. Thanks to its commitment to the Global Compact, Austrian Post has also adopted one of its main objectives, namely the implementation of the United Nations Millennium Development Goals, which expired in 2015.

Since January 2016, the UN's 17 global objectives called the Sustainable Development Goals (SDGs) have been in effect. They replace or complement the UN Millennium Development Goals, and provide a globally valid framework for sustainability until the year 2030. Austria has also committed itself to pursuing these goals in addition to 192 other members of the United Nations. As a consequence, the integration of these objectives in its business operations is also of major importance to Austrian Post.



STRATEGY AND OBJECTIVES

FOCUS AREAS

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

On balance, Austrian Post contributes towards achieving eleven of the 17 sustainability goals of the United Nations.

AUSTRIAN POST'S FOCUS ON THE SUSTAINABLE DEVELOPMENT GOALS

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

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

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— CLEAR COMMITMENT TO CLIMATE PROTECTION: SCIENCE BASED TARGETS

On the basis of its participation in “Science Based Targets”, Austrian Post further strengthened its clear commitment to climate protection in 2016. The Science Based Targets initiative is supported by the WWF and pursues the goal of actively involving companies in climate protection efforts.

Within the context of this initiative, Austrian Post has set a scientific climate objective up until the year 2025. This goal is in accordance with the results of the Paris Agreement and thus makes a contribution towards limiting global warming to less than 2°C.

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

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Stakeholder Management

In its role as one of the country's largest employers and as the market leader in providing universal postal services, Austrian Post has a very high level of importance to society and thus has a diverse range of relationships to various stakeholder groups. The dialogue with these stakeholder groups helps Austrian Post to fulfil their expectations, identify improvement potential and define specific measures to be implemented.

— IN THE SPOTLIGHT

The aim of Austrian Post's stakeholder management is to get to know the concerns of stakeholders better and at the same time to strengthen and further expand the already very good and open relationships to interest groups. This is because stakeholders play a very important role in the strategy of Austrian Post.

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

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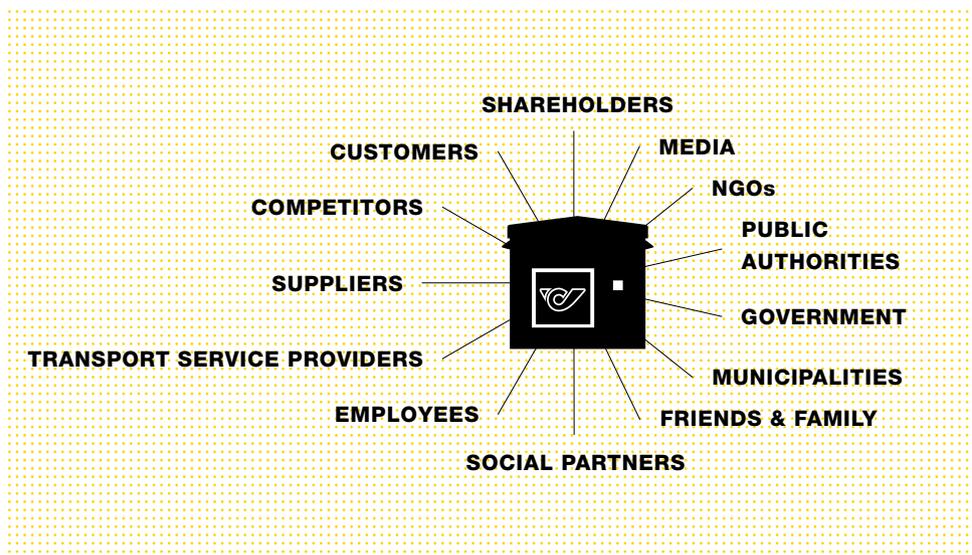
STAKEHOLDER GROUPS RELEVANT TO AUSTRIAN POST

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

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

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



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IN A DIALOGUE WITH STAKEHOLDER GROUPS

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

The stakeholders of Austrian Post consist of representatives from different areas of society and are involved in different ways.

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

Another important form of dialogue is the annual Stakeholder Roundtable of Austrian Post to which the company invites its stakeholders. Just about every person in Austria is a customer of Austrian Post. The expectations people have of Austrian Post are just as diverse as the Austrian population. The roundtable offers customers, employees, NGOs, lobbyists, mayors and small investors a direct and personal opportunity to convey what they believe to be important to Austrian Post as well as what they desire from the company.

In organizing its Stakeholder Roundtable, Austrian Post attaches great importance to ensuring that there is a balance between men and women participating in the roundtable as well as a balance among the different stakeholder groups. All stakeholder groups have to be represented, and none of them should be under-represented or over-represented. In this way, Austrian Post ensures that stakeholders with different backgrounds and interests confront each other in the individual discussion groups and that there is a lively exchange of views for the benefit of Austrian Post and the stakeholders.

The Stakeholder Roundtable of Austrian Post took place for the sixth time on June 23, 2016. Austrian Post discussed its sustainability strategy with about 40 stakeholders, evaluating and revising its sustainability measures relating to customers, innovation, society, employees, economy, reliability of supply and the environment.

During the year under review, the participants considered employee measures such as the further development of the leadership culture as well as appreciation for and motivation of employees

DISCLOSURE
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to be particularly important. Ensuring a reliable supply of postal services for society is also of major importance to stakeholders.

With respect to customers and environmental protection measures, the stakeholders called for an even stronger customer focus as well as an expansion of the environmental management system and a sustainable supply chain. It also urged Austrian Post to promote e-mobility and intensify its CO₂ NEUTRAL DELIVERY initiative.

With respect to the economy, the participants placed high value on increasing acquisitions on the Austrian market. Austrian Post's involvement in social projects was not considered to be as relevant as other focus areas. Nevertheless, these measures should be continued and given more visibility.

Austrian Post attaches great importance to the opinions expressed by stakeholders on the importance of the different issues and integrates their views in determining the measures to be taken and the emphasis placed on the various thematic areas. The next Stakeholder Roundtable is scheduled to be held in the autumn of 2017.

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

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

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Material Topics

At the Stakeholder Roundtable 2014, the stakeholders were divided into six groups and asked to focus on one thematic area each and discuss the main issues identified in advance by Austrian Post, or to change or expand upon this if considered necessary. The results of the individual groups were subsequently presented to all stakeholders who were present. Then they were given the opportunity to vote electronically on the significance of the individual topics.

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The most important issues subdivided by stakeholder groups are as follows:

THE MOST IMPORTANT TOPICS ...

...FROM THE COMPANY'S PERSPECTIVE	<ul style="list-style-type: none"> - Ensure customer satisfaction - Operate in a service-oriented manner - Generate growth and added value
... FROM THE CUSTOMER'S PERSPECTIVE	<ul style="list-style-type: none"> - Operate in a service-oriented manner - Take account of an up-to-date view of customer benefits in the regulatory environment
... FROM A BUSINESS PARTNER PERSPECTIVE	<ul style="list-style-type: none"> - Guarantee data protection and data security - Demand ethical behaviour - Ensure customer satisfaction - Generate growth and added value
... FROM AN NGO PERSPECTIVE	<ul style="list-style-type: none"> - Save energy - Avoid greenhouse gas emissions and make transport more ecologically sustainable
... FROM THE GOVERNMENT'S PERSPECTIVE	<ul style="list-style-type: none"> - Ensure reliability of postal services - Guarantee data protection and data security - Operate in a service-oriented manner - Take account of an up-to-date view of customer benefits in the regulatory environment

After the end of the Stakeholder Roundtable, the top management was asked to provide their own assessment of these topics.

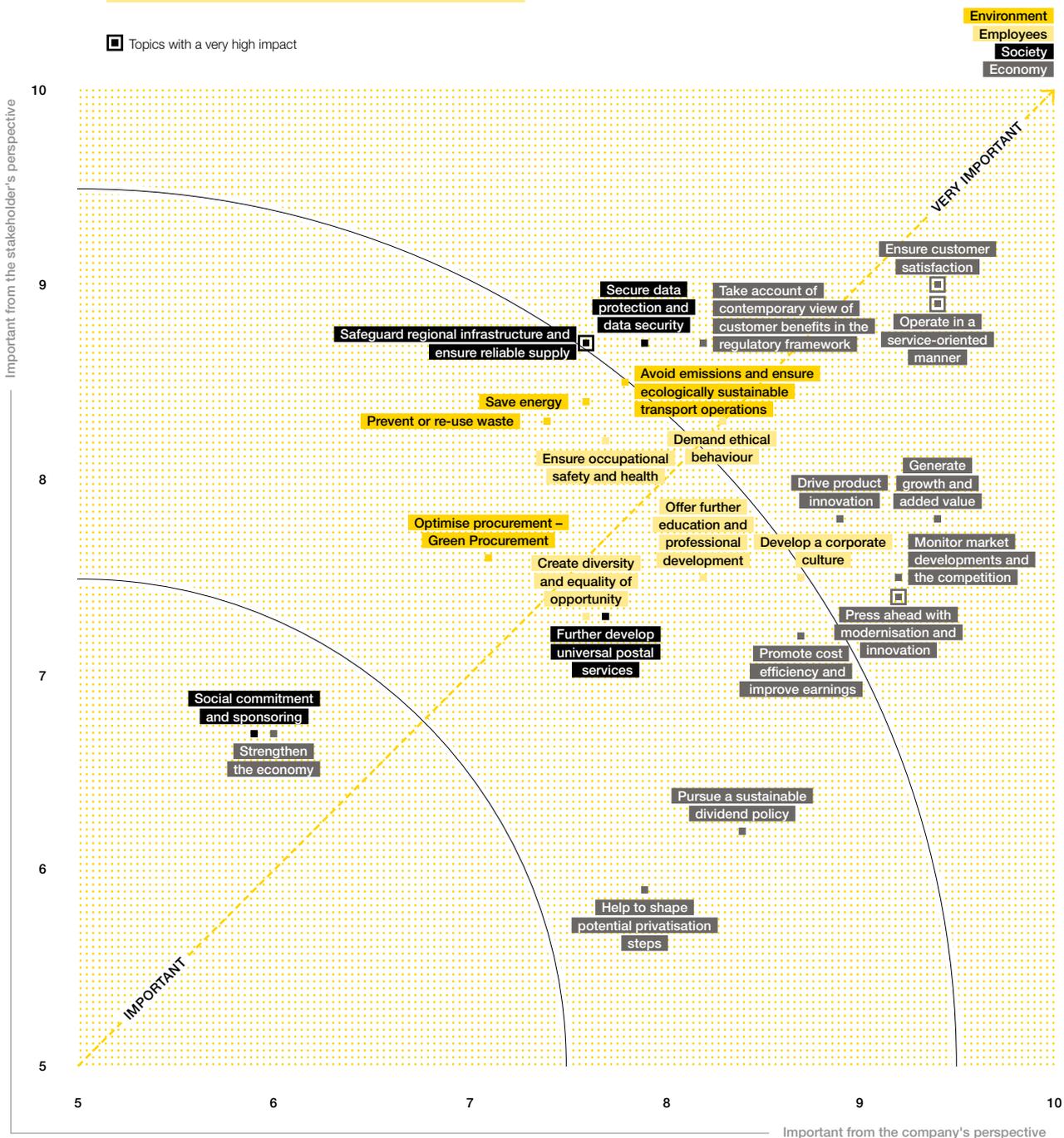
The results of both rounds of voting were integrated into a materiality matrix (see page 45). The lower axis of the matrix shows the importance of sustainability aspects from the company's point of view, whereas the vertical axis shows the point of view of external interest groups.

After the revision of the GRI guidelines, the new reporting standard GRI Standards puts greater emphasis on the significance of the economic, ecological and social consequences of companies. For this reason, Austrian Post carried out an internal stakeholder survey at the beginning of 2017. The objective was to gain an insight into the key topics affecting Austrian Post with respect to its effects on the business environment, society, employees and the environment. The survey results show that most topics are considered to have a substantial impact from a stakeholder perspective. The four issues “ensure customer satisfaction”, “operate in a service-oriented manner”, “press ahead with modernisation and innovation” and “safeguard the regional infrastructure and ensure a reliable supply” are even considered to have a very high impact. These are marked in the matrix with a framed box.

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MATERIALITY MATRIX OF AUSTRIAN POST

▣ Topics with a very high impact



STRATEGY AND OBJECTIVES

FOCUS AREAS

Environment
Employees
Society
Economy

Due to the thematic proximity of several aspects considered to be material, Austrian Post decided to consolidate its reporting on them and bundle them into overriding issues included again in the chapter on the company and values and in the four thematic areas. How these issues are bundled and which topics correspond to them in the GRI Standards is presented in the following table:

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MATERIAL ECONOMIC TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL ECONOMIC TOPICS	TOPIC IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
Generate growth and added value				
Monitor market developments and the competition				
Promote cost efficiency and improve earnings				
Help to shape potential privatisation steps			This topic is of importance to shareholders and employees of Austrian Post because the development of the company and the dividend payout as well as the number and quality of jobs depend on the economic success of the company.	This topic is not only important to business partners of Austrian Post but also to the state and society. The volume of orders, taxes and fees depend on the economic success of the company. Moreover, a company can only take greater social and ecological responsibility if it is economically successful.
Strengthen the economy	Generate growth and added value			
Pursue a sustainable dividend policy	Pursue an attractive dividend policy	Economic Performance		
Pursue modernisation and innovation			This topic is important for Austrian Post in that a good infrastructure serves as the foundation for economic success. In addition, the indirect effects also impact the reputation of Austrian Post.	This topic is important for other companies as well as the Austrian government and society. They all benefit from investments in the infrastructure and, in turn, are interested in minimising potential negative impacts.
Drive product innovation	Pursue modernisation and innovation	Indirect Economic Impacts		
Ensure customer satisfaction				Customer satisfaction surveys provide insights into customer satisfaction, and thus de facto about the satisfaction of all Austrians, with the services provided by Austrian Post. Customer satisfaction can be seen as an incentive to further enhance customer benefits and convenience and develop new ideas and solutions. Due to its being material to the success of a company, it is also an important issue for shareholders.
Take account of contemporary view of customer benefits in the regulatory framework	Ensure customer satisfaction	Not a material topic in the GRI Standards	Customer satisfaction is the pre-requisite for corporate success. For this reason, it is equally important for all employees.	
Operate in a service-oriented manner	Operate in a service-oriented manner	Not a material topic in the GRI Standards	Customer and service orientation are embedded in the Mission Statement of Austrian Post and thus important for all employees. Furthermore, service orientation contributes to customer satisfaction.	Service orientation is material to Austrian Post's success and thus an important aspect for the customers as well as the shareholders of the company.

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MATERIAL SOCIAL TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL SOCIAL TOPICS	TOPICS IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
Safeguard regional infrastructure and ensure reliable supply	Safeguard regional infrastructure and ensure reliable supply	Local Communities	A tight network of postal service points as well as reliable and quick nationwide delivery are material to employees to ensure good contact to customers.	Optimal access to postal services is important to customers and the entire Austrian population. Lawmakers issue statutory requirements with respect to the reliability of postal services.
Further develop universal postal services				
Social commitment and sponsoring	Social commitment and sponsoring	Not a material topic in the GRI Standards	Employees perceive Austrian Post as a responsible company.	Austrian Post contributes to the common good in society by supporting social projects.
				Ensuring the confidentiality and integrity as well as the protection of customer and corporate data are material for customers, shareholders, business partners and the general public and contribute to the perception of Austrian Post as a fair and reliable partner.
Secure data protection and data security	Confidentiality and data integrity (handled in the section "Company and Values")	Customer Privacy	The confidential and proper handling as well as the protection of customer and corporate data are material to all employees.	

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MATERIAL EMPLOYEE-RELATED TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL EMPLOYEE-RELATED TOPICS	TOPIC IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
Develop a corporate culture	Develop a corporate and leadership culture	Employment	This topic is important to all employees as well as to executives. Shared guidelines, communication and appreciation are important for employee identification and satisfaction.	This topic is material to customers, shareholders, business partners and the general public. A strong joint appearance and a high level of employee satisfaction bring about a positive corporate image.
Ensure occupational health and safety	Ensure occupational health and safety	Occupational Health and Safety	A positive impact on health is important to maintain the employees' capacity to work.	Avoidance of additional costs for the government and society.
Offer further education and professional development	Offer further education and professional development	Training and Education	This topic is important for all employees. Individual support is provided to employees to gain qualifications for the respective tasks as well as create reliable future career perspectives.	This topic is material to customers and the public. Well-trained employees offer optimal service and thus contribute to increasing customer satisfaction.
Create diversity and equality of opportunity	Create diversity and equality of opportunity	Diversity and Equal Opportunity	Vigorating the corporate culture based on staff diversity is important to all employees. In addition, this aspect is important to counteract any form of discrimination and ensure equality of opportunity for all employees.	This topic is important for the perception of Austrian Post by social partners, political decision makers and the general public. Furthermore, diversity reveals different points of view and leads to the generation of creative ideas.

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MATERIAL EMPLOYEE-RELATED TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL EMPLOYEE-RELATED TOPICS	TOPIC IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
	Compliance management (handled in the section "Company and Values")	Socio-economic Compliance	Increasing awareness of employees for ethical behaviour and anti-corruption is material to all employees.	Perception of Austrian Post by customers, shareholders, business partners, political decision makers and the general public as a fair, transparently operating and reliable partner.
Demand ethical behaviour	Anti-corruption (handled in the section "Company and Values")	Anti-corruption	Increasing awareness of employees for ethical behaviour and anti-corruption is material to all employees.	Perception of Austrian Post by customers, shareholders, business partners, political decision makers and the general public as a fair, transparently operating and reliable partner.

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MATERIAL ENVIRONMENTAL TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL ENVIRONMENTAL TOPICS	TOPIC IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
		Emissions	As a logistics company operating throughout Austria, Austrian Post is clearly perceived by the general public to be the underlying cause of emissions. This applies to the areas of distribution, goods transport and Group real estate in Austria. In the transport sector, indirect emissions by contracted freight companies are also relevant. Due the company's reputation, a responsible approach to emissions is very important.	The environmental impacts of climate change affect the general public. The regulatory framework, customer demands and sustainability-oriented investors are other important factors.
Avoid emissions and ensure ecologically sustainable transport	Avoid emissions and ensure ecologically sustainable transport	Energy	Half of Austrian Post's energy consumption can be attributed to its transport operations. To the outside world, this is the most visible part of the services rendered by the company.	The congestion and environmental pollution impact the general public in Austria. The regulatory framework, customer demands and sustainability-oriented investors are other important factors.
Save energy	Save energy	Energy	Energy is an essential resource enabling Austrian Post to render its services. Energy consumption is relevant to costs. This applies to the areas of distribution, goods transport and Group real estate in Austria. With respect to Group real estate, the issue is extremely relevant, which is mainly due to the Energy Efficiency Act and implemented energy audits.	The congestion and environmental pollution impact the general public in Austria. The regulatory framework, customer demands and sustainability-oriented investors are other important factors.

