

AUSTRIAN POST

Sustainability Report 2018

#OurAustrianPost



Reading guide

Our pictograms should facilitate reading and promote understanding. The reader can quickly assign contents to a specific topic area and get to other parts of the report via the references made.

-  Economy
-  Environment
-  Employees
-  Society
-  GRI Index
-  Sustainable Development Goals
-  Financial Report
-  Sustainability Report
-  Internet

PRO ACTIVE!
AUSTRIAN POST.
SUSTAINABLE FOR AUSTRIA

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#OurAustrianPost

Austrian Post takes its interaction with stakeholders seriously. The different points of view held by stakeholders with respect to **"their Post"** contribute to the progress made by the company.



"For me the Post share links strength and security with innovation. As a sustainable dividend stock, it enjoys the confidence of shareholders."

CLAUDIA VINCE-BSTEH,
Private shareholder about **DIGITALISATION**



"Austrian Post already gave me a promotion to an executive position in my mid 20s. All doors at Austrian Post are open to me as a motivated and committed woman."

STEPHANIE VOJTA,
Team leader internal sales for regions and tourism
NEW WORLDS OF WORK



"Customer satisfaction is our top priority. For this reason, quick and reliable delivery is important for online shops such as our weinwelt.at. Austrian Post offers us the optimal solution."

MARKUS KASER,
Managing Director Interspar Austria about **LOGISTICS**



"Austrian Post takes its 'guarantee obligation' to the population seriously and fulfills its responsibility to provide postal services throughout the country."

FRIEDRICH FÜRST,
Mayor of Martinsberg about **RELIABILITY OF SUPPLY**

Dear reader,

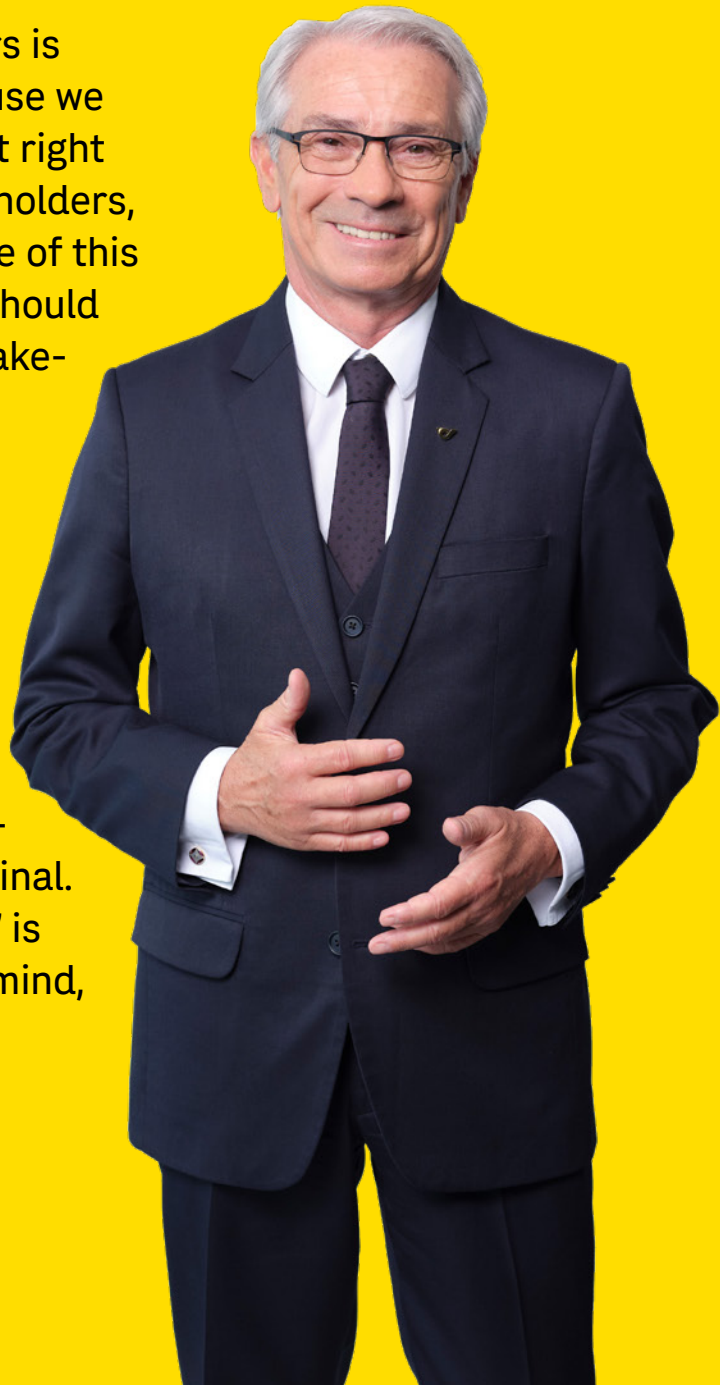
Solutions which make life easier are the key aspect of our business. We want to connect people with one another, and we want to organise things to be more convenient. For this purpose, we leverage all possibilities available to us today. What concerns us is reliability, speed and individuality. What we offer has to fit customer needs. The bottom line is that Austrian Post is always something very personal – my Post.

The dialogue with our stakeholders is particularly important to us because we want to ensure that things are just right for people – for employees, shareholders, and the recipients of mail. The title of this year's report **#OurAustrianPost** should underline this closeness to our stakeholders. Interviews with experts from our own ranks and articles about our mission and various solutions demonstrate that we do not only make promises but keep them.