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MATERIAL ENVIRONMENTAL TOPICS

MATERIAL TOPICS ACCORDING TO THE MATRIX	MATERIAL ENVIRONMENTAL TOPICS	TOPICS IN THE GRI STANDARDS	INTERNAL MATERIALITY	EXTERNAL MATERIALITY
	Optimise procurement – Green Procurement	Materials	In addition to energy consumption, paper consumption is also a relevant factor. This affects to Group Procurement, which is responsible for procuring materials. It also affects the reputation of the company.	The paper industry and forestry are both important to the Austrian economy. Illegal logging and plantation farming have raised awareness among the population about the origin of paper.
		Supplier social assessment		Ensuring adherence to social and labour law standards is not only important for employees of suppliers, but also for the respective country and society. Ultimately higher social standards will have a positive effect on the health and well-being of the affected people.
Optimise procurement – Green Procurement	Supplier management (handled in the section “Company and Values”)	Supplier ecological assessment	The assessment of suppliers with respect to their performance in the fields of the environment, work practices, human rights and society is material to the employees and shareholders of Austrian Post in that ensuring the existence of a socially fair, humane and environmentally friendly supply chain positively impacts the reputation of the company and employee motivation.	Ensuring adherence to ecological standards is important to the employees of suppliers and residents. However, protecting the environment is also relevant for society and the state, not only because the environment is the basis of life for animals and human beings but also because pollution is accompanied by damage to people’s health as well as additional costs.
Avoid waste or reuse it	Avoid waste or reuse it	Effluents and Waste	Due to the type, volume and costs of waste, this aspect is not considered in-house to be very material compared to the aspects of emissions, energy and transport.	Austrian Post has very little influence on waste volumes, which are primarily determined by customer behaviour.

How Austrian Post takes these material topics into account within the context of its sustainability management, which management approaches it pursues in each case and the progress it has made with respect to the material topics is handled in the section “Company and Values” as well as in the four sections dealing with the four thematic priorities, Economy, Society, Employees and Environment.

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Austrian Post is caught between its public service obligation on the one hand and a highly dynamic, intense competitive environment on the other hand, which is primarily shaped by increasing digitalisation, growing competition in the parcel segment and social developments such as demographic change.

At the same time, Austrian Post is becoming increasingly crucial to the macroeconomic development of the country. This is shown in the latest study of the Economica Institute for Economic Research published in October 2016, which examined the economic significance of Austrian Post for the second time.

In 2015, the added value generated by Austrian Post amounted to EUR 2.70 bn, EUR 1.67 bn of which generated in Austria. This represents a growth of 15.5 % compared to 2012.

Accordingly, Austrian Post's share of the country's GDP rose from 0.51 % in 2012 to 0.55 % in 2015.

Indirect value creation increased with respect to subcontracting (+151 %) as well as induced value creation (+49 %). Every euro spent by Austrian Post generated a further value creation of EUR 1.1 in Austria (2012: 96 cents).

AUSTRIAN POST. PROACTIVE FOR THE ECONOMY.

ECONOMY



FOCUS AREAS

INFORMATION

What is important tomorrow

In its focus area of the economy, Austrian Post is impacted by various developments, challenges as well as risks and opportunities. Austrian Post continuously analyses the context in which it operates its business in order to be able to optimally align its management approaches and measures.

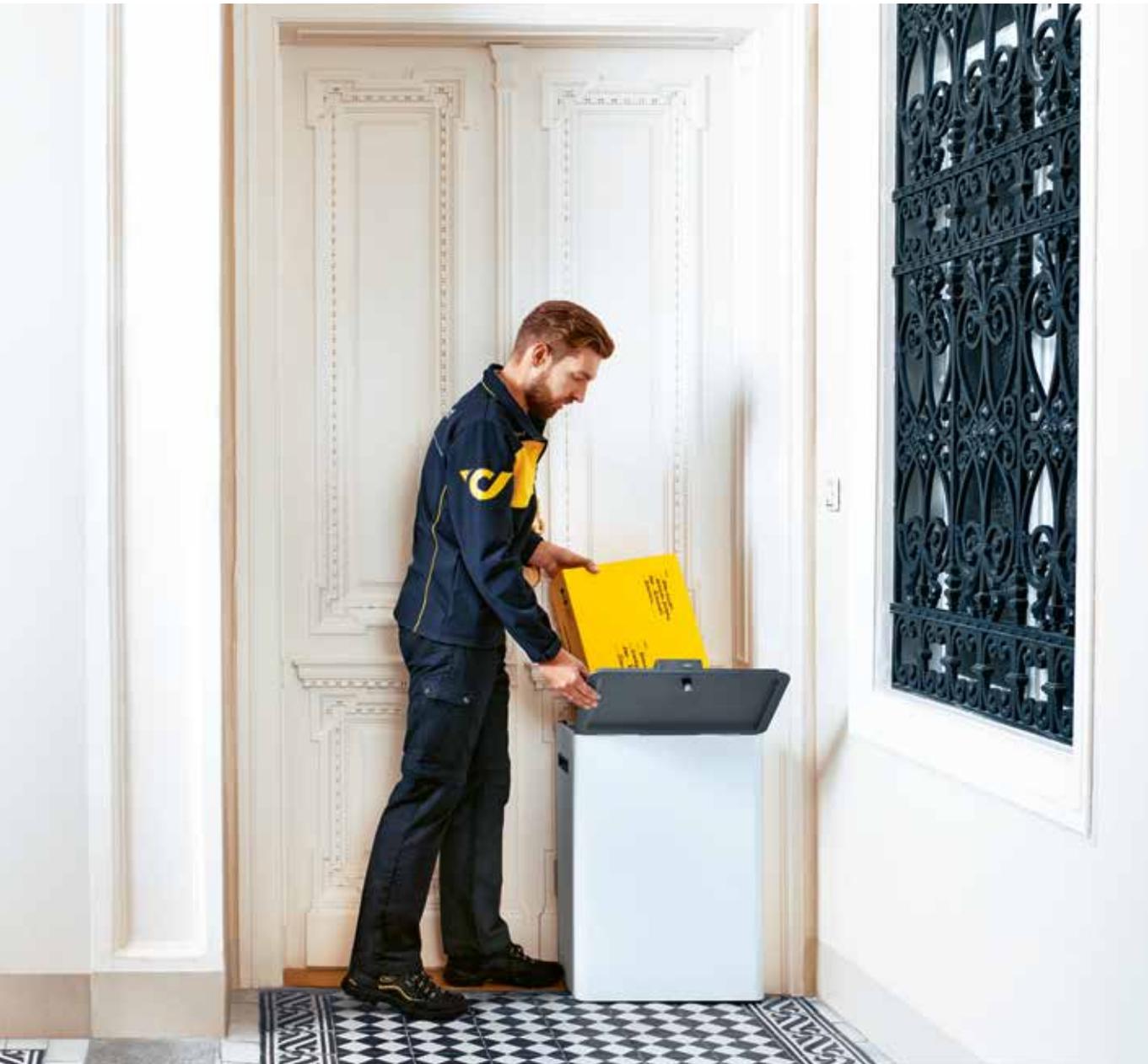
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TRENDS AND CHALLENGES

On the basis of its business model, Austrian Post operates in an environment being shaped by far-reaching changes. In addition to cyclical and market developments and factor cost increases, the development of staff costs is one of the external influencing and success factors Austrian Post has to deal with in the short-term and long-term.

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

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



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

TRENDS AND DEVELOPMENTS IMPACTING ON AUSTRIAN POST IN THE FOCUS AREA OF THE ECONOMY

E-SUBSTITUTION – PRESSURE ON THE CORE BUSINESS

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

GROWING COMPETITIVE PRESSURE

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

What Austrian Post already does today

Sustainably successful business management is the top priority for Austrian Post's management as the basis for long-term growth and safeguarding its market leadership position. Because only an economically successful company can assume its corporate social responsibility and make an appropriate contribution to fulfilling social and ecological needs.

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— MANAGEMENT APPROACH OF AUSTRIAN POST

Within the context of a broad-based strategy development process, Austrian Post specified objectives and strategic measures and defined strategic thrusts to deal with the challenges it faces. As the undisputed market leader, Austrian Post resolutely defends its market leadership and aims to grow in the markets it has defined. In addition, it pursues an attractive dividend policy for the benefit of its shareholders. To ensure its future success, Austrian Post continually invests in the expansion and modernisation of its infrastructure and working processes.

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

Further information on strategy can be found on page 32 as well as starting on page 6 of the Financial Report 2016.

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This strategic direction is in accordance with the material topics stakeholders identified within the context of the materiality analysis. Stakeholders also demand that Austrian Post grows sustainably and thus creates value, not least for shareholders. From a stakeholder perspective, the most important aspect is that Austrian Post continuously evolves and drives the business with modern and innovative solutions. The material topics in the focus area of the economy are:

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MATERIAL TOPICS IN THE FOCUS AREA OF THE ECONOMY

GENERATE GROWTH AND ADDED VALUE

PURSUE AN ATTRACTIVE DIVIDEND POLICY

PRESS AHEAD WITH MODERNISATION AND INNOVATION

ENSURE CUSTOMER SATISFACTION

OPERATE IN A SERVICE-ORIENTED MANNER

Austrian Post relies on new, innovative business ideas and the implementation of efficiency enhancement programmes in order to generate growth and added value and to be able to offer attractive dividends to its shareholders. Accordingly, Austrian Post works continuously on its processes and work flows to further increase the flexibility of the cost structure, raise productivity and improve service quality with the ultimate target of enhancing customer satisfaction.

DISCLOSURE
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— ACHIEVEMENTS IN 2016 AND TARGETS FOR 2017

To measure its success and progress in its focus area of the economy as well as to document and manage its performance on material topics, Austrian Post has defined targets and subtargets, which are revised on an annual basis. The economic targets of Austrian Post were defined for the entire Group, and thus also refer to Group data in terms of target achievement. The main goals in 2016 were:

FURTHER DEVELOP AUSTRIAN POST'S SUSTAINABLE BUSINESS MODEL

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

FOCUS ON CUSTOMERS AND INNOVATION

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

TARGETS FOR 2016	ACHIEVED IN 2016	TARGETS FOR 2017
FURTHER DEVELOP AUSTRIAN POST'S SUSTAINABLE BUSINESS MODEL		
Group revenue of EUR 2bn following sale of the German subsidiary trans-o-flex	Group revenue of EUR 2.0 bn was achieved despite challenging conditions.	Target in 2017 is to maintain revenue at a stable level (revenue in 2016 of EUR 1.9bn excl. trans-o-flex)
Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency	Measures were continuously implemented again in 2016 to optimise structures, increase efficiency and reduce costs. As a result, the Austrian Post Group reported an EBITDA margin of 13.6% during the year under review.	Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency
Operating EBIT at the level of 2015: EUR 198.0m	The operating EBIT of Austrian Post equalled EUR 202.3m in 2016, a rise of 2.2% from the previous year.	Target is to generate a stable operating EBIT at the level of 2016 (EBIT 2016 of EUR 202.3m)

FOCUS ON CUSTOMERS AND INNOVATION

Online solutions to increase customer convenience: track & trace, SMS/E-mail notification, Post App, parcel stamp, e-commerce services	Promotion of online services such as the Post App, Postcard App and online parcel stamp	Promotion of online services such as Post App and the e-letter
Optimisation of solutions for recipients – Post pick-up boxes: Increase to 16,000 units	More than 18,000 Post pick-up boxes already installed	Increase of Post pick-up boxes to achieve medium-term goal of 20,000 units
Optimisation of solutions for recipients – Post pick-up stations: Expansion to 250 stations	260 pick-up stations available	Increase of Post pick-up stations, in order to achieve medium-term goal of 300
Self-service zones: Expansion to 330 units	334 self-service zones set up	Increase of self-service zones to achieve medium-term target of 400



The economic performance of Austrian Post is presented in detail in the Financial Report 2016.



FOCUS AREAS



INFORMATION

Create Sustainable Value in Times of Change

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

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— ECONOMIC PERFORMANCE

A company that wants to generate sustainable value has to operate in an economically sound and profitable manner. The profitability of Austrian Post is reflected in the Group-wide EBIT margin of 10.0% in 2016. On the basis of existing volume and revenue forecasts and the continuation of its ability to render services efficiently, Austrian Post is striving to achieve a stable operating EBIT in 2017 comparable to the level of 2016.

EARNINGS

EUR m	2014	2015 ¹	2016
Revenue	1,659.8	1,756.8	1,746.1
Other operating income and own work capitalised	88.6	42.9	25.3
Raw materials, consumables and services used	-309.2	-329.0	-339.8
Staff costs	-993.4	-958.7	-953.0
Depreciation, amortisation and impairment losses	-62.9	-59.9	-56.0
Other operating expenses	-218.6	-239.0	-233.7
Results for financial investments accounted for using the equity method	-27.1	-128.4	-10.2
Earnings before interest and tax (EBIT)	137.4	84.7	178.6
Other financial result	3.4	2.7	-0.4
Earnings before tax (EBT)	140.8	87.4	178.2
Income tax	-46.1	-46.2	57.4
Profit for the period	107.8	41.2	235.6

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

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The income statement of Austrian Post (individual financial statements according to the Austrian Commercial Code) shows the following picture in 2016: **REVENUE** of the parent company Österreichischen Post AG (Austrian Post) fell by EUR 10.7m in the 2016 financial year, from EUR 1,756.8m in 2015 to EUR 1,746.1 in 2016. The revenue decline in the Mail & Branch Network Division was partially offset by the 3.3% rise in revenue generated by the Parcel & Logistics Division.

The Mail & Branch Network Division accounts for 79.5% of the revenue of Austrian Post, whereas the Parcel & Logistics Division contributes 18.3% of revenue and the Corporate Division 2.2%.

Compared to the previous year, **OTHER OPERATING INCOME** fell by 41.0% to EUR 25.3m. Other operating income in the year 2015 included the repayment of EUR 28.2m credited for non-wage costs for civil servants paid in previous periods. In turn, other operating expenses in the prior-year period recognised obligations for potential compensation payments to the amount of EUR 5.2m.

The item **RAW MATERIALS, CONSUMABLES AND SERVICES USED** climbed 3.3% from the previous year to EUR 339.8m. The increase mainly resulted from higher parcel volumes in the company's core business. **STAFF COSTS**, which account for 54.6% of revenue, comprise the largest expense item, and fell by 0.6% to EUR 953.0m as a result of the resolute continuation of efficiency enhancement measures during the period under review.

OTHER OPERATING EXPENSES fell 2.2% to EUR 233.7m. The **RESULTS FOR FINANCIAL ASSETS ACCOUNTED FOR USING THE EQUITY METHOD** at minus EUR 10.2m negatively contributed to earnings due to the impairment losses recognised in the reporting period. The results for financial assets accounting for using the equity method in 2015 included impairment losses for the trans-o-flex Group in Germany.

Depreciation, amortisation and impairment losses on **INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT** of Austrian Post fell 3.2% to EUR 56.0, which can be attributed to the progressed depreciation rate for buildings and parts of other equipment, furniture and fittings.

EARNINGS BEFORE INTEREST AND TAX (EBIT) of Austrian Post climbed from EUR 84.7m to EUR 178.6m. **EARNINGS BEFORE TAX (EBT)** improved from EUR 87.4m in the 2015 financial year to EUR 178.2m in the 2016 financial year.

The income tax reported in the 2016 financial year comprise a net balance of EUR 57.4m due to the initial recognition of deferred tax assets as a consequence of the 2014 Austrian Law on Changes in Accounting.

On balance, the **NET PROFIT FOR THE PERIOD** totalled EUR 235.6m in the 2016 financial year, compared to EUR 41.2m in 2015. The consolidated income statement can be found in the Financial Report 2016 (page 64).

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— ANALYSIS OF VALUE CREATION

Austrian Post pursues the goal of generating sustainable added value on behalf of its stakeholders and thus for the Republic of Austria. The added value generated by the company in 2016 is summarised below and was distributed to the following stakeholder groups:

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

EUR m	2014	2015 ¹	2016
Origin			
Revenue and other operating income	1,748.5	1,799.7	1,771.4
less advance outlays	-584.1	-621.1	-622.9
thereof raw materials, consumables and services used	-309.2	-329.0	-339.8
thereof other operating expenses	-212.0	-232.2	-227.1
thereof depreciation and amortisation	-62.9	-59.9	-56.0
Value creation	1,164.3	1,178.7	1,148.5
Distribution			
to employees (wages, salaries, social contributions)	993.4	958.7	953.0
to shareholders (dividends)	131.7	131.7	135.1
to the Republic of Austria (taxes)	52.6	53.2	32.7
to creditors (interest)	0.7	4.0	4.1
Remaining amount	-14.1	31.0	23.6
Value added	1,164.3	1,178.7	1,148.5

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

The revenue of EUR 1,771.4m generated by Austrian Post in 2016 (incl. other operating income) was in contrast to advance outlays of EUR 622.9m.

The resulting **ADDED VALUE** of Austrian Post to the amount of EUR 1,148.5m was mainly distributed to employees directly in the form of wages and salaries and indirectly via social contributions. The total amount assigned to employees was EUR 953.0m.

PAYMENTS OF AUSTRIAN POST TO THE REPUBLIC OF AUSTRIA

The Republic of Austria owns a majority share or 52.9% of Austrian Post via ÖBIB (Österreichische Bundes- und Industriebeteiligungen GmbH). Accordingly, it received EUR 71.4m in dividends in 2016 (52.9% of EUR 135.1m). In addition, EUR 32.7m was paid to the Republic of Austria as taxes and duties.

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PAYMENTS OF THE REPUBLIC OF AUSTRIA TO AUSTRIAN POST

Austrian Post benefits from public sector funding within the context of individual projects. For example, Austrian Post has found a partner in the Climate and Energy Fund of the Austrian Federal Government and the "klima:aktiv mobil" programme of the Federal Ministry of Agriculture, Forestry, Environment and Water Management, which supports the company as part of the model region

E-Mobility Post with funding as well as know-how in its efforts to further expand its e-vehicle fleet. Austrian Post is currently working on the implementation of a funding management programme.

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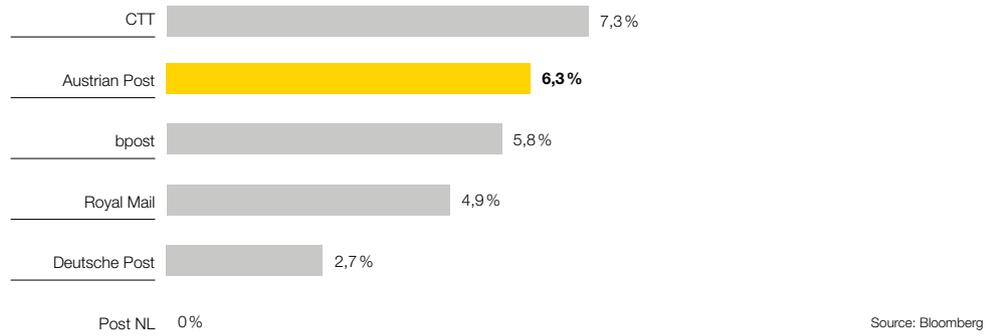
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— DIVIDEND POLICY

An attractive dividend policy is not only a key cornerstone of the company's investment story, but also the foundation of its entire corporate philosophy. At least 75 % of the Group's net profit should be distributed to shareholders each year. This represents a profit for investors, and a dividend which is in long-term accordance with the Group's operating results. The attractive dividend policy was continued in the 2016 financial year, featuring a dividend of EUR 2.00. On balance, the total dividend payout to shareholders amounted to EUR 135.1m in 2016.

The dividend policy of Austrian Post is based on a solid business model and strong cash flow from operating activities. In 2016, Austrian Post further improved its operating result. Moreover, the free cash flow before acquisitions/securities was at a high level despite an extensive investment programme, providing an ongoing solid basis to finance future investments and dividend payments. At the end of 2016, the dividend yield was 6.3%. Accordingly, Austrian Post ranks among the most attractive dividend stocks both in Austria and internationally. This has been the case for several years now, which is proof of the sustainability of Austrian Post's dividend policy. The basis for the dividends is not short-term gains, but a solid business model which is also sustainable as a result of ongoing infrastructure investments, and is thus prepared to meet future challenges.

DIVIDEND YIELDS AS AT DECEMBER 31, 2016



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— MODERNISATION AND INNOVATION

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

All this requires investments. For this reason, Austrian Post focuses on integrating state-of-the-art technologies, and invests in improving and expanding its operating infrastructure each year. The investments and innovations are not limited to property, plant and equipment but are also designed to improve the way employees work. Modern and up-to-date working models in daily processes will also guarantee efficiency, productivity and, ultimately, customer satisfaction in the future. Only with state-of-the-art technology and efficient processes can all work flows in the company be optimally tailored to provide the desired high-quality service in all product and service areas expected by customers.

Resource conservation and energy efficiency in processes and work flows represent one of the research and development priorities. The CSR and Environmental Management Department consults and supports the operating units in their research and development activities when needed. Up until the end of 2016, Austrian Post had invested about EUR 14m in CO₂ neutral, pollution-free delivery using electric powered vehicles.

On balance, investments of Austrian Post in the 2016 financial year totalled EUR 90.7m, down only marginally by EUR 0.7m from the prior-year level. This amount encompassed spendings of EUR 88.5m on property, plant and equipment and of EUR 2.2m in intangible assets. The focus of the investment programme of Austrian Post during the period under review was on prepayments and assets under construction (58.7%). The assets under construction included the construction of the new corporate headquarters which will be completed in the autumn of 2017 as well as prepayments for acquisition of a commercial property for the construction of a new sorting centre in the north of Vienna and the purchase of delivery vehicles. The section on the environment starting on page 111 will report in detail about the vehicle fleet and the expansion of e-mobility.

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— SERVICE ORIENTATION AND CUSTOMER CONVENIENCE

Austrian Post knows its customers, a key cornerstone of its success. This also applies in times of change. Only when a company knows what its customers want can it offer innovative and customer-oriented services and thus achieve entrepreneurial success in the long-term. For this reason, Austrian Post precisely analyses the needs of its customers and continuously evolves on this base.

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

GREATER CUSTOMER COMFORT AND SERVICE QUALITY BASED ON FLEXIBLE DELIVERY CONCEPTS

Austrian Post steadily works on innovative services to complement its existing offering as a means of tailoring it to the changed lifestyle and demands of its customers. The focus is always on customer comfort and service quality.

Self-service zones, pick-up stations and pick-up boxes

To enable customers to drop off and receive mail items on a 24/7 basis, Austrian Post has installed self-service zones in its branch offices which are equipped with packing stations, franking machines and drop-off boxes as well as pick-up stations. Moreover, customers in larger residential complexes also have pick-up boxes at their disposal allowing them to pick up their mail items at any time. At the end of 2016, Austrian Post had already installed 334 self-service zones, close to 260 pick-up stations and more than 18,000 pick-up boxes – thus boasting the widest service range in Austria.

Expansion of Saturday delivery

In October 2015, Austrian Post began to offer Saturday parcel delivery services in urban areas. The underlying reason is that many people are not at home during the week because of their jobs, and also find it hard to pick up parcels from the branch offices due to their working hours. In the meantime, Saturday delivery of parcels has become a permanent fixture of Austrian Post's service portfolio. Moreover, the practical parcel redirection enables recipients to change the place or time of delivery.

“Permanent parcel redirection”

If a customer wants to permanently redirect his parcels, he can take advantage of the “permanent parcel redirection” service and automatically redirect parcels to a nearby postal service point, pick-up station or a designated neighbour. The measures contribute to a high first delivery attempt success rate on the part of Austrian Post. About 92 % of the intended recipients receive their mail item on the first delivery attempt.

Post Flexibox

Since autumn of 2016, customers have been able to receive parcels at home without being present. This is made possible by the Post Flexibox. The Flexibox is simply attached to the door frame with a slash-proof strap when leaving the house. The mail carrier opens the box with a chip and puts the mail item inside. While the Flexibox is locked, the customer receives a message that his mail item has been left inside. He simply removes parcels, large-sized letters and packets with his personal chip when he arrives home.

Dop off parcel with the deliverer

Since October 2016, Austrian Post has also offered the comfortable pick-up of return parcels during the delivery process. When the mail carrier brings a parcel, the customer can give a mail item back to him directly with a return shipping label or printed parcel stamp affixed to it.

Growth market of food delivery

In 2015 Austrian Post became the first company in Austria to offer nationwide food delivery. The food delivery sector is developing very successfully, and demand on the part of retailers is high. Smooth logistics and very short delivery times are important for this new business area. The bottom line is that the freshness of the food must be guaranteed. Austrian Post delivers cooled fresh food to a person's doorstep in specially designed insulation boxes. The measurements of the insulation box designed in line with the Eurostandard as well as its secure closing make sorting, transport and delivery possible as a conventional parcel. Austrian Post offers same-day delivery in the provincial capitals on request of the food store, and next-day delivery in the rest of Austria. The insulation box can be emptied at delivery and taken back by the delivery staff, or the customer sends it back by attaching the enclosed return label. In this way shopping for food has become easy in every respect.

Further information can be found on pages 40–43 of the Magazine 2016.

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ONLINE SOLUTIONS FOR ENHANCED CUSTOMER COMFORT AND SERVICE QUALITY

Post App

The track and trace service enables Austrian Post customers to check anywhere and at any time the whereabouts of their parcels online or via the Post App launched in 2014. This service was expanded in 2016 to further enhance customer benefits. A photo of the parcel is made when it arrives and is initially scanned in the logistics centre. The time in which the item was received by Austrian Post become more transparent for the customer. He knows when his parcel is almost there. He also sees the size of the parcel and can correspondingly plan for its transport or redirection. When delivered, the customer receives notification as a push message or via e-mail that the parcel was deposited. This electronic “yellow slip” is particularly popular, because it enables customers to pick up the parcel directly from Austrian Post, for example on the way home from work, without having to make a detour to go home first.

E-Letter

Austrian Post developed a solution – the e-Letter – to give customers the opportunity to receive sensitive documents such as invoices, insurance policies and bank documents in a totally secure electronic manner while maintaining privacy of correspondence. Documents are not read while being dispatched as in conventional transmission per e-mail, but are deposited in a digital letterbox for the customer. The e-Letterbox enables access to letters and documents such as invoices and contracts any-time and anywhere. In this way, the customer gets important documents as quickly as an e-mail but as securely as a letter. Austrian Post joined forces with an expert to launch the e-Letter. Since the autumn of 2016, Austrian Post has held a stake in sendhybrid, a pioneer in electronic delivery. The specialist for secure electronic document transmission enables the verifiable, time and location-independent reachability of recipients and their access to an e-Letterbox via smart phone, tablet and PC. In this way, the highest possible data security and compliance with all international conditions and rules are guaranteed.

Post Energy Cost Calculator

Since the deregulation of the Austrian electricity market, consumers have been confronted with the issue of which tariffs are most favourable and lowest for them. For this purpose, Austrian Post has created an uncomplicated solution facilitating comparisons and making it easy to switch electricity and gas suppliers. The Energy Cost Calculator offered by Austrian Post helps consumers to quickly gain an overview of all electricity and gas tariffs in Austria, inform themselves about discounts and price models and compare offers. Subsequently, they can select the most suitable rates free of charge, and save money at the same time. Questions are answered by branch office employees who can initiate the change in service providers on request. No costs or efforts are required on the part of the customer. Austrian Post also offers this service online. Customers can conveniently and flexibly compare offers from their own homes or on the road, and change their suppliers with just a few clicks.

Aktionsfinder

The digital retail marketing platform Aktionsfinder, in which Austrian Post has been owning a 100% stake since the autumn of 2016, exists as a means to simplify the search of consumers for the best offers and at the same time help companies to increase the reach of their flyers, offers and promotional campaigns. On this platform companies can also promote their leaflets, flyers, offers and campaigns online in addition to the direct mail items deposited in people's letterboxes. Moreover, users can browse through the digital flyers or targetedly search for offers at home or on the road. With around 800,000 visitors and approximately 25 million leaflet page views per month, AKTIONSFINDER ranks among the largest online portals for digital advertising flyers in Austria.

Further information is available on pages 44–48 of the Magazine 2016.



CUSTOMER SATISFACTION – RESULTS 2016

68

points was the average good CSI level

85 %

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

46 %

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

79 %

rated the parcel delivery staff as “very good” or “excellent”

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CUSTOMER SATISFACTION

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

Measuring customer satisfaction in accordance with the CSI scale considers 50 index points or less to represent a critical level, 51 to 60 points as moderately content, more than 61 points is considered to be good and higher than 70 means very good. An outstanding level of customer satisfaction is for 81 points up to the highest possible score of 100. The average CSI in 2016 was good, remaining stable at 68 index points. It only fluctuated slightly between 68 and 69 index points over the four quarters of the year. Very high marks (i.e. over 70 index points) were given to the postal service points, shipping and delivery. Young people were the most satisfied. This group of people generally takes advantage of innovations (e.g. self-service zones or the Post App) the most.

On balance, 46 % of the interviewees gave Austrian Post the mark of “very good” or “excellent” for its services in the last quarter of the year under review (Q4 2016), and a further 38 % gave it a “good” grade.

In 2016, the mail and parcel delivery staff once again achieved top grades from all groups in the population. 85 % of the customers in the fourth quarter of 2016 said their mail carriers were “excellent” or “very good”, and 79 % of the customers evaluated their parcel delivery staff as being “excellent” or “very good”.

The sustainable development of the company with respect to the environment and the responsibility of Austrian Post to society and its employees were also taken into account in measuring customer satisfaction. The results for 2016 show that the company’s environmental protection activities and social commitment are favourably perceived. The perception of the company’s “social responsibility for employees” rose by an average of seven index points from the previous year, whereas “sustainability for the environment” improved by three index points on average and “responsibility for society” by two index points.

Each year Austrian Post brings 5.4 billion mail items to every address throughout Austria and thus safeguards the supply of basic postal services of outstanding quality to the Austrian population. With a delivery staff of 9,100 people, 450 company-operated branch offices and 1,350 postal partners, Austrian Post provides its services throughout the entire country and is thus a reliable partner to its customers. Based on its broad service offering – online and offline – Austrian Post takes account of customer needs and integrates them in its core business via practical, daily solutions.

AUSTRIAN POST. PROACTIVE FOR SOCIETY.

SOCIETY



FOCUS AREAS

INFORMATION

What is important tomorrow

In addition to its obligation to supply top-quality postal services for every household throughout the country at a uniform price, the universal service obligation also entails a nationwide branch network with at least 1,650 postal service points. The postal business is subject to major changes. For this reason, new and changing conditions require ongoing customer-oriented adjustments on the part of Austrian Post, in order to ensure the long-term supply of postal services to the Austrian population.

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

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TRENDS AND CHALLENGES

As a provider of universal postal services, Austrian Post bears a considerable responsibility to society.

In the process, Austrian Post is faced with various challenges which impact the way it perceives and structures its public service obligation. This is because society is becoming increasingly complex and customers are becoming more demanding. This is a responsibility Austrian Post has to accept time and again every day. The universal service obligation is directly linked to Austrian Post's core business. For this reason, challenges pertaining to society are closely related to economic factors.

The challenges in the focus area of society mainly result from the following social trends which influence consumer behaviour:

MEGATRENDS WHICH IMPACT THE POSTAL BUSINESS IN THE FOCUS AREA OF SOCIETY

DEMOGRAPHIC CHANGE

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

DIFFERENTIATED LIFESTYLES

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

SUSTAINABILITY AND ENVIRONMENTAL AWARENESS

Society is changing. Austrian Post has to fulfil its pioneering role with its commitment to society.



What Austrian Post already does today

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

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— MANAGEMENT APPROACH OF AUSTRIAN POST

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

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

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MATERIAL TOPICS IN THE FOCUS AREA OF SOCIETY

SAFEGUARD REGIONAL INFRASTRUCTURE
AND ENSURE RELIABLE SUPPLY

SOCIAL COMMITMENT
AND SPONSORING

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

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

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

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Austrian Post takes the growing trend towards sustainability and environmental awareness into account on the basis of its CO₂ NEUTRAL DELIVERY initiative described in detail in the chapter on the environment (starting on page 106).

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

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— ACHIEVEMENTS IN 2016 AND TARGETS FOR 2017

Austrian Post has defined targets and subtargets which are revised on an annual basis in order to measure its success and progress in its focus area of society as well as to document and manage its achievements on the material topics.

ENSURE RELIABILITY OF SUPPLY AND SHAPE UNDERLYING CONDITIONS

The reliable and stable nationwide supply of high-quality postal services to the Austrian population is one of the main goals in the focus area of society. Austrian Post brings letters and parcels to every doorstep throughout Austria. Accordingly, Austrian Post is a reliable partner and thus safeguards the supply of basic postal services of outstanding quality to the Austrian population.

PROMOTE SOCIAL COMMITMENT

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

SUBTARGETS FOR 2016	ACHIEVED IN 2016	TARGETS FOR 2017
ENSURE RELIABLE SUPPLY AND SHAPE UNDERLYING CONDITIONS		
Reliable delivery Safeguard reliable delivery and surpass legally stipulated performance targets	Austrian Post once again exceeded legal stipulations in 2016, with a 95.7 % delivery success rate for mail on the first working day after letters were posted, whereas about 98 % of parcels were delivered within two days after being posted.	Reliable delivery Safeguard reliable delivery and surpass legally stipulated performance targets
Safeguard the nationwide network of postal service points exceeding legal requirements Safeguard network security and increase quality for company-operated and partner-operated branch offices	In this regard, Austrian Post also exceeds legal requirements in the spirit of optimally providing postal services to its customers. On balance, the network amounted to 1,792 postal service points at the end of 2016, making it one of the biggest private customer networks in the country.	Safeguard the nationwide network of postal service points exceeding legal requirements Safeguard network security and increase quality for company-operated and partner-operated branch offices
PROMOTE SOCIAL COMMITMENT		
Support for social projects on the basis of Austrian Post's logistics competence	In 2016, Austrian Post also supported social projects such as the "Ö3 Wundertüte", "Christmas in the Shoebox" or "Gift parcels for Baby Jesus" on the basis of its logistics competence	Support for social projects on the basis of Austrian Post's logistics competence



Austrian Post – Reliable and Committed

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

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— RELIABILITY OF POSTAL SERVICES

As a supplier of universal postal services, Austrian Post is responsible for the reliable, nationwide supply of postal services as well as for maintaining and safeguarding the country’s communications infrastructure. Delivering 5.4 billion mail items each year to every address in the country is a challenge Austrian Post responds to every single day.

EXCEEDING REQUIREMENTS OF THE UNIVERSAL SERVICE OBLIGATION

Austrian Post fulfils its mandate in outstanding quality thanks to its operation of six letter mail distribution centres and seven parcel distribution centres as well as 264 letter and parcel delivery bases. In 2016, 95.7 % of all letters were delivered on the next working day, and about 98 % of parcels within two working days. Both levels exceed the legally stipulated level of the Universal Service Obligation.

Austrian Post also surpassed the good performance achieved in the previous year with respect to the first-time delivery success rate for registered letters and parcels. The first-time delivery success rate is a very important factor determining customer satisfaction. In 2016, 92 % of parcels were successfully delivered on the first attempt (2015: 91 %), and 79 % of registered letters (2015: 78 %).

In order to ensure the optimal supply of postal services to customers, the definition of the Universal Postal Service Obligation in Austria requires Austrian Post to operate a nationwide network of at least 1,650 postal service points. Austrian Post also surpasses the statutory requirements in this respect in order to optimally serve its customers. The company provides its services on a nationwide basis, featuring a network encompassing 1,792 postal service points at the end of 2016, including 464 company-operated branch offices and 1,338 postal partners. Accordingly, Austrian Post operates one of the country's largest private customer networks, which can be optimally reached by every customer.

DISCLOSURE
102-7

DISCLOSURE
413-1

TRIPLE-WIN SITUATION OF THE POST PARTNER CONCEPT

The post partner concept plays a decisive role in its nationwide network. The postal partners also ensure the availability of postal services for customers when no branch office is nearby. They ensure more service, shorter distances and improved opening hours, thus safeguarding 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 such as food stores, petrol stations or pharmacies which offer Austrian Post's products and services in addition to their own product line and can thus generate additional income. This means the post partner concept is an advantage for customers, the postal partners and for Austrian Post itself.

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

The postal partner network continues to grow. 57 new postal partners were added in 2016, including one very special postal service point. The first postal partner office with a self-service zone was opened at Vienna Airport in October 2016. There customers can take advantage of postal services around the clock.

RESPONDING TO DEMOGRAPHIC CHANGE AND DIFFERENTIATED LIFESTYLES

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

Austrian Post has to fulfil customer demands in a target group oriented manner as a consequence of demographic change. Increasing digitalisation leads to changing lifestyles, requiring Austrian Post to meet these changing requirements. Customers want to be able to have 24/7 access to postal services everywhere and take care of their postal business as comfortably – but yet securely – as possible.

Austrian Post links these major trends with its postal service obligation and responds by continually expanding existing services and regularly launching new online solutions. Thanks to its comprehensive offering of innovative services, Austrian Post enables its customers to access postal services on a 24/7 basis and take care of their postal business. In the process, Austrian Post does not make any compromises with respect to security and confidentiality in carrying out its tasks.

— SOCIAL COMMITMENT

As one of Austria's flagship companies, Austrian Post believes it has the social responsibility to be involved in more than just providing postal services to Austrian society, but to stand up for people who are socially disadvantaged and require support. Austrian Post also takes this responsibility very seriously, linking this commitment to its core business particularly by utilising its nationwide delivery of mail items and Austrian distribution network for social purposes.



SOCIAL COMMITMENT IN 2016

423,000

mobile phones
for the "Ö3 Wundertüte"

6,000

children
received "gift parcels for Baby Jesus"

3,000

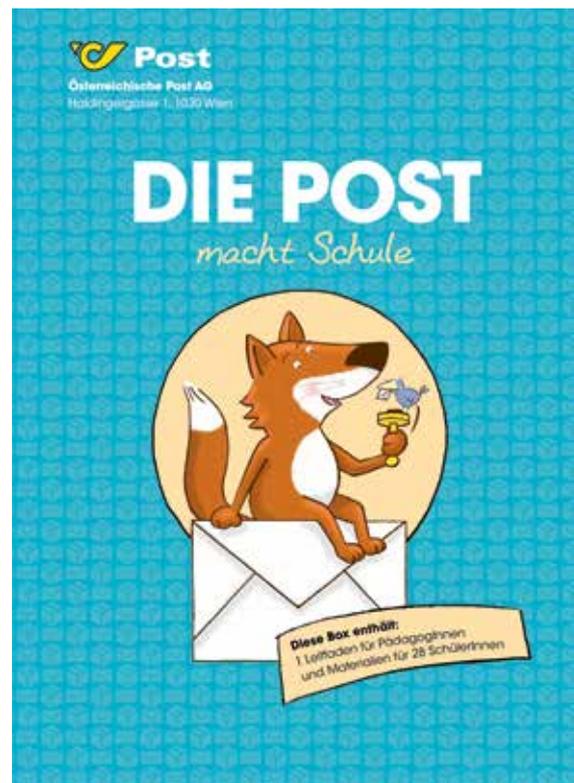
school boxes
are sent out each year nationwide

26

pupils
took part in the Post Workshop
during the "Children's Business Week"

19

girls
participated in Austrian Post's
"Vienna Daughter's Day"



WITH THE "SCHOOL BOX", AUSTRIAN POST MAKES MATERIALS AVAILABLE FOR THE THIRD YEAR OF SCHOOL.

COMMITMENT TO THE SOCIALLY DISADVANTAGED

One example is the **Ö3 WUNDERTÜTE** initiative, which Austrian Post has already supported for twelve years. In 2016, as in the year before, Austrian Post directly delivered the Ö3 Wundertüte in the form of a red paper bag to every household in the country. Consumers could give away their old mobile phones and return them at no charge. The net proceeds from recycling these devices were donated equally to the emergency aid funds of “Licht ins Dunkel” (“Light into the Darkness”) and the charitable organisation Caritas. On balance, the campaign yielded donations of EUR 635,000 in 2016, thus providing support to people in the most difficult life situations.

Within the context of the **“GIFT PARCELS FOR THE CHRIST CHILD”** initiative, Austrian Post once again cooperated with the Workers’ Samaritan Foundation in 2016 to ensure that no needy child in Austria would have to celebrate Christmas without getting a present. Anyone who wanted to send a present to one of the more than 400,000 children in Austria exposed to the risk of poverty could order a pre-franked parcel stamp online free of charge, stick it on the gift parcel and drop it off at a postal service point. Austrian Post sent the parcels to collection centres of the Workers’ Samaritan Foundation, where full-time and voluntary Samaritans personally brought the parcels to children in social welfare institutions and needy families.

A similar project was **“CHRISTMAS IN THE SHOEBOX”**, in which Austrian Post was once again involved in 2016. Austrian Post collected the parcels from the collection points in the Greater Vienna Area and delivered them for transport to Eastern Europe. In this way, they could be distributed to children in need in a timely manner.

Austrian Post also supported the **PICKLE JAR CAMPAIGN OF CARITAS**. Austrians were called up to collect their loose change in pickle jars and bring them to all branch offices. The small change donations from this initiative serve to improve the nutritional situation of 100,000 people in the world’s poorest countries and support persons displaced by war.

Austrian Post celebrated the 70th anniversary of the United Nations Children’s Fund (UNICEF) by issuing a **UNICEF COMMEMORATIVE STAMP**. Austrian Post has been a partner of UNICEF for almost as long, and has supported the organisation’s annual sales of UNICEF Christmas cards as well as by issuing commemorative stamps (1949 and 1996) on special occasions. The commemorative stamp issued in 2016 on the occasion of UNICEF’s 70th birthday has a nominal value of 68 cents plus a surcharge of EUR 2.32 as a donation for UNICEF’s educational projects.



UNICEF COMMEMORATIVE STAMP

The **FUNDRAISING LETTER** ranks among the most successful ways to solicit donations in Austria. It is an indispensable communications tool for charitable organisations, offering people a convenient possibility to inform themselves about the work of NGOs and support their actions.

To increase awareness for this type of communication, Austrian Post searched for the most popular fundraising letter of the year in collaboration with the Austrian Fundraising Association. The NGO shortlist was published in the advertising envelope KUVERT. Austrians had the opportunity to vote up until Christmas either online or by using a free postcard.

The winner was SOS Children’s Villages, which was awarded a postage credit balance of EUR 12,000 for its next donation mailing. DEBRA Austria came in second, followed by Caritas & Du.



COMMITMENT FOR CHILDREN

Austrian Post is not only committed to helping socially disadvantaged people but children in general. For this purpose, various projects have been initiated or support has been provided to existing initiatives related to the company's core competence.

In 2016, Austrian Post participated for the fifth time in the **“CHILDREN'S BUSINESS WEEK”** organised by the Austrian Federal Economic Chamber. The one-week event enables pupils to gain an insight into how different companies operate. On balance, 26 children attended the “Post Workshop”, where they playfully and vividly experienced the path a letter or parcel takes from the time it is dropped off until the time it is delivered.

The involvement of Austrian Post in the **VIENNA'S DAUGHTER DAY** shows how diversity is embedded and practiced at Austrian Post. This begins at an early age: 19 girls spent one day at Austrian Post in April 2016. The initiative aims at motivating girls to select new professions or even professions, which are at least in part unusual for girls, when taking their career choice. The girls were able to look over the shoulders of employees in the letter mail and parcel centres as well as in goods transport. A final competition was held in which the girls could demonstrate their accuracy and speed in mapping test letters and win great prizes.

In order to acquaint children with Austrian Post in a playful manner, the company developed so-called **“MINI POST STATIONS”**, where children can imitate what goes on in a real post office. The activities include sorting, stamping, drawing, packing, transporting and shipping. Kindergartens could take part in a prize competition to win three such stations along with EUR 1,000 for the kindergarten. For this purpose, the children were asked to submit stamps they had designed themselves focusing on the topic of the post office. The idea was well received. The three winners were selected in the autumn of 2016 from among 1,000 participating kindergarten groups.

Under the title **“AUSTRIAN POST AT SCHOOL”**, Austrian Post sends about 3,000 school boxes to primary schools each year. These appealingly designed teaching materials aim to stimulate pupils to read and write, as well as to give them a better understanding of what Austrian Post does.

COMMITMENT TO CULTURE

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

Maintaining the health and productivity of employees is a crucial issue for Austrian Post. On the one hand, Austrian Post assumes its responsibility as an employer and wants to go above and beyond a good working environment, professional development opportunities and fair pay. On the other hand, Austrian Post sees healthcare as an expression of its appreciation and respect for its employees and their achievements.

That is why Austrian Post continued its health management in 2016 and complemented it by new measures. The company supports its employees through preventive measures and consulting, but also by developing exercises, which employees can do directly in their office or by supporting various jogging events.

AUSTRIAN POST. PROACTIVE FOR EMPLOYEES.



PRO ACTIVE
for employees

EMPLOYEES



FOCUS AREAS

INFORMATION

What is important tomorrow

The skills of employees and their readiness to continually develop their competencies enables Austrian Post to render the best possible services for the benefit of its customers as well as to maintain and further expand upon its leading market position.

DISCLOSURE
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TRENDS AND CHALLENGES

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

For example, changing customer needs, arising as a consequence of digitalisation, demographic change and increasing mobility and flexibility on part of customers, also impose new demands on employees. Austrian Post will only be able to fulfil the changed service and quality demands with qualified employees, who actively take a part in shaping the company's development and in innovating new services.

Digitalisation and the ensuing transformation of customer requirements not only affect the company's employees. They perceive the consequences in their daily work. Revised processes require new mindsets and competencies. In turn, this leads to new requirements with respect to executive development as well as the further education and training of employees. As one of the largest employers in the country, Austrian Post has to adapt to this new situation.

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

Austrian Post is confronted with the task of retaining well-trained, dedicated employees.

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

**MEGATRENDS IMPACTING THE POSTAL BUSINESS
IN THE FOCUS AREA OF EMPLOYEES**

**DEMOGRAPHIC CHANGE –
MAINTAINING EMPLOYABILITY**

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

**INCREASING COMPLEXITY AT WORK –
OFFERING OF PROFESSIONAL DEVELOPMENT MEASURES**

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

**PRESSURE TO BE EFFICIENT –
SOCIAL COMPATIBILITY OF ADJUSTMENTS**

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

**AUTOMATION –
MINIMISATION OF ACCIDENT RISKS AND PROTECTION OF EMPLOYEES**

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

**WORK-LIFE BALANCE –
ENHANCING MOTIVATION AND EMPLOYEE RETENTION**

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



What Austrian Post already does today

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

DISCLOSURE
103-2

— MANAGEMENT APPROACH OF AUSTRIAN POST

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

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

DISCLOSURE
103-1

MATERIAL TOPICS IN THE FOCUS AREA OF EMPLOYEES

DEVELOP A CORPORATE CULTURE

ENSURE OCCUPATIONAL SAFETY AND HEALTH

OFFER FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

CREATE DIVERSITY AND EQUAL OPPORTUNITY

DISCLOSURE
102-7
102-8

As one of the largest employers in the country, Austrian Post bears a particular responsibility to its employees. In 2016, the workforce of Austrian Post consisted of 17,448 employees (annual average, full-time equivalents). Of this staff, 7,642 employees were civil servants, 9,582 were salaried employees, 69 were trainees and 225 were temporary staff (holiday replacements with a maximum employment period of twelve weeks). All employees (98.7%) with the exception of the temporary staff and holiday replacements (1.3%) are subject to an Austrian collective wage agreement. The temporary staff or holiday replacements are subject to the stipulations of the Postal Services Structure Act (Section 19 Para. 5 PTSG) and are thus employed in line with the Austrian General Civil Law Code (ABGB).

DISCLOSURE
102-41
SDG
8

Detailed information on the staff structure can be found in the Facts & Figures section starting on page 120.

 p. 120 ff.

Safety and health as well as maintaining the employability of all employees are top priorities for Austrian Post. The company offers a range of measures, initiatives and trainings on issues such as workplace safety, accident prevention, health protection and healthy eating.

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

A great deal of emphasis is placed on further education and training in all areas of the company. This is designed to create reliable future perspectives for the employees and ensure they have the right qualifications for their particular work. Employees affected by restructuring measures are supported by Austrian Post via its “Internal Labour Market”, offering employees new career opportunities inside or outside the company.

Austrian Post started the “Career and Family” audit initiated by the Federal Ministry of Families and Youth in order to improve the compatibility of different areas of life. The aim of the audit is to establish and continually develop a family-oriented human resources policy and enable the compatibility of family and professional obligations.

Austrian Post considers diversity in the staff to be a major strength enabling the company to profit from different points of view and ways of thinking, thus invigorating the corporate culture. For this reason, Austrian Post promotes diversity in the company and resolutely opposes prejudice and any type of discrimination.

Austrian Post identifies the level of employee satisfaction as well as their main concerns with respect to improving their work routines by conducting regular employee surveys. Austrian Post is convinced that the possibility to contribute and actively shape the future decisively impacts employee motivation and commitment. The results of the survey serve as the starting point for the development of further improvement measures with the objective of continuously increasing employee satisfaction with the company. The next employee survey will take place in 2017.

DISCLOSURE
103-3

— ACHIEVEMENTS IN 2016 AND TARGETS FOR 2017

Austrian Post regularly reviews the priorities and measures encompassed in its human resources work in order to make sure that no key developments are missed and to be able to respond to changes in a timely manner. On the one hand, regularly held employee surveys reveal the issues employees consider to be important. On the other hand, the core issues are also reviewed and confirmed within the context of the materiality analysis.

The company has defined targets and subtargets for management and control purposes. The following two main objectives were specified within the context of revising its sustainability programme:

PROMOTE A CORPORATE AND LEADERSHIP CULTURE

An open and modern corporate and leadership culture enables employees to be creative and innovative and to act flexibly and independently as well as in a target-oriented and sustainable manner. The Mission Statement provides the most important reference point. The executives of the company

are responsible for identifying the potential of their employees, promoting their individual development and creating productive working conditions enabling employees to optimally unfold their skills. For this purpose, Austrian Post makes sustainable investments in the quality of its executives, and has given them special training within the framework of the Executive Academy since 2012.

PAY ATTENTION TO HEALTH AND SAFETY

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

The following subtargets were defined for 2016 and 2017:

SUBTARGETS FOR 2016	ACHIEVED IN 2016	SUBTARGETS FOR 2017
PROMOTE A CORPORATE AND LEADERSHIP CULTURE		
Executive Academy Holding of at least 1,500 man-days of trainings and seminars	1,428 man-days of trainings and seminars were held in 2016 within the context of the Executive Academy as well as 843 man-days within the context of the area and team leader trainings, thus a total of 2,271 man-days.	Holding of at least 1,500 man-days of trainings and seminars for executives
A Day Visiting Customers Participation of at least 250 executives	359 participants were involved in the programme entitled "A Day Visiting Customers"	Participation of at least 250 executives
"Career and family" audit Conclusion of the audit and start of the re-audit	Re-audit was carried out. In the autumn of 2016, Austrian Post once again received the Career and Family quality seal and was certified for another three years.	Continuation of the re-audit
		Employee survey Implementation of an employee survey in the year 2017
PAY ATTENTION TO HEALTH AND SAFETY		
Heart rate variability analyses Implementation of heart rate variability stress analyses and health workshops at a minimum of three sites.	189 heart rate variability analyses were carried out at twelve sites.	Implementation of heart rate variability stress analyses and health workshops at a minimum of five sites.
Health consultations and Health Days Conducting of at least 1,000 health consultations and 15 Health Days	Approximately 1,340 health consultations were conducted and six Health Days were held.	Conducting of at least 800 health consultations and ten Health Days
Development and continuation of health projects "A healthy heart and you", back and first aid training for executives	"A healthy heart and you" was continued. The back training and the first aid training projects for executives were implemented.	"A healthy heart and you", first aid training for executives, ergonomic lifting and carrying, stop smoking seminars, healthy nutrition
Evaluation of psychological stress Data evaluation for the branch network and delivery bases	Data evaluation for the branch network and delivery bases was concluded.	Derivation of measures for the branch network and delivery bases; data evaluation for the distribution centres and delivery bases of Parcel Logistics Austria



FOCUS AREAS

INFORMATION

Fit for the Future

Above anything else, economic success means one thing: companies and employees have to constantly evolve and adjust to new circumstances. It is important to design a corporate culture and a working environment stimulating employees to be creative and innovative and supporting them in implementing new ideas, particularly in a company which is subject to such far-reaching changes.

— CORPORATE AND LEADERSHIP CULTURE

Leadership guidelines were developed on the basis of the Mission Statement in order to create a good working atmosphere and performance-enhancing working conditions. These guidelines are designed to help contribute to an ongoing further development of the corporate and leadership culture.

Establishing an open and modern corporate and leadership culture as a means of actively integrating and involving employees in transformation processes is of enormous importance to Austrian Post. Only clearly shared visions and values enable Austrian Post to operate in a target-oriented and sustainable manner.

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

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

These navigators require a mutually shared understanding of leadership in the company in order to be able to give employees a consistent direction. The basis are the leadership guidelines of Austrian Post with its four guiding principles, “Assume responsibility”, “Provide orientation”, “Promote cooperation” and “Build confidence”.

PROMOTION OF THE LEADERSHIP CULTURE THROUGH EXECUTIVE TRAININGS

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

Leadership skills are imparted via various modules and with the help of specially trained coaches in order to convey leadership competencies and promote the individual's personal development. In 2016, 485 executives took part in the Executive Academy; moreover 191 area managers and team leaders also took advantage of relevant leadership trainings. The target group oriented programmes to promote the professional development of executives will be continued in 2017.

A DAY VISITING CUSTOMERS

The annual "A Day Visiting Customers" is one of the most successful measures implemented to embed and sharpen the understanding of leadership. Within the context of this programme, a total of 359 managers had the opportunity to spend one day in 2016 gaining insights into the daily work of their colleagues in the letter mail and parcel delivery department, employees in the branch network or in the customer service centre as well as at the subsidiaries Systemlogistik and feibra. This measure enables executives to familiarize themselves with the work of employees who are in daily contact with customers, and to more effectively assess the challenges they face. Moreover, "A Day Visiting Customers", supports key cornerstones of Austrian Post's Mission Statement i.e. customer orientation, appreciation and open communication and also promotes mutual understanding.

DISCLOSURE
102-43

DIALOGUE WITH EMPLOYEES

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

ADDITIONAL EMPLOYEE BENEFITS

Austrian Post also offers a variety of additional benefits to all its employees, including those working part-time, regardless of their age, gender and the extent to which they are employed.

Employee profit sharing

In addition to unified leadership guidelines and an open communication culture, Austrian Post believes that motivating and productive working conditions also includes enabling employees to participate in the success of the company. Austrian Post is one of the few companies in Austria with an employee profit-sharing scheme, which has been in effect for more than ten years. Austrian Post voluntarily pays employees an annual EBIT bonus as well as a special bonus. The gross EBIT bonus for the 2016 financial year was EUR 818 per employee, and the special bonus amounted to EUR 35. Part-time employees receive a pro rata share depending on their annual working time.

DISCLOSURE
401-2

post.sozial:

Customised social services for Post employees

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

Services range from financial support to employees faced with exceptional expenses arising as a result of illness or natural disasters, discounted tickets for cultural and sport events to cheaper holiday deals and child care and day care services during vacations. Furthermore, support is provided by post.sozial for health care measures and recreational activities.

Via its helfens.wert programme, post.sozial provided financial support to beneficiaries to the amount of EUR 757,300 in 2016 to help out in cases of exceptional costs arising from illness or natural catastrophes. In addition, it issued 380,000 food coupons valued at EUR 4.076m to Austrian Post employees in 2016. 22,297 tickets at a discount of at least 20% were purchased for 171 sehens.wert events.

In 2016, a total of 54,970 relaxing holiday nights were spent at fair.reisen destinations.

63 postler.kids (children of Post employees) attended holiday camps via the post.sozial association. Thanks to a new partnership with JUFA, the association was able to feature eleven different destinations (with or without overnight stays) throughout the entire summer vacation on the basis of its existing cooperation agreements. post.sozial provides financial assistance to reduce the price of the summer camps. On average, the cost per child is about 50% cheaper. The price is even reduced by 75% for siblings.

In the category besser.shoppen (better shopping) the individuals entitled to take advantage of the association's benefits were offered services or products from different product groups at a discount of at least 20%.

On balance, 1% of the total wage bill paid by Austrian Post and its subsidiaries are devoted to funding the association. Total funding amounted to EUR 6.44m in 2016. The joint welfare association is also supported by third-party donations.



KEY FACTS POST.SOZIAL IN 2016

POST.SOZIAL

6.44

EUR m in total funding

HELFENS.WERT

757,300

EUR paid in financial assistance

FAIR.REISEN

54,970

overnight stays

SEHENS.WERT

22,297

discounted admission tickets

HELFENS.WERT

4.076

EUR m (value of the food coupons)

SEHENS.WERT

171

events offered

— HEALTHCARE MANAGEMENT AND OCCUPATIONAL SAFETY

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

Austrian Post also included the importance of the issues of health and safety in its Mission Statement. In particular, executives have a special responsibility in this regard and are called upon to act as role models. Austrian Post believes that it is the responsibility of executives to ensure adherence to all legal regulations designed to protect their employees. For this reason, the Management Board decided to appoint each executive to serve as an emergency responder and provide them with suitable training.

HEALTHCARE MANAGEMENT - FOCUS ON PREVENTIVE MEASURES AND CONSULTING

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

“A Healthy Heart and You” campaign

As part of its healthcare management, the focus in 2016 was on further developing the project “A healthy heart and you” to prevent heart disease. Occupational physicians at Austrian Post offered health counselling sessions at about 188 sites around the country. The health counselling enabled Austrian Post employees to measure their blood pressure, blood sugar and cholesterol levels, as well as to try out their steadiness and coordination skills on the MFT Challenge Disc in a playful manner. In the course of personal consultations, they were informed about their individual risk profile for cardiovascular diseases and about prevention measures. In addition, flu vaccinations were given on request. On balance, these measures involved a total of approx. 2,000 employees. About 1,340 employees took advantage of personal health consultations.

Stress management and heart variability analyses

In 2016, employees once again had the opportunity to measure their heart rate variability as part of the project “Stress management check to promote health at work”. Their capability to manage stress and their regenerative capacity were measured in a scientifically sound manner. This measure was complemented by comprehensive information talks and workshops. All in all, a total of 189 heart rate variability analyses were carried out at twelve sites.

Health Days

In addition to the health counselling services, Health Days were offered at six company locations. Supported by external health counsellors, employees had the opportunity to test their hearing and lung capacity as well as to determine their fat and muscle mass and body’s water content by means of the body composition analyser. Furthermore, comprehensive information on healthy diets, relaxation with chair shiatsu and biofeedback. The Health Days were positively received by employees. On balance, the different services provided on these days were visited more than 940 times.

Fit in the office

In contrast to the delivery staff, office work usually involves long periods of sitting and not enough physical activity. Accordingly, Austrian Post launched a campaign in 2016 entitled “Fit in the office”. The objective is to prevent painful muscle tension or back problems and motivate employees to do small but helpful exercises right at their desks.

51 exercises which can be done while sitting or standing and in an employee’s everyday business clothing were prepared together with the back training instructor Andy Fumolo. These exercises done

by male and female employees of Austrian Post were captured on video and can be downloaded on the company's Intranet. The video was clicked more than 4,450 times in 2016.

Promotion of sporting activities

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

This offering is welcomed by employees. On balance, 3,902 Post employees took part in 17 running events throughout Austria in 2016. The most participants employed by Austrian Post took part in the Vienna City Marathon. 642 colleagues took part in 2016, including 110 marathon runners, 389 half-marathon runners and 143 relay runners. 150 female employees participated in the Austrian Women Race in Vienna's Prater. The number of participants in the Graz Marathon also rose, luring 380 Post employees in 2016.

In 2016, Austrian Post added a cooperation with two post.sozial tourist resorts (Bad Mitterndorf and Bad Ischl) offering jogging packages. These include the overnight stay, the starting fee (either for the Wolfgangsee race or the Daffodils Run), shuttle service to the starting point and a special runner's breakfast.

This type of offer for runners will be offered again by Austrian Post in 2017, and expanded to include the Strobl holiday resort on Lake Wolfgang.

Evaluation of psychological stress

Austrian Post began conducting an in-depth evaluation of psychological stress. Representative groups of employees were formed for different types of work, for example at the counter in branch offices, mail delivery on foot or using a moped. This was designed to identify the psychological stress factors impacting each specific group. Numerous workshops were held in the branch network and delivery bases of the Mail & Branch Network Division.

HEALTHCARE MANAGEMENT 2016 AT A GLANCE



HEALTH DAYS

6

Health Days

with about

940

participants

were held at various sites



HEALTH CONSULTATIONS

188

sites offered health counselling

for approx.

1,340

participants



PREVENTION

1,416

vaccinations (including about 860 flu vaccinations)

164

eye examinations

OCCUPATIONAL SAFETY 2016 AT A GLANCE**COMMITTEES****24**occupational
safety committees**TRAININGS****195**

trainings

9

fire drills

**WORKPLACE INSPECTIONS****3.539**

workplace inspections

586

assessments

OCCUPATIONAL SAFETY – FIRMLY ESTABLISHED IN THE COMPANY

Austrian Post attaches immense importance to occupational safety. Promoting and supporting the capacity of employees to work is a matter of great concern and affects everyone. In their daily work, Austrian Post employees use devices, machinery, equipment and vehicles. Relevant physical and mental skills are required and need to be maintained.

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

Austrian Post has set up a central occupational safety committee for the parent company Österreichische Post AG and more than 25 regional occupational safety committees for sites with more than 100 employees or where certain dangers exist. Guidelines are contained in Sections 88 and 88a of the Employee Protection Act (ASchG). Improvement suggestions are developed to individual safety and health issues, and the implementation of appropriate measures is discussed. The minutes of each meeting are compiled and made available to the regional occupational safety committees and the central occupational safety committee.

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

In addition to legal regulations on occupational safety and accident prevention, there are also in-house rules and instructions as well as leaflets designed to contribute to enhancing occupational safety in the company. The trade union and the Works Council of Austrian Post are included in all important matters relating to safety at work and accident prevention, and are also represented in the occupational safety committees. The main document containing all relevant in-house rules is the manual “Accident Prevention at Austrian Post” (most recently updated in December 2013).

OCCUPATIONAL SAFETY FOCUSES ON RISK MINIMISATION AND TRAININGS

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

In 2016 alone, the team of safety representatives carried out about 3,540 workplace inspections and advised site managers about potential dangers and matters relating to the safety and protection

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of employees – and also customers of Austrian Post (e.g. in the branch offices). In this regard, more than 580 workplace assessments were implemented. The results led to improvement suggestions and measures, for example relating to the working environment and work flows, which could be carried out by the responsible workplace managers. In addition, about 350 trainings were carried out by safety experts and occupational physicians, which involve repeated workplace instructions pursuant to Section 14 Employee Protection Act in cooperation with supervisors as well as in special purpose or incident-related instructions, for example in connection to the Maternity Protection Act, Youth Protection Act, or trainings following accidents and for using new equipment or facilities. All these measures reflect the high protection standards of Austrian Post which are organisationally specified.

SICK LEAVE AND ACCIDENT STATISTICS

In the reporting year 2015, Austrian Post introduced a new reporting system in line with the International Post Corporation Standard, in which commuting accidents are no longer included in the accident statistics of Austrian Post. The number of occupational accidents leading to the loss of at least one working day rose 1% in 2016, from 646 to 654.

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

The documented circumstances of accidents help to analyse the causes of the accident in detail and derive relevant measures to prevent such accidents from taking place again in the future. Responsibilities and reporting processes are regulated in detail by the organisational directive 2/2007 “Reporting System for Occupational Accidents”.

Fifteen accidents occurred at work in 2016 involving leased personnel, comprising an accident frequency rate of 5.5%.

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SICK LEAVE AND ACCIDENT INDICATORS

	2014	2015	2016
Employees on sick leave (FTEs ¹ in %)	8.6	8.4	8.9
thereof women (%)	27.1	28.3	35.7
thereof men (%)	72.9	71.7	64.3
Days lost per sick leave (working days)	11.1	10.1	10.5
thereof women	10.5	8.5	8.4
thereof men	11.3	11.1	11.7
Number of occupational accidents ^{2, 3, 4}	727	646	654
thereof women	265	241	235
thereof men	462	405	419
Average number of (calendar) day lost per accident ^{2, 3, 4, 7}	20.4	23.4	20.5
thereof women	19.5	18.5	19.6
thereof men	20.9	26.3	21.0
Accident frequency ^{2, 3, 4, 5, 6}	4.0	3.6	3.8
thereof women	4.9	4.6	4.6
thereof men	3.5	3.2	3.4
Fatalities resulting from occupational accidents	1	0	0
thereof men	1	0	0

¹ FTE = Full-time equivalents.

² New reporting system since 2015 in line with the International Post Corporation Standard (figures adjusted for 2014).

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

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

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

⁶ New designation for this indicator.

⁷ The number of days lost are reported for occupational accidents taking place in the reporting year, taking account of the number of days lost until January 31st of the following year.

— FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

Competition on the postal market is steadily increasing. At the same time; the entire sector has been subject to fundamental transformation. The increasingly demanding environment in which Austrian Post operates thus continuously places new demands on the personnel structure of the company and on each individual employee. Austrian Post accepts this challenge, establishing target group oriented and competence-oriented training and further education programmes, which are designed to identify and fully leverage the existing potential of the approx. 17,500 employees and sustainably safeguard corporate success.

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INDIVIDUAL SKILLS PROMOTION BASED ON SPECIFIC FURTHER EDUCATION AND TRAINING

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

For this reason, Austrian Post offers its employees a series of opportunities for personal and professional development. In addition to the Executive Academy, the target group oriented and competence-oriented further education and training of employees was intensively continued in 2016. These measures encompassing specialised instruction, continuing education courses, coaching and training in all business areas of the company, comprise an important focal point of Austrian Post's human resources management.

In the year 2016, a total of 1,048 seminars were held for Austrian Post employees. A total of 5,136 employees took part in these events. 32.5 % of the participants were women and 67.5 % were men. On balance, each female employee spent an annual average of 5.9 hours being trained, and each male employee five. (These figures do not include in-house on-the-job training nor trainings on occupational safety and health.) Employees of Austrian Post took part in a total of 100,442 seminar hours.

INDIVIDUAL DEVELOPMENT PLANNING

Regular appraisal interviews between employees and their supervisors make an important contribution to their individual professional development. These interviews help to determine personal work priorities and goals as well as to agree upon support measures in the form of further education and training measures.

These employee reviews comprise a platform for partners to interact on a personal level and build up trust. Thus, they create an opportunity to change the working relationship.

The interviews have two main objectives: on the one hand, to put together a "scorecard" about the employee's success in carrying out the assigned tasks and the effectiveness of the cooperation. On the other hand, they provide an outlook for the definition of priorities and the formulation of goals and support measures.

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

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FURTHER EDUCATION AND TRAINING INDICATORS¹

	2014	2015	2016
Seminars	1,021	932	1,048
Participants	5,169	5,424	5,136
thereof women (in %)	26.4	33.1	32.5
thereof men (%)	73.6	66.9	67.5
Person hours	100,859	81,500	100,442
Average annual number of personal hours for women	3.8	4.3	5.9
Average annual number of person hours for men	5.7	4.1	5.0

¹ Including Austrian subsidiaries.

TALENT MANAGEMENT PROGRAMME

In order to optimally promote talented employees, Austrian Post launched an internationally-oriented, customised talent management programme in 2014 for promising young employees of the Austrian Post Group at the IEDC Bled School of Management in Slovenia. In different training modules, these high potentials deal intensively with management and leadership issues and have the possibility to expand their horizons by exchanging views with international lecturers and guest speakers.

By getting to know other points of view, they can gain valuable experience for their personal development. After each training module, the talented employees reflect on what they learned and develop new ideas in line with the motto “Stretch your mind!”. The objective of this comprehensive initiative is to comprehensively prepare the executives of tomorrow for their future roles. The programme concluded in June 2016.

TRAINEE PROGRAMME

In June 2016, thirteen trainees successfully concluded the last trainee programme of Austrian Post initiated in the autumn of 2015.

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

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

Ten new trainees began the programme at Austrian Post in September 2016. In order to facilitate their entry into the programme, former trainees organised the team building for the new trainees as part of their final project. Several rooms in the Bad Mitterndorf holiday resort were adapted for all Austrian Post employees. Under the motto “Active impetus – martial arts”, the team building initiative also included an event with experience-oriented elements.

APPRENTICESHIP TRAINING

Austrian Post has already been offering young people an “apprenticeship with a secondary school diploma” for seven years. In 2016, a total of 69 apprentices took advantage of this opportunity. They were given a stimulating education in four areas of competence in the branch network banking, postal services, telecommunications and retail goods. In 2017, an additional 30 apprentices throughout Austria are to be given the opportunity to be trained as retail salespeople with a focus on telecommunications.

Thanks to its high-quality training of young people, Austrian Post was awarded the “TOP teaching enterprise” quality stamp by the Vienna Economic Chamber at the end of 2014. Moreover, Austrian Post turned out to be the winner in a survey of 30 employers by the independent consulting company Uniforce and was granted the “place to perform” seal 2016 for teaching enterprises in January 2017. The list of questions developed by the Institute for Economic Psychology at the University of Vienna focused on work activities, the social and working environment, learning aspects as well as satisfaction and motivation.

COOPERATION WITH THE CENTER OF EXCELLENCE

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

In October 2016, a semester opening event for the students took place on the premises of Austrian Post to give them a comprehensive insight into Austrian Post, to enable them to get to know the individual people involved and to pose specific questions to the group concerning different subject areas.

The focus was on presenting Austrian Post as an employer and the opportunities of a trainee programme in the company as well as to define a topic for the pro bono project to be jointly carried out in 2017.

COOPERATION WITH THE DELTA ACADEMY OF MONTANUNIVERSITÄT LEOBEN

The summer of 2016 marked the beginning of the pilot year of the new initiative for young executives. Austrian Post supports the programme, offering additional, high-quality education to selected students.

The students are chosen on the basis of a selection process and pre-defined criteria such as their academic performance and commitment. A total of 23 students are enrolled in the first year at Delta Academy. Austrian Post had the opportunity to present itself to the students and get to know them in September 2016.

Joint network events promote the close connection between Austrian Post and the students and provide the company with the opportunity to present itself as an attractive employer. However, Austrian Post also works together with the students on a practical level.

Within the context of a real-life company project, three students working under the guidance of Parcel Logistics Austria are now putting together a concept including a business case for a planned follow-up project.

AUSTRIAN ASSOCIATION OF INDUSTRIAL ENGINEERING AND MANAGEMENT (WING)

The Austrian Association of Industrial Engineering and Management (WING) consists of about 1,400 members, namely industrial engineers and industrial engineering students as well as graduates or students of related technical-economic courses of study. University assistants working at partner colleges as well as members of partner associations also belong to WING.

Austrian Post is in contact with the WING students at the Vienna University of Technology, the Graz University of Technology and various universities of applied sciences with WING courses of study. Austrian Post was also represented at the 21st Congress of Industrial Engineers held in May 2016. In the autumn of 2016, a “look-in event” took place in Vienna, where Austrian Post provided the participants with insights into Austrian Post in its role as an employer as well as information about information technology and the digitalised world of Austrian Post.

AUSTRIAN POST LABOUR MARKET

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

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

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

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

In 2016, Austrian Post launched its own training initiative entitled post.qualified, which targets all employees who have lost their jobs. This tool enables the participants to upgrade their IT user

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qualifications to a certified level demanded by the external labour market. post.qualified is supervised by trained career counsellors, who also arrange for interested employees to take part in suitable trainings and courses tailored to a specific job profile.

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

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

One success model for a responsible and socially compatible way to deal with excess staffing capacities is the initiative “Austrian Post employees to the federal public service”. By the end of 2016, a total of 584 (former) civil servants at Austrian Post had transferred to different federal agencies. The majority assumed positions in the Federal Ministry of Internal Affairs, the Ministry of Justice, the Ministry of Education and Women’s Affairs. These figures show that the competencies acquired at Austrian Post are very much in demand at the ministries, and that the programme has opened up new areas of work featuring interesting career perspectives for Post employees.

— DIVERSITY AND EQUAL OPPORTUNITY

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

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

CHARTER OF DIVERSITY

Austrian Post attaches great importance to diversity in the company. In order to make this visible to the outside, and to send out a clear signal in favour of more tolerance and fairness, Austrian Post signed the Charter of Diversity in 2013. Accordingly, Austrian Post made a clear commitment to creating and promoting a working environment which is free of prejudices. All employees should be treated equally and with appreciation and respect, regardless of their age, gender, sexual orientation, identity, nationality, ethnic origin, disability, religion or ideology.

DIVERSITY IN FIGURES

A total of 17,448 people was employed at Austrian Post in 2016. Diversity at Austrian Post can also be shown by the following figures:

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AUSTRIAN POST EMPLOYEES

1,829
Post employees
come from a total of

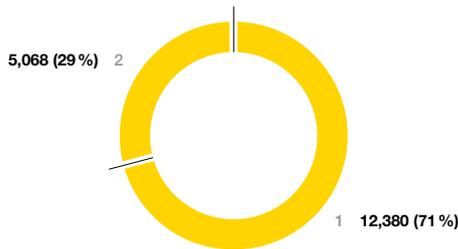
86
different nations
(excl. Austria).

36
Post executives come
from

12
nations.

**EMPLOYEES
BY GENDER**

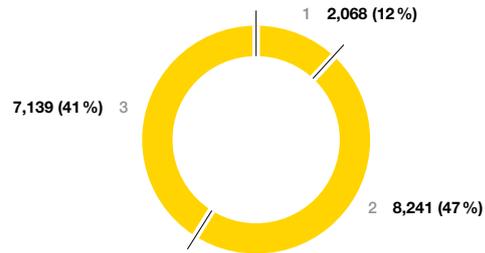
Nominal (%)



1 - Male
2 - Female

**EMPLOYEES
BY AGE GROUP**

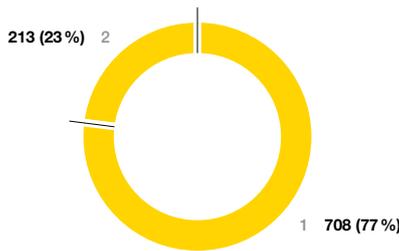
Nominal (%)



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

**EMPLOYEES IN MANAGEMENT
POSITIONS BY GENDER**

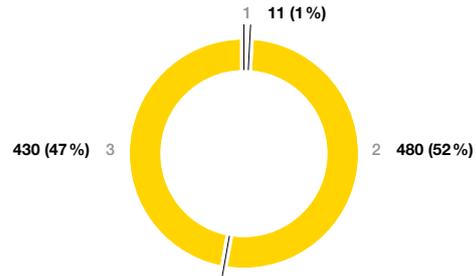
Nominal (%)



1 - Male
2 - Female

**EMPLOYEES IN MANAGEMENT
POSITIONS BY AGE GROUP**

Nominal (%)



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

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Further employee indicators are available in the Facts & Figures section starting on page 120. For information on diversity on the Management Board and Supervisory Board, refer to the section on Corporate Governance starting on page 12 as well as pages 13-16 of the Financial Report 2016.

EQUAL OPPORTUNITY

Equal opportunity at work and equal treatment of employees without reference to their gender are a matter of course at Austrian Post. The recruiting process strictly observes the principle of equal treatment of women and men. Women have been able to qualify for executive duties in many areas. In 2016, female executives comprised about 23 % of the total number of executives in the company.

COMPATIBILITY OF CAREER AND FAMILY

In order to position Austrian Post as an attractive employer for women, special measures are taken, to promote the compatibility of career and family and create corresponding career opportunities. For example, Austrian Post offers flexible working time models, integrates employees on leave in the internal information network and has set up a comprehensive information platform on issues such as parental leave and child care.

In November 2013, Austrian Post was granted the “Career and Family” certificate by the Federal Ministry of Families and Youth valid until 2016. In 2016, Austrian Post was once again given the “Career and Family” quality seal and certified for a further three-year period.

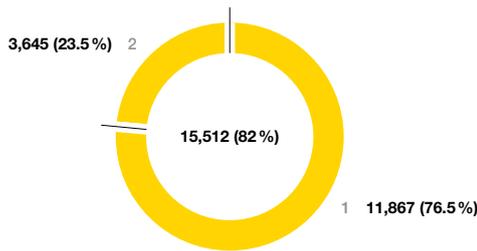
This award recognises a corporate culture continually standing up for and improving the compatibility of family and professional obligations. The focus of the re-audit was on the work-life balance with respect to maintaining the capacity of employees to work.

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EMPLOYEES BY TYPE OF EMPLOYMENT

**FULL-TIME
EMPLOYEES**

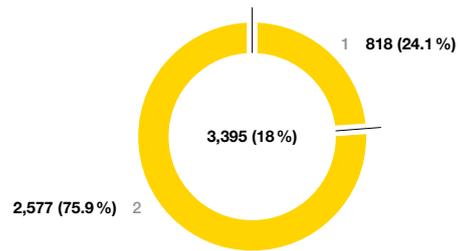
Nominal (%)



1 - Male
2 - Female

**PART-TIME
EMPLOYEES**

Nominal (%)



1 - Male
2 - Female

EQUAL RIGHTS

It is important to Austrian Post to ensure that people with disabilities can take part in working life on an equal footing with others. As important as to exceed their legally stipulated employment obligations towards people with disabilities. In the year 2016, 1,226 people with special needs were employed by the company. People with disabilities work in a diverse range of positions, for example as executives, Central Works Council representatives, on the delivery staff or in the branch network.

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

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CONTACT POINTS FOR EMPLOYEES

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



FOCUS AREAS

INFORMATION

In 2016, Austrian Post introduced an environmental management system to its largest operating unit, namely the Vienna Mail Centre. It has been certified according to the ISO 14001:2015 standard since the end of November 2016. This move once again underlined the importance of environmental protection and sustainability at the site in Vienna-Inzersdorf, and embedded the company's efforts in a regulated management process.

The focus of the environmental management system is on reducing energy consumption, i.e. the use of both electrical power and thermal energy. The improvement of the environmental management system takes place on the basis of an annual validation by a certified auditor of TÜV Austria.

AUSTRIAN POST. PRO ACTIVE FOR THE ENVIRONMENT.



PRO ACTIVE
for the environment

ENVIRONMENT



FOCUS AREAS

INFORMATION

What is important tomorrow

As a logistics company, Austrian Post bears a huge responsibility, especially when it comes to protecting the environment. In order to fulfil its responsibility, Austrian Post consistently analyses developments and challenges, and correspondingly tailors its management approach and measures in this area.

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TRENDS AND CHALLENGES

In the fight against climate change, the EU Commission stipulated national targets for EU member states for the first time in July 2016 within the context of implementing the Paris Agreement. These goals, valid for the period lasting up until 2030, are designed to reduce the level of greenhouse gas emissions. The prescribed decreases of exhaust emissions generated by traffic, buildings, agriculture and waste disposal in the EU member states depend on their economic strength. Austria is called upon to reduce its greenhouse gas emissions by 36% by 2030 compared to 2005.

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

Against this backdrop, Austrian Post has a two-fold task to carry out. As one of the country's flagship companies, Austrian Post bears a special responsibility to actively participate in the efforts to achieve the climate protection goals, and to do its share.

As the largest logistics company in the country, the main challenge for Austrian Post is not only to reduce climate-changing greenhouse gases such as CO₂, but to avoid generating them in the first place and thus to minimise environmental impacts to the greatest possible extent.

Moreover, there are also environmental megatrends which affect Austrian Post and its business operations as well as related challenges:

MEGATRENDS WHICH IMPACT THE POSTAL BUSINESS IN THE FOCUS AREA OF THE ENVIRONMENT

GLOBAL CLIMATE CHANGE – IMPACTING DELIVERY OPERATIONS

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

LOCAL EMISSIONS – E-MOBILITY AND A MODERN VEHICLE FLEET

Logistics services have to be provided in a pinpointed and timely manner – with as little pollution (dust, noise, NOx) as possible.

ENERGY TRANSITION AND CONSEQUENCES – NECESSARY ECOLOGISATION OF ENERGY SOURCING

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

SHORTAGE OF NATURAL RESOURCES – INDISPENSABLE INCREASE IN ENERGY EFFICIENCY

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

URBANISATION – SMART CITY LOGISTICS SOLUTIONS

Postal service providers require new approaches to transporting goods or mail items from A to B in steadily growing cities with increasingly tight structures.

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ENVIRONMENTAL RISKS

Particularly in a field as diverse and as subject to natural events as the environment, risks can not be excluded. The management of environment risks is embedded in the Group-wide Risk Management System.

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

For example, changes to environmental laws, or their tightening, can occasionally result in higher investments in the vehicle fleet to be able to keep harmful emissions at a low level by deploying new technologies. In addition, higher taxes or increasing energy costs due to a shortage of resources can lead to higher costs.

Climate change and its effects on the weather impact on Austria's infrastructure. This can result in detours, interruptions and losses of time with respect to freight transport and delivery services. Additional financial obligations may arise if the company is unable to fulfil its legal obligations to provide postal services over a given period of time as a result of natural disasters.

Risks relating to CO_{2e} emissions arise from technology and emissions trading. In turn, this affects the reputation of Austrian Post, which has defined ambitious goals in its climate policies. Unreliable or immature technologies may slow down the modernisation of the vehicle fleet, preventing Austrian Post from achieving its climate target. A financial risk exists in emissions trading should prices of emission certificates increase.

What Austrian Post already does today

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

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— MANAGEMENT APPROACH OF AUSTRIAN POST

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

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

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MATERIAL TOPICS IN THE FOCUS AREA OF THE ENVIRONMENT

AVOID EMISSIONS AND ENSURE ECOLOGICALLY SUSTAINABLE
TRANSPORT OPERATIONS

SAVE ENERGY

OPTIMISE PROCUREMENT – GREEN PROCUREMENT

AVOID WASTE OR REUSE IT

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

THE INITIATIVE CONSISTS OF THREE SYNCHRONIZED STEPS:

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



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The success of this initiative is demonstrated by the results. Austrian Post has been delivering all mail items within Austria in a CO₂ neutral manner since 2011. Accordingly, it is a leader in this area in the international logistics sector (additional information starting on page 110).

Moreover, Austrian Post actively takes part in projects such as the “Environmental Measurement and Monitoring System” (EMMS) of the International Post Corporation (IPC), which aims to reduce greenhouse gas emissions.

Furthermore, the Vienna Mail Centre, the largest single operating unit, introduced an environmental management system. The Vienna Letter Mail Centre was certified according to the ISO 14001:2015 standard at the end of November 2016. As a consequence, environmental protection and sustainability have become even more important at this site located in Vienna-Inzersdorf, and are now embedded in work flows via a regulated management process. Priorities include reducing energy consumption and waste volumes. The improvement of the environmental management system takes place on the basis of an annual validation by a certified auditor of TÜV Austria. The Inzersdorf Parcel Centre also began to install an environmental management system.

Consistent monitoring of CO_{2e} emissions as well as the already initiated measures to save energy contribute to Austrian Post’s achieving its environmental targets and cutting energy costs at the same time.

Austrian Post pays attention to the repercussions of its procurement decisions in its delivery chain. For this reason, it stringently demands compliance with environmental and social standards within the context of its Code of Conduct for Suppliers as well as the Vendor Integrity Check (see page 27).

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— ACHIEVEMENTS IN 2016, TARGETS FOR 2017

Austrian Post considers environmental protection to be an ongoing process. For this reason, it regularly evaluates its priorities, objectives and measures and adjusts them if necessary.

Within the context of its business operations, Austrian Post has succeeded in recent years in significantly decreasing the emissions it generates as well as its energy consumption. In 2010, the company already reached its objective defined in 2007 of achieving a CO₂ reduction of 10%, two years ahead of schedule. That is why it defined an even more ambitious target, which was to cut its CO₂ emissions including external freight forwarders by 20% in the period 2010 to 2015. Austrian Post also achieved this goal.

Yet another objective was specified in the year 2016, namely to reduce emissions by a further 14% by the year 2025 compared to the base year of 2013.

In order to manage and monitor its environmental performance, Austrian Post has defined main targets, subtargets and measures for 2016 and 2017 as follows:

SUBTARGETS FOR 2016	ACHIEVED IN 2016	SUBTARGETS FOR 2017
PROTECT THE CLIMATE AND CONSERVE RESOURCES		
CO₂ reduction target Specify a new CO ₂ reduction target in accordance with the Science Based Targets Initiative	A new reduction target was specified in accordance with the basis of the Science Based Targets Initiative.	Submission and evaluation of the CO ₂ reduction target in accordance with the Science Based Targets Initiative
CO₂ NEUTRAL DELIVERY Continuation of the CO ₂ NEUTRAL DELIVERY initiative	The CO ₂ emissions and their compensation were again confirmed by TÜV Austria in 2016.	Continuation of the CO ₂ NEUTRAL DELIVERY initiative
E-mobility Expansion of the e-vehicle fleet to more than 1,300 vehicles by the end of 2016	1,387 e-vehicles were deployed at the end of 2016.	Expansion of the e-vehicle fleet to more than 1,450 vehicles by the end of 2017
Green Vienna Completion of the "Green Vienna" project by the end of 2016	98% of the "Green Vienna" project was completed in 2016	Completion of the "Green Vienna" project by the end of 2017
Energy efficiency Energy efficiency measures in the fields of lighting, room heating, thermal renovation and water heating	Energy efficiency measures were carried out in the fields of lighting, room heating, thermal renovation and water heating.	Energy efficiency measures in the fields of lighting, room heating, thermal renovation and water heating
Waste and recycling management Pilot project for the optimisation and quality assurance of waste management	Pilot project for the optimisation and quality assurance of waste management was implemented.	Roll out of the project for the optimisation and quality assurance of waste management at 25 sites in the eastern Austria region
STRENGTHEN ENVIRONMENTAL AWARENESS		
Environmental management system Launch of an environmental management system in the Vienna Mail Centre in accordance with the ISO 14001:2015 standard	Environmental management system pursuant to ISO 14001:2015 was implemented in the Vienna Letter Centre.	Expansion of the environmental management system pursuant to ISO 14001:2015 in the subsidiary Medien.Zustell GmbH
		Employee awareness raising Publication of an employee brochure to raise awareness of environmental issues



FOCUS AREAS

INFORMATION

Consider Environmental Aspects

As the country's largest logistics services provider, Austrian Post takes its responsibility seriously. A delivery staff of 9,100 mail carriers deliver 5.4 billion mail items annually to almost 4.5 million households and companies nationwide. All in all, their delivery routes lead them to circle the globe several times over, on foot and by bicycle, but also using mopeds, automobiles and lorries.

In addition to the fleet, Austrian Post also requires a great deal of energy to operate its six mail and seven parcel distribution centres, 264 delivery bases, 454 branch offices and 1,338 postal partner offices. For this reason, the company makes a major effort to minimise its ecological footprint – but without compromising on the quality of its services or its ability to fulfil its legal mandate to supply the population with postal services.

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

The second step involves the increasing use of alternative technologies. Austrian Post has already been procuring its entire electricity needs from renewable energy sources since 2012. Since 2017, Austrian Post exclusively uses renewable energy produced by national energy providers. Moreover, Austrian Post also operates two photovoltaic facilities.

All the remaining CO₂ emissions are offset in a third step by support provided to national and international climate protection projects. These are not empty promises – the CO₂ neutral delivery of all mail items by Austrian Post is confirmed each year by TÜV Austria.



**THE CO₂ NEUTRAL DELIVERY
INITIATIVE
TAKES PLACE IN THREE STEPS**

1. Enhancing efficiency in core processes, e.g. through a modern vehicle fleet and the energetic optimisation of buildings
2. Intensified use of alternative technologies, e.g. electricity from renewable energy sources and expansion of the e-vehicle fleet
3. Compensation for unavoidable CO₂ emissions

Result:

All mail items in Austria are delivered by Austrian Post in a CO₂ NEUTRAL manner! This is confirmed each year by TÜV Austria. More than 130 customers make use of this logo in their own communications activities.



This initiative CO₂ NEUTRAL DELIVERY is also important as a means of raising the environmental awareness of employees, customers and other stakeholder groups. For example, since the beginning of 2012, interested business customers of Austrian Post have been able to request a certificate to confirm the CO₂e neutral delivery of all their mail items in the previous year. Austrian Post issued about 500 such certificates in 2016.

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

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

— ECOLOGICAL TRANSPORT

If Austrian Post wants to avoid CO₂e emissions as a logistics company, the focus will have to be on its transport operations, which it can influence the most and use as the basis for significantly reducing emissions.

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

The delivery staff can reach about 20% of the delivery rayons on foot or by bicycle – which is as environmentally-friendly as one can get. The other rayons can only be reached using motorised vehicles. That is why the challenge is to find solutions which are just as or almost as environmentally

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compatible. Two key aspects are route planning and the vehicle fleet, with the objective of increasing efficiency in both areas.

GREATER EFFICIENCY THROUGH ROUTE PLANNING

Austrian Post optimises its route planning on an ongoing basis in order to avoid empty runs and ensure that vehicles are more consistently utilised to capacity. For this purpose, Austrian Post also purchased 150 IVECO transporters, of which 142 are deployed for parcel delivery services. The IVECO vehicles boast optimised load space volumes, thus contributing to enhancing efficiency in the delivery process.

GREATER EFFICIENCY THROUGH A MODERN VEHICLE FLEET

Generally speaking, the condition of the vehicles plays a key role in the vehicle fleet. For this reason, Austrian Post focuses on deploying modern vehicles and carrying out regular maintenance work as a means of optimising efficiency in the vehicle fleet. The number of vehicles in the lowest emission classes - Euro 5, Euro 5 EEV and Euro 6 - increased from 5,103 in 2015 to 5,407 in 2016.

MORE ALTERNATIVE DRIVE SYSTEMS

ENSURE LOWER EMISSION LEVELS

Moreover, Austrian Post increasingly relies on alternative drive systems in its delivery operations, and expanded its fleet of e-vehicles in the year 2016. For example, two IVECO Daily Electric Transporters were added to the fleet in 2016. 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 operates 1,387 e-vehicles today, including 1,053 single track e-vehicles and special vehicles (quads and trikes) as well as 334 electric cars. Accordingly, Austrian Post is the largest e-fleet operator in the country, and the number of its e-vehicles is growing. By 2017, the company intends to deploy 1,450 electric vehicles in its vehicle fleet, which also includes two natural gas-powered vehicles.

In addition, Austrian Post defined the goal of delivering all mail and direct mail items to private customers in Vienna in a "green" or CO_{2e} neutral manner by the end of 2016. This project is part of the CO₂ NEUTRAL DELIVERY initiative but goes a step further, because delivery operations for mail and direct mail items in Vienna are carried out entirely without the use of fossil fuels. Conventional mopeds or automobiles are no longer used. Instead, delivery is carried out completely on the basis of the staff's own muscle power or electrical energy. In the meantime, the project has almost been completed, with 98% already converted to green delivery.

MORE ENVIRONMENTAL AND CLIMATE PROTECTION,

ALSO IN TRANSPORTING FREIGHT

When it comes to transporting freight, Austrian Post has also undertaken major efforts in recent years to protect the environment and the climate. The primary focus is on rejuvenating its vehicle fleet and thus on the use of modern technologies. The deployed lorries have an average age of 3.6 years.

In order to reduce fuel consumption and emissions, the speed limit for all lorries operated by Austrian Post was set at 82 km/h in January 2012 instead of the previous top speed of 89 km/h. A further technical measure is the use of fuel-saving tyres in order to decrease rolling resistance. These measures combined to achieve a 20% rise in mileage.

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

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

High priority is also attached to the issue of safety in transporting freight. The reputation of a freight forwarding company is checked before contracts are concluded. Moreover, the certificates of

good conduct are checked each year, and follow-up measures are taken if necessary. Employees are only permitted to enter their designated areas with personalised access cards.

Information on the composition of the vehicle fleet and mileage, two factors which are responsible for the main environmental impacts from transport operations, is provided in the Facts and Figures section starting on page 123.

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Significant environmental impacts from transport are shown via the reported CO_{2e} emissions (page 115). Other substantial ecological effects from the transport of products or goods and materials as well as the transport of employees are not known to Austrian Post.

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— RESOLUTELY SAVE ENERGY

Similar to avoiding CO_{2e} emissions, the issue of saving energy also impacts the vehicle fleet and buildings. For this reason, it basically encompasses the same measures. The measures taken with regard to the vehicle fleet are described in the previous section.

LOWER ENERGY CONSUMPTION REDUCES EMISSIONS

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

Furthermore, it has begun to exploit much of the energy savings potential identified in an energy audit in 2015, for example converting heating systems to district heat or installing efficient hot and warm water systems.

Austrian Post systematically implements energy saving measures – and has been very successful. This is demonstrated by the decrease in energy consumption by 17 million kWh between 2014 and 2016.

MORE RENEWABLE ENERGY SOURCES**LEAD TO LOWER LEVEL OF EMISSIONS**

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

However, Austrian Post not only procures electricity from renewable energy sources but produces electricity itself. It has been operating one of the largest rooftop photovoltaic facilities in Austria located on the Vienna Letter Centre since the autumn of 2013, boasting an output of 882 kilowatt_{peak} (kWp). A second photovoltaic facility with an output of 496 kWp has been generating solar power on the roof of the Allhaming Logistics Centre in Upper Austria since 2014. The energy produced by both facilities is sufficient to provide the entire e-vehicle fleet of Austrian Post with clean solar energy, free of greenhouse gas emissions.

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ENERGY INDICATORS

	2014	2015	2016
Total energy consumption (kWh million)¹	142.2	133.7	125.2
Natural gas	31.3	34.2	33.2
Heating oil	5.7	3.9	3.1
District heat	42.4	35.2	32.6
Electricity (total)	62.8	60.4	56.3
thereof electricity from renewable energy sources	57.4	56.1	52.8
thereof grey electricity	5.4	4.3	3.5
Building space (m²)	1,089,867	1,075,048	1,053,200
Total fuel consumption: petrol, super grade, diesel, natural gas (litre million)	22.5	22.6	22.9
Kilometres driven (million)	162	163	165

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

— EMISSIONS

The resolute and ongoing implementation of measures aiming at the ecologicalisation of transport operations and reducing energy consumption have led to a considerable decline in emissions.

As a result, Austrian Post already reached its objective defined in 2007 of achieving a CO₂ reduction of 10 % in the year 2010, two years ahead of schedule. This did not mean that Austrian Post stopped working proactively towards its next goal, which was to cut CO₂ emissions including external freight forwarders (freight transport and parcel delivery) by 20 %. Austrian Post also reached this target, showing as 21 % decrease in CO₂ emissions in the period 2010 to 2015. This took place even though for example, the company had to handle steadily growing parcel volumes.

Austrian Post reports emissions from in-house activities (scope 1), energy supply (scope 2) and emissions from external transport services like freight transport and delivery services (scope 3). In this way, Austrian Post represents all emissions across CO₂ equivalents along its entire value chain.

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EMISSIONS

in t	2014	2015	2016
Total CO_{2e} emissions (Scope 1–3) according to the Greenhouse Gas Protocol	70,672	68,558	68,654
CO_{2e} emissions (Scope 1–3) for Austrian Post according to the Greenhouse Gas Protocol	69,414	67,272	67,491
CO_{2e} emissions (Scope 1) for Post.Wertlogistik GmbH according to the Greenhouse Gas Protocol	1,258	1,286	1,163
CO _{2e} Scope 1 – Road transport (own operations)	36,046	36,500	36,317
Austrian Post	34,788	35,214	35,154
Post.Wertlogistik GmbH	1,258	1,286	1,163
CO _{2e} Scope 1 – Buildings ¹	7,834	7,924	7,473
Natural gas	6,284	6,865	6,630
Heating oil	1,550	1,059	843
CO _{2e} Scope 2 – Buildings ^{1,2}	7,447	4,971	5,234
District heat	6,891	4,723	5,003
Electricity ³	556	248	231
CO _{2e} Scope 3 – Partner companies	19,345	19,163	19,630

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

² The calculation of Scope 2 emissions (electricity and district heat) is carried out in line with the market based method. This means supplier-specific emission factors are used if available. When Scope 2 emissions are calculated using the location based method (no supplier-specific emission factors, no green electricity), CO_{2e} emissions for the year 2016 are at 9,610.6 tonnes. This shows the impact of procuring electricity from renewable energy sources.

³ The emission factor for grey electricity is calculated in CO₂, not CO₂ equivalents.

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Further information on reporting boundaries, calculation methods and calculation factors can be found in the “Facts and Figures” section starting on page 120.

PROTECT THE CLIMATE IN AUSTRIA AND INTERNATIONALLY

Austrian Post is not only dedicated to climate protection within the company. Support for climate protection projects in Austria, such as the replacement of outdated heating systems running on fossil fuels, avoids CO₂ emissions and also supports the regional economy via a high indirect profitability. On an international level, Austrian Post also supports numerous certified climate protection projects, such as the generation of renewable energy by solar power facilities in India, or the development of a low-cost and efficient stove for the population in Cambodia as a means of reducing fuel consumption and minimising health risks.

— GREEN PROCUREMENT OPTIMISE PROCUREMENT

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

Austrian Post is aware of its role in the supply chain and the repercussions of its purchasing decisions. For this reason, it consistently demands compliance with environmental and social standards within the context of its Code of Conduct for Suppliers as well as the Vendor Integrity Check (refer to page 27).

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Key suppliers were systematically scrutinised as part of the company’s supplier management in 2016. However, no quantitative information can be provided about the ecological and social effects in the supply chain for the 2016 reporting year. Nevertheless, Austrian Post is intensively working on continuously upgrading monitoring its supplier assessment processes.

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Further information on supplier management starting on page 25 in the “Company and Values” section.

PROCUREMENT OF ENERGY AND VEHICLES

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

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

PROCUREMENT OF MATERIALS

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

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in t	2014	2015	2016
Total paper consumption	6,646	5,255	6,302
thereof sustainably produced (PEFC and FSC paper) ¹	5,651	4,214	5,443

¹ Data first compiled starting in 2014.

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— WASTE AND RECYCLING MANAGEMENT

Similar to other logistics companies, waste at Austrian Post mainly takes the form of used paper, plastic, waste wood (pallets) and residual waste. Austrian Post only has a very limited opportunity to exert an influence on waste volumes, which are primarily impacted by customers or subcontractors commissioned by the company.

However, in the spirit of ensuring sustainable waste management, this situation this does not prevent Austrian Post from taking measures to keep waste at a minimum in order to reduce the burden on the environment. If waste cannot be avoided, it will be disposed of in an environmentally compatible manner. Waste materials are separated by category, helping Austrian Post to reduce the amount of residual waste. The valuable recycling materials can be re-used in a sensible manner, both economically and ecologically. Austrian Post attaches importance to the proper disposal of waste, and only puts waste in the hands of waste disposal companies which are listed in the EDM Portal of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management.

The waste generated by offices mainly involves used paper. Austrian Post aims to raise the awareness of its employees with respect to the issue of waste through a variety of initiatives. The waste separation system at company headquarters was overhauled in 2016, accompanied by an awareness campaign encompassing info mails and info screens. Moreover, the company is taking measures to avoid or recycle waste, for example by using a data base for the optimisation and quality assurance of waste management. However, for the time being, it decided not to disclose any Austria-wide data on this issue.

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

Austrian Post launched a series of measures designed to further optimise its waste management activities. Since 2013, the company has employed an in-house waste manager. In 2014, it began to centrally compile and evaluate data on waste management, supported by an investigation into how to optimise waste management. At the end of 2015, the company decided to initiate a pilot project for the eastern region of Austria to implement relevant quality assurance measures, which was concluded in 2016. The project will be rolled out at 25 sites in 2017.

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Facts & Figures

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

— EMPLOYEE INDICATORS

STAFF OF AUSTRIAN POST

The staff of Austrian Post in the year 2016 consisted of an average of 17,448 employees (annual average, full-time equivalents).

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EMPLOYEE INDICATORS OF AUSTRIAN POST

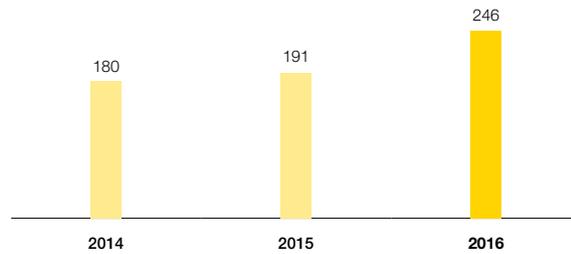
	2014	2015	2016
Total number of employees (FTE ¹)	18,403	17,983	17,448
thereof women (FTE in %)	29.1	29.3	29.0
thereof men (FTE in %)	70.9	70.7	71.0
Civil servants (FTE)	8,496	8,040	7,642
Salaried employees (FTE)	9,655	9,714	9,582
Employees pursuant to the Austrian Civil Code (ABGB) ² (FTE)	252	230	225
Full-time employees (total)	16,654	16,201	15,512
thereof women (in %)	23.7	23.9	23.5
Part-time employees (total)	3,315	3,265	3,395
thereof women (in %)	82.4	80.6	75.9
Average tenure of civil servants (years)	30	31	32
Average tenure of salaried employees (years)	11	11	11

¹ FTE = Full-time equivalents.

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

TEMPORARY STAFF AT AUSTRIAN POST

Austrian Post also employs external leasing personnel when needed. These employees are not included in the employee indicators of Austrian Post. If the leased staff were included in the employee indicators, the share of leasing personnel as a percentage of the total staff would be 1.4% in 2016.

TEMPORARY STAFF AT AUSTRIAN POST

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EMPLOYEE TURNOVER IN 2016

	2014	2015	2016
Employee attrition (total staff departures)¹	2,037	1,961	2,072
thereof women	831	854	879
thereof men	1,206	1,107	1,193
By age group			
Under 30	486	466	475
30–50 years	836	812	755
Over 51	715	683	842
Employee attrition (staff departures in %)^{1,2}	10.3	10.2	11.1
thereof women	40.8	43.5	42.4
thereof men	59.2	56.5	57.6
By age group			
Under 30	23.9	23.8	22.9
30–50 years	41.0	41.4	36.4
Over 51	35.1	34.8	40.6
New employee hires (total)¹	1,391	1,199	–³
thereof women	591	525	– ³
thereof men	800	674	– ³
By age group			
Under 30	787	700	– ³
30–50 years	549	464	– ³
Over 51	55	35	– ³
New employee hires (in %)^{1,2}	7.1	6.2	–³
thereof women	42.5	43.8	– ³
thereof men	57.5	56.2	– ³
By age group			
Under 30	56.6	58.4	– ³
30–50 years	39.5	38.7	– ³
Over 51	4.0	2.9	– ³

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

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

³ New employee hires to permanent staff employed for a period of at least six months. Due to the internal definition at Austrian Post, new employee hires for the 2016 financial year cannot be disclosed in light of the fact that the current Sustainability Report is already published in June. New employee hires for 2016 will be included in the Sustainability Report for 2017.

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DIVERSITY INDICATORS OF AUSTRIAN POST

	2014	2015	2016
Employees with special needs (total as at December 31st)	1,188	1,242	1,226
Employees (FTE¹) by age group			
Under 30	1,953	2,031	2,068
30–50 years	10,040	9,116	8,241
Over 51	6,410	6,836	7,139
Employees in management positions (total)²	1,207	1,105	921
thereof women	299	274	213
thereof men	908	831	708
By age group			
Under 30	25	21	11
30–50 years	709	617	480
Over 51	473	467	430
Employees in management positions in %²	6.6	6.1	5.3
thereof women	24.8	24.8	23.1
thereof men	75.2	75.2	76.9
By age group			
Under 30	2.1	1.9	1.2
30–50 years	58.7	55.9	52.2
Over 51	39.2	42.3	46.7

¹ FTE = Full-time equivalents.² Management Board members, management team (reporting directly to the Management Board), expanded management team (reporting directly to the management team or executives) and leadership conference (employees of BE 2 to 5 responsible for at least three employees).

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— ENVIRONMENTAL INDICATORS

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

Reporting encompasses the parent company Austrian Post and the subsidiary Scanpoint GmbH with respect to buildings emissions and the subsidiary Post.Wertlogistik GmbH with respect to emissions generated by road transport. Other national and international subsidiaries as well as international air mail and international rail transport are not included at present. There are no air mail delivery services provided by Austrian Post within Austria. Emissions from domestic rail traffic are evaluated each year, but are not material due to the low volume. Austrian Post is intensively working to expand sustainability reporting on CO_{2e} emissions to encompass other major national and international subsidiaries.

The calculation of CO_{2e} emissions from road transport is the responsibility of the Group vehicle management organisational unit. The basic data for calculating the emissions of Austrian Post (including Post.Wertlogistik GmbH) are derived from a special SAP production system, which includes vehicle data (type of vehicle and engine etc.) and performance data (kilometres driven and fuel consumption). The basic data or kilometres driven for “external shipping companies for letter mail” come from data bases which distinguish between the fields of distribution and freight traffic. The data for “external shipping companies for parcels” is determined by a calculation of ratios. The parcel delivery volume of the outsourced external companies is compared to the parcel delivery volume of Austrian Post to calculate mileage. This results in a figure for total mileage, which is multiplied by the average fuel consumption of the Austrian Post vehicles taking account of the particular vehicle category. The result is the fuel consumption of the shipping companies.

The organisational unit Corporate Real Estate is responsible for determining the level of CO_{2e} emissions from buildings. Data compilation includes all buildings and building space (own, leased space or space rented out to third parties) of Austrian Post (including Scanpoint GmbH). Generally speaking, a black box view is chosen, enabling significant energy flows (electrical energy, room heating) to be identified.

The CO_{2e} conversion factors for natural gas, heating oil, diesel and petrol are derived from the data base of the Federal Environmental Agency. The electricity is green electricity supplied in line with valid contracts. For the remaining grey electricity, the Austrian mix is used to calculate CO_{2e} emissions in accordance with the Electricity Labelling Report 2016. Information provided by operators is used in determining emission factors for district heat in as much as they seem plausible. The substitute data for implausible data and for small suppliers is also derived from the Federal Environmental Agency in the year 2016. The emissions factor from the report of the Federal Environmental Agency on the company Fernwärme Wien (Vienna District Heating) in the year 2005 is used for Fernwärme Wien. All emission factors are evaluated on an annual basis.

VEHICLE FLEET AND MILEAGE

The composition of the vehicle fleet and the mileage responsible for the main environmental impacts in the field of transport are presented in the following chart:

VEHICLES

	2014	2015	2016
Vehicles (total)	9,176	9,455	8,855
Vehicles of Austrian Post	9,049	9,326	8,735
Vehicles of Post.Wertlogistik GmbH	127	129	120
Bicycles	914	862	807
thereof electric bicycles	570	593	683
Mopeds	857	875	882
thereof electric mopeds	129	181	370
Vehicles up to 3.5 tonnes	7,243	7,558	7,005
thereof Post.Wertlogistik GmbH	120	121	112
thereof natural gas-powered vehicles up to 3.5 t	68	52	2
thereof electric-powered vehicles up to 3.5 t	163	238	334
Vehicles over 3.5 t	162	160	161
thereof Post.Wertlogistik GmbH	7	8	8
Motorised vehicles of Austrian Post by emission class			
Euro 2	619	609	440
Euro 3	197	125	89
Euro 4	2,995	2,260	1,338
Euro 5	3,964	4,900	5,056
Euro 5 EEV	75	74	74
Euro 6	13	77	227
Motorised vehicles of Post.Wertlogistik GmbH by emission class			
Euro 2	1	1	1
Euro 3	8	6	3
Euro 4	71	70	66
Euro 5	47	52	50
Euro 5 EEV	0	0	0
Euro 6	0	0	0

DISCLOSURE
102-55

GRI Index

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

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 101: FOUNDATION 2016						
GRI 102: GENERAL DISCLOSURES 2016						
GRI 102	General Disclosures	102-1	Name of the organization		Page 08	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services		Page 08	
GRI 102	General Disclosures	102-3	Location of headquarters		Page 08	
GRI 102	General Disclosures	102-4	Location of operations		Page 11, Financial Report 2016; Page 29ff.	
GRI 102	General Disclosures	102-5	Ownership and legal form		Pages 08, 10	
GRI 102	General Disclosures	102-6	Markets served		Page 11, Financial Report 2016; Page 29ff.	
GRI 102	General Disclosures	102-7	Scale of the organization		Pages 08, 11, 76, 85, Financial Report 2016; Page 29ff.	
GRI 102	General Disclosures	102-8	Information on employees and other workers	SDG Goal 8: Decent Work and Economic Growth	Pages 85, 100, 120	
GRI 102	General Disclosures	102-9	Supply chain	SDG Goal 8: Decent Work and Economic Growth	Page 25	
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain		Pages 09, 10, 26, Financial Report 2016; Page 08f.	
GRI 102	General Disclosures	102-11	Precautionary Principle or approach		Page 15, Financial Report 2016; Pages 11–12, 41ff.	
GRI 102	General Disclosures	102-12	External initiatives		Pages 34, 39–40, 107	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/ Comments
						Austrian Post is a member of the following associations and societies: – Vienna Economic Chamber – Federation of Austrian Industries – Vienna Economic Forum – Austrian Share Issuer and Investor Association – Investor Relations Circle Austria (C.I.R.A.) – Public Relations Association of Austria – DMVÖ – Austrian Dialogue Marketing Association – FMVÖ – Financial Marketing Association of Austria – Austrian Retail Association – Austrian Logistics Association – Transparency International – respACT – PostEurope – International Post Corporation (IPC) – Universal Postal Union (UPU) – 21st Austria (membership until the middle of 2016)
GRI 102	General Disclosures	102-13	Membership of associations			
GRI 102	General Disclosures	102-14	Statement from senior decision-maker		Page 04	
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities		Pages 54, 70, 82, 104, 105	
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	SDG Goal 16: Peace, Justice and strong institutions	Pages 15–16, 19	
GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	SDG Goal 16: Peace, Justice and strong institutions	Page 17	
GRI 102	General Disclosures	102-18	Governance structure		Pages 12–13, 35, Financial Report 2016: Pages 13–18	
GRI 102	General Disclosures	102-19	Delegating authority		Pages 13, 35, Financial Report 2016: Page 13ff.	
GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics		Page 35	
GRI 102	General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	SDG Goal 16: Peace, Justice and strong institutions	Page 15	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	SDG Goal 16: Peace, Justice and strong institutions	Pages 13–14, Financial Report 2016: Pages 13–16, 15–19	
GRI 102	General Disclosures	102-23	Chair of the highest governance body	SDG Goal 16: Peace, Justice and strong institutions	Page 13, Financial Report 2016: Pages 16–17	
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	SDG Goal 5: Gender Equality SDG Goal 16: Peace, Justice and strong institutions	Page 14	
GRI 102	General Disclosures	102-25	Conflicts of interest	SDG Goal 16: Peace, Justice and strong institutions	Page 14	
GRI 102	General Disclosures	102-27	Collective knowledge of highest governance body	SDG Goal 4: Quality Education	Page 13	
GRI 102	General Disclosures	102-35	Remuneration policies		Page 14, Financial Report 2016: Page 19ff.	
GRI 102	General Disclosures	102-40	List of stakeholder groups		Page 42	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	SDG Goal 8: Decent Work and Economic Growth	Page 85	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders		Page 41	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement		Pages 42 ff., 67, 89	
GRI 102	General Disclosures	102-44	Key topics and concerns raised		Pages 42–44, 67	
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements		Pages 44, 137; Financial Report: Pages 77 ff., 135–136	
GRI 102	General Disclosures	102-46	Defining report content and topic Boundaries		Pages 08, 46ff., 137	
GRI 102	General Disclosures	102-47	List of material topics		Pages 44ff.	
GRI 102	General Disclosures	102-48	Restatements of information		Pages 94, 121, 136	
GRI 102	General Disclosures	102-49	Changes in reporting		Page 136	
GRI 102	General Disclosures	102-50	Reporting period		Page 136	
GRI 102	General Disclosures	102-51	Date of most recent report		Page 136	
GRI 102	General Disclosures	102-52	Reporting cycle		Page 136	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report		Page 144	
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards		Page 136	
GRI 102	General Disclosures	102-55	GRI content index		Page 125	
GRI 102	General Disclosures	102-56	External assurance		Page 140	

GRI 103: MANAGEMENT APPROACH 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		Pages 12, 46ff., 57, 72, 84, 106	
GRI 103	Management Approach	103-2	The management approach and its components		Pages 13, 17, 21–22, 23–24, 25, 37–38, 40, 54, 56, 70, 72, 82, 84, 104, 106	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Pages 18, 22, 23–24, 27–28, 37–38, 57–58, 73, 85, 108	

GRI 201: ECONOMIC PERFORMANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 57	
GRI 103	Management Approach	103-2	The management approach and its components		Pages 54, 56	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Pages 57–58	
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	SDG Goal 2: Zero Hunger SDG Goal 5: Gender Equality SDG Goal 7: Affordable and clean Energy SDG Goal 8: Decent work and Economic growth	Pages 60 ff.	
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	SDG Goal 13: Climate Action	Page 105	Limitations due to confidentiality: costs as well as financial risks and opportunities are not disclosed for reasons of confidentiality.

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 203: INDIRECT ECONOMIC IMPACTS 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 57	
GRI 103	Management Approach	103-2	The management approach and its components		Pages 54, 56	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Pages 57–58	
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	SDG Goal 2: Zero Hunger SDG Goal 5: Gender equality SDG Goal 7: Affordable and clean Energy SDG Goal 9: Industry, Innovation and Infrastructure SDG Goal 11: Sustainable cities and communities	Pages 63–64, 75	In this case, the investments are commercial in nature.
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	SDG Goal 1: No poverty SDG Goal 2: Zero hunger SDG Goal 3: Good health and well-being SDG Goal 10: Reduced Inequalities SDG Goal 17: Partnerships for the goals	Pages 52, 62, 64	In this case, the investments are commercial in nature.
GRI 204: PROCUREMENT PRACTICES 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 25	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Pages 27–28	
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	SDG Goal 12: Responsible consumption and production	Pages 26	
GRI 205: ANTI-CORRUPTION 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Pages 21– 22	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 22	
GRI 205	Anti-corruption	205-1	Operations assessed for risks related to corruption	SDG Goal 16: Peace, Justice and strong institutions	Page 22	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	SDG Goal 16: Peace, Justice and strong institutions	Page 22	Limitations due to confidentiality: the precise number and percentage of trained people cannot be disclosed for reasons of confidentiality.

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	SDG Goal 16: Peace, Justice and strong institutions	Page 22	There were no cases of corruption during the reporting period.
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 24	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 24	
GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	SDG Goal 16: Peace, Justice and strong institutions		In the year 2016, there were no lawsuits filed or sanctions/monetary fines imposed on Austrian Post for reasons of anti-competitive conduct, formation of cartels or monopolistic practices based on the Federal Act Against Unfair Competition (UWG) and/or the Austrian Cartel Act (KartG).
GRI 301: MATERIALS 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 106	
GRI 103	Management Approach	103-2	The management approach and its components		Page 106	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 108	
GRI 301	Materials	301-1	Materials used by weight or volume	SDG Goal 8: Decent work and economic growth SDG Goal 12: Responsible consumption and production	Page 116	
GRI 302: ENERGY 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 106	
GRI 103	Management Approach	103-2	The management approach and its components		Page 106	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 108	
GRI 302	Energy	302-1	Energy consumption within the organization	SDG Goal 7: Affordable and clean energy SDG Goal 12: Responsible consumption and production SDG Goal 13: Climate Action	Pages 111, 113-114, 123	
GRI 302	Energy	302-4	Reduction of energy consumption	SDG Goal 7: Affordable and clean energy SDG Goal 8: Decent work and economic growth SDG Goal 12: Responsible consumption and production SDG Goal 13: Climate Action	Page 113	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 305: EMISSIONS 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 106	
GRI 103	Management Approach	103-2	The management approach and its components		Page 106	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 108	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	SDG Goal 3: Good health and well-being SDG Goal 12: Responsible consumption and production SDG Goal 13: Climate Action	Pages 115, 123	The information is not available – the Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2018, it will be clarified which GWP is to be used or the source will be disclosed.
						The source of the emission factors (natural gas, district heat, heating oil, diesel, petrol and super grade, liquid gas) is the Austrian Federal Environment Agency (http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html) For district heat in Vienna, the emission factor is derived from a study relating to district heat in Vienna carried out by the Austrian Federal Environment Agency in 2005. The regulatory body E-Control (https://www.e-control.at/documents/20903/388512/e-control-stromkennzeichnungsbericht-2016.pdf/fd951131-9d0c-401e-8565-d45b73f39a3f) supplies the emission factor for electricity from unknown sources.
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	SDG Goal 3: Good health and well-being SDG Goal 12: Responsible consumption and production SDG Goal 13: Climate Action	Pages 114–115, 123	The information is not available – the Global Warming Potential (GWP) and the source of the GWPs are not known. By the year 2018, it will be clarified which GWP is to be used or the source will be disclosed.

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/ Comments
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	SDG Goal 3: Good health and well-being SDG Goal 12: Responsible consumption and production SDG Goal 13: Climate Action	Pages 115, 123	The source of the emission factors (natural gas, district heat, heating oil, diesel, petrol and super grade, liquid gas) is the Austrian Federal Environment Agency (http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html) For district heat in Vienna, the emission factor is derived from a study relating to district heat in Vienna carried out by the Austrian Federal Environment Agency in 2005. The regulatory body E-Control (https://www.e-control.at/documents/20903/388512/e-control-stromkennzeichnungsbericht-2016.pdf/fd951131-9d0c-401e-8565-d45b73f39a3f) supplies the emission factor for electricity from unknown sources The information is not available – the Global Warming Potential (GWP) and the source of the GWPs are not known. By the year 2018, it will be clarified which GWP is to be used or the source will be disclosed.

GRI 306: EFFLUENTS AND WASTE

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		p. 106	
GRI 103	Management Approach	103-2	The management approach and its components		p. 106	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 108	
GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	SDG Goal 3: Good health and well-being SDG Goal 12: Responsible consumption and production	Page 117	The information is not available: waste at Austrian Post arises when making deliveries to customers. This mainly involves cardboard, plastic foils and scrap wood. Waste management in business operations is the responsibility of each respective site. Sufficient high-quality centralised data is not currently available (auditability). Waste is only handed over to authorised waste disposal service providers. They either transport the materials for recycling or dispose of them. Since the beginning of 2017, intensive work is being carried out on centralising and bundling strategic and operational waste management. A data base is to be created by the year 2018 enabling reporting on the issue of waste.

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 25	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 28	
GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken		Pages 26-28, 116	Limitations due to confidentiality: the total number of certified suppliers and their significant negative environmental impacts as well as the measures derived from this data are not disclosed for reasons of confidentiality.

GRI 401: EMPLOYMENT

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 84	
GRI 103	Management Approach	103-2	The management approach and its components		Page 84	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 85	
GRI 401	Employment	401-1	New employee hires and employee turnover		Page 121	Not applicable: in line with the internal postal definition, the annual average is used to calculate new employee hires and employee turnover.
GRI 401	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 89	

GRI 402: LABOR/MANAGEMENT RELATIONS

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 84	
GRI 103	Management Approach	103-2	The management approach and its components		Page 84	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 85	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/ Comments
						Generally speaking, the rules relating to participation on the part of employee representatives in organisational changes is regulated by the Labour Constitution Act. Moreover, Austrian Post is obliged to comply with the stipulations contained in the Postal Service Works Constitution Act (PBVG). In line with Section 72 Para. 3/7 of this law, Austrian Post is required to inform employee representatives in a timely manner before organisational changes take place and to promptly negotiate with them. Based on these regulations, organisational changes are coordinated with the employee representatives more than two months on average before they are implemented.
GRI 402	Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	SDG Goal 8: Decent work and economic growth		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 84	
GRI 103	Management Approach	103-2	The management approach and its components		Page 84	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 85	
GRI 403	Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	SDG Goal 8: Decent work and economic growth	Page 93	Limitations due to confidentiality: occupational accidents are clustered according to their causes. This information is for internal reporting purposes and for developing appropriate measures, and is not disclosed for reasons of confidentiality.
GRI 403	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SDG Goal 3: Good health and well-being SDG Goal 8: Decent work and economic growth	Page 94	The information is not available: the required information cannot be made available for third-party companies at the present time. Austrian Post is working on developing an approach to compile this data by 2018.
GRI 403	Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions	SDG Goal 8: Decent work and economic growth	Page 93	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 404: TRAINING AND EDUCATION						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 84	
GRI 103	Management Approach	103-2	The management approach and its components		Page 84	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 85	
GRI 404	Training and Education	404-1	Average hours of training per year per employee	SDG Goal 4: Quality education SDG Goal 5: Gender equality	Page 95	The information is not available: in line with the data base on professional development and training measures, an assessment according to the specific management level or other functions is not possible (no system interfaces).
GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	SDG Goal 8: Decent work and economic growth	Pages 95, 97	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 84	
GRI 103	Management Approach	103-2	The management approach and its components		Page 84	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 85	
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SDG Goal 5: Gender equality SDG Goal 8: Decent work and economic growth	Pages 14, 98–99, 122, Financial Report 2016, Pages 13–16	
GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	SDG Goal 5: Gender equality SDG Goal 8: Decent work and economic growth SDG Goal 10: Reduced inequalities	Page 100	
GRI 413: LOCAL COMMUNITIES						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 72	
GRI 103	Management Approach	103-2	The management approach and its components		Page 72	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 73	
GRI 413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs		Pages 75–76	

GRI Standard-Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Page in the Report	Reasons for Omission/Comments
GRI 414: SUPPLIER SOCIAL ASSESSMENT						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 25	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Pages 27–28	
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	SDG Goal 5: Gender equality SDG Goal 8: Decent work and economic growth SDG Goal 16: Peace, Justice and strong institutions	Pages 27, 28	Limitations due to confidentiality: the total number of certified suppliers and their significant negative environmental impacts as well as the measures derived from this data are not disclosed for reasons of confidentiality.
GRI 418: CUSTOMER PRIVACY						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 23	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 23	
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	SDG Goal 16: Peace, Justice and strong institutions		There were no complaints filed against Austrian Post in the 2016 reporting year due to violation of customer data protection rules with the exception of just a few isolated complaints from customers in connection with the permission granted on the redirection form to transmit personal data for advertising purposes.
GRI 419: SOCIOECONOMIC COMPLIANCE						
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary		Page 12	
GRI 103	Management Approach	103-2	The management approach and its components		Page 17	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Page 18	
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SDG Goal 16: Peace, Justice and strong institutions		There were no major lawsuits, sanctions or fines imposed upon Austrian Post in the reporting year 2016 relating to alleged violations of social or economic laws or regulations.

Reporting Principles

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

— PRINCIPLE OF TIMELINESS

DISCLOSURE
102-52
102-50
102-51

The Sustainability Report of Austrian Post is published annually. This report applies to the 2016 financial year, and thus seamlessly continues where the Sustainability Report 2015 published in the year 2016 left off.

— PRINCIPLE OF COMPARABILITY AND ACCURACY

DISCLOSURE
102-54

Austrian Post followed the GRI-G4 guidelines (guidelines of the Global Reporting Initiative) in preparing the sustainability reports for the years 2014 and 2015. This current report is the first one prepared according to the GRI standard "In accordance: Core". GRI was informed about the application of the GRI standards and the publication of this current report.

DISCLOSURE
102-48
102-49

The compilation and calculation of indicators are carried out by the Accounting and Controlling departments in the Group as well as by Human Resources, Vehicle Fleet and Corporate Real Estate. Both the scope of the reporting and the measurement methods used were selected in a similar fashion as with the prior sustainability report. If there are individual deviations, this will be noted at the appropriate place.

DISCLOSURE
102-56

 p. 140 ff.

The data published in the German-language version was checked by an independent auditor. The corresponding confirmation on the part of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. can be found at the end of this report starting on page 140.

— PRINCIPLE OF COMPLETENESS AND CLARITY

This Sustainability Report refers exclusively to Österreichische Post AG (referred to in the report as Austrian Post) and its core business in Austria. Subsidiaries of Austrian Post were not generally included in this report. However, if a statement in the report refers to a subsidiary or the entire Group (including all subsidiaries), this will be clearly expressed in the text.

The national and international subsidiaries of Austrian Post have not yet been integrated into the sustainability reporting of Austrian Post. This can be attributed to the fact that the data of all subsidiaries cannot yet be compiled according to a unified standard, and thus not all sustainability-relevant data material to Austrian Post Group is available in a form which enables it to be consolidated. Austrian Post is evaluating whether or not and to what extent subsidiaries can be included in sustainability reporting in the future.

DISCLOSURE
102-45

AUSTRIAN POST GROUP		SUSTAINABILITY REPORT
Parent company	Österreichische Post AG	Fully reported
Subsidiaries in Austria	Post.Wertlogistik GmbH (100%)	Partially reported: vehicle fleet data, further education and professional development indicators
	Scanpoint GmbH (100%)	Partially reported: building data, further education and professional development indicators
	feibra GmbH (100%)	
	Systemlogistik Distribution GmbH (100%)	
	ThermoMed Austria GmbH	Partially reported: further education and professional development indicators
	Post Immobilien (100%)	
	Medien.Zustell GmbH	
Subsidiaries abroad		Not included in sustainability reporting

— PRINCIPLE OF BALANCE

This report was prepared in line with the principle of balance in order to present an accurate picture of the situation at Austrian Post. The report focuses on a factual and objective presentation of the company's performance, including both positive and negative aspects.

— PRINCIPLE OF TARGET-GROUP ORIENTATION

The Sustainability Report at hand for the year 2016 is designed to provide interested parties with a high level of transparency and comparability to other companies. The contents of the report have been chosen in agreement with Austrian Post's stakeholders and in consideration of what they deem to be relevant and material.

DISCLOSURE
102-46

— PRINCIPLE OF MATERIALITY AND SUSTAINABILITY

In accordance with GRI stipulations, the contents of the report were selected in accordance with the criteria of materiality. As a result, all sustainability aspects reflecting significant economic, ecological or social impacts of the organisation or having considerable influence on stakeholders.

The basis for evaluating materiality was primarily the Materiality Matrix 2014, which defined key issues from the point of view of stakeholders and the management of the company. Also refer to the sections on Stakeholder Management starting on page 41 and Material Topics starting on page 44.

 p. 41 ff., 44 ff.

Ratings and Awards

Austrian Post takes part in various national and international ratings. In 2016, Austrian Post also continued its involvement in international programmes such as the “Carbon Disclosure Project” and other national projects.

CARBON DISCLOSURE PROJECT



CDP is the world's largest database for corporate environmental and climate change information and is extensively used by capital market participants to evaluate potential investments. Austrian Post achieved a climate score “B” and ranks among the top five in the category transportation in the DACH region (Germany, Austria and Switzerland).

VÖNIX



From a capital market perspective, the renewed acceptance of Austrian Post for listing on the Austrian sustainability index VÖNIX of the Vienna Stock Exchange for the period 2016/17 confirms the sustainable manner in which Austrian Post operates.

OEKOM RESEARCH



The following sustainability activities of Austrian Post were analysed and evaluated positively by oekom research, one of the world's leading rating agencies in sustainable investments. In particular targets and measures regarding environmental and climate protection were highlighted such as the relatively high proportion of e-vehicles, as well as the implementation of health and safety standards.

ECOVADIS



The CSR activities of Austrian Post were awarded with the "Silver Recognition Level" by EcoVadis in 2016. EcoVadis is a sustainability assessment platform, which aims to improve environmental and social activities of companies by CSR Performance Monitoring within the supply chain and to support companies in the improvement of sustainability.

IPC SILVER AWARD 2016



Austrian Post actively participates in international programmes such as the "Environmental Measurement and Monitoring System (EMMS)" of the International Post Corporation (IPC) and was awarded with the IPC Silver Award in 2016.

ENVIRONMENTAL TECHNOLOGY PRIZE DAPHNE



The project "Green Vienna 2016" implemented by Austrian Post was nominated for the environmental technology prize DAPHNE and was honoured as a DAPHNE Excellent Project.

ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001 IN THE VIENNA LETTER CENTRE



In November 2016, Austrian Post implemented its first environmental management system ISO 14001:2015 in the Vienna Letter Centre. The focus of the environmental management system is on reducing energy consumption and waste volumes. The improvement of the environmental management system takes place on the basis of the annual verification by a certified auditor, TÜV Austria.

SUSTAINABILITY AWARD FOR LOGISTICS 2016



Austrian Post is the winner of the fifth Sustainability Award for Logistics. In April 2016; the company was recognised for its project "The green world of yellow-branded Post – the model region E-Mobility Post and the project "Green Vienna 2016".

AUSTRIAN SOLAR AWARD 2016



In 2016, Austrian Post received the "Austrian Solar Award 2016 for Transport Systems with Renewable Energies" for its project "The model region E-Mobility Post" and the project "Green Vienna".

To the Board of Österreichische Post Aktiengesellschaft

DISCLOSURE
102-56

Independent Assurance Report

Independent assurance over the 2016 sustainability disclosures and data of Österreichische Post Aktiengesellschaft

Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

ENGAGEMENT

We were requested to perform a limited assurance engagement over the 2016 sustainability disclosures and data (hereafter “**Reporting**”) in accordance with the GRI Standards CORE Option of the Österreichische Post Aktiengesellschaft.

The assurance engagement covers the Reporting as follows:

- “Sustainability Report 2016” in pdf-format concerning information in and references linked from the GRI-Index to sustainability disclosures and data.

Our assurance engagement solely covers references directly specified in the GRI-Index. It does not cover any further web references, nor references made directly in the Reporting.

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

LIMITATIONS TO OUR REVIEW

- We have not tested comparative data, derived from the Reporting from previous years.
- We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Reporting.
- The objective of our engagement was neither a financial audit nor a financial audit review. We did not perform any assurance procedures on data, which were subject of the annual financial audit, the corporate governance report or the risk reporting. We merely checked that data was presented in accordance with the GRI Guidelines.
- Limited assurance over prospective information was not subject to our engagement.
- Neither the detection and investigation of criminal offenses, such as embezzlement or other fraudulent actions, nor the assessment of effectiveness and efficiency of management were subject to our engagement.

CRITERIA

The information included in the Reporting was based on the criteria applicable in the year 2016 (“The Criteria”), consisting of:

- GRI Standards¹.

We believe that these criteria are suitable for our assurance engagement.

¹ <https://www.globalreporting.org/standards>

MANAGEMENT RESPONSIBILITIES

Österreichische Post Aktiengesellschaft management is responsible for the Reporting and that the information therein is in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal controls. These are essential for the elimination of material misstatements in the Reporting.

OUR RESPONSIBILITIES

It is our responsibility to express a conclusion on the information included in the Reporting on the basis of the limited assurance engagement.

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE3000² and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

The objective of our engagement is not to account for the interests of any third parties. Our work solely serves the client and his purpose. Our engagement is thus not destined to be used as a basis of decision-making for third parties.

The "General Conditions of Contract for the Public Accounting Professions"³, are binding for this engagement. According to that, our liability is limited and an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence the maximum liability towards Österreichische Post Aktiengesellschaft and any third party together is EUR 726,730 in the aggregate.

WHAT WE DID TO FORM OUR CONCLUSION

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. The assurance engagement was conducted at the company's headquarters in Vienna. Our main procedures were:

- Obtained an overview over the industry as well as the characteristics and governance of the organisation;
- Interviewed a selection of Group and functional senior managers and executives to understand key expectations and identify systems, processes and internal control processes to support them;
- Reviewed Group level, Board and Executive documents to assess awareness and priority and to understand how progress is tracked;

- Examined risk management and governance processes related to sustainability and critical evaluation of the representation in the Reporting;
- Performed analytical procedures at Group level;
- Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;
- Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of peers;
- Evaluated the materiality assessment, including sector specific megatrends and aspects of GRI;
- Challenged a sample of statements and claims in the Reporting against our work steps and the GRI Standards principles;
- Reviewed whether the GRI Standards were consistently applied for the CORE Option.

OUR CONCLUSION

Based on the scope of our review nothing has come to our attention that causes us to believe that the disclosures and data in the Reporting were not prepared, in accordance with the criteria identified above.

Vienna, June 22nd 2017

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H.

Brigitte Frey

Georg Rogl

² International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000) Revised, effective for assurance statements dated on or after December 15, 2015.

³ version of February 21th 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8 http://www.kwt.or.at/PortalData/1/Resources/aab/AAB_2011.pdf

DISCLOSURE
102-53

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

The Sustainability Report is also available in German. If in doubt, the German version takes precedence.

Editorial deadline: June 22, 2017