We see ourselves as being entrenched at the centre of society. **"Our Austrian Post"** is the original. And in reality, **"Our Austrian Post"** is **"Your Austrian Post"**. With this in mind, I hope you will enjoy reading this.

Best regards,

Georg Pölzl



#OurAustrianPost – What we have in common with our customers

Austrian Post operates fully engaged in life. As a result, we focus on the same social trends which all people deal with.



PRO ACTIVE!

AUSTRIAN POST. Sustainable for Austria.

IN FOUR AREAS

1.

Connectivity

Digital networking leads to an explosion of communication possibilities. Digital technologies extend into all spheres of life and give rise to new lifestyles and behavioural patterns.

DIGITALISATION

Thanks to its new solutions, Austrian Post is moving closer to the everyday life of its customers. The customer has even more direct possibilities to choose from than ever before.

2.

Mobility

The need for mobility is growing, and forms of mobility are becoming increasingly diverse. Technical innovations and the changed needs of people become the driving force behind new solutions.

LOGISTICS

The multi-mobile age requires special solutions. Tomorrow's logistics should be climate-friendly, timely and space-saving. Austrian Post is already working full steam ahead on this.

3.

Gender shift

Roles are changing and gender stereotypes are weakening. The individual strong "I" overrules the old women/men formula. This gives rise to a culture of pluralism, which also fundamentally changes the world of work and makes the diversity of employees an important success factor.

NEW WORLDS OF WORK

Changing roles are creating a more diverse range of target groups. Whoever wants to reach them has to show the same diversity in the workforce. Austrian Post has initiated programmes focusing on diversity.

4.

Urbanisation

More and more people are living in cities. The population is moving from the country to the city. Service structures such as retail shops or even medical care can no longer survive in regions on the periphery. At the same time, new types of mobility and networking also serve as the basis for new lifestyles.

RELIABILITY OF SUPPLY

Austrian Post fulfils its service obligation everywhere, whether in the city or in rural areas. Postal service points are the key, offering customers suitable services under differing conditions and solutions making delivery possible even in the remotest corners.

“DELIVER on our promises”

Digitalisation is sustainably transforming Austrian Post's business. The Management Board of the Austrian market leader in the letter mail and parcel market – **Georg Pölzl, Walter Oblin and Peter Umundum** – explain its concepts for the future.

Austrian Post set ambitious targets at the beginning of 2018 against the backdrop of a demanding market environment. How did things turn out?

GEORG PÖLZL (GP): The postal sector faces a continuously challenging situation. Our task is to steadily develop our business model in line with market requirements in order to defend and expand our top position in Austria. We succeeded in achieving the growth targets we set for ourselves in the past financial year both in terms of revenue and earnings as well. This means that we properly dealt with the consequences of digitalisation which we directly feel in our core business, i.e. declining letter mail volumes and an enormous increase in parcel volumes. We also adjusted our business to the needs of customers and made it viable for the future.

WALTER OBLIN (WO): Since the IPO in 2006, our motto has been to deliver on the promises we make. This also applies to our positioning as an attractive dividend stock. We regularly deliver on this promise,

also this year, when we will propose the distribution of a dividend totalling EUR 2.08 at the Annual General Meeting. The rise of 1.5% is consistent with EBIT growth. This corresponds to a dividend yield of close to 6.9% in relation to the share price at the end of December 2018. In this way we offer our shareholders the stability they are accustomed to from Austrian Post.

An increasingly important issue for us with respect to the capital market is the area of environmental, social, governance (ESG) fusing a commitment to the environment, society and corporate governance as well as corporate social responsibility in general. Growing importance is being attached to the issues in making investment decisions, and they are considered to be crucial factors for economic success. During this reporting period we once again demonstrated that we also keep our sustainability promises as well. This is reflected in our awards and ratings such as the MSCI ESG AAA rating, the ISS oekom research Prime-Status rating and the Carbon Disclosure Project Rating A-.

“Viable for the future” also always means “digital” these days. How is digitalisation impacting the various business segments of Austrian Post?

WO: Take the mail business for example. In this case, the changed behaviour of people in disseminating news clearly plays a role, partially reducing the importance of conventional letters. Our response to this development is a much broader offering. We offer our customers a diverse range of options to choose from covering the entire spectrum of communications, from the physical delivery of mail at different speeds to electronic conveyance. This portfolio also encompasses hybrid models, in which we assume the function of an interface between electronic and physical news for large-volume mailers and recipients.

PETER UMUNDUM (PU): The influence of digitalisation in the parcel business is the most obvious development. Ordering certain types of goods via the Internet has become mainstream and ensures a considerably increase in parcel volumes. Last year we transported



**"We leverage technology
to make things easier for
the customer."**

GEORG PÖLZL, Chairman of the Management Board and CEO



"Digitalisation will lead to substantial productivity increases."

WALTER OBLIN, Deputy Chairman of the Management Board,
Mail & Direct Mail, Finance

a record number of 108 million parcels. As the distributor of these goods, we have to adjust in two ways. On the one hand, we need the right hardware to quickly sort parcels and then punctually deliver them over long distances and in every type of weather in an environmentally compatible manner. Investments are required on our part to enable us to reliably provide these enormous logistical services. This is the reason why we want to double hourly sorting capacity in our sorting centres over the next two to three years as a means of further expanding upon our number one position in Austria. On the other hand, adjusting also means further enhancing the level of service

at the interface to our customers. Today we already boast the densest service and supply network in the country, featuring around 1,800 postal service points, 413 self-service zones, 349 pick-up stations and more than 34,100 pick-up boxes. However, we want to further expand these services.

Has digitalisation also opened up new business areas for Austrian Post?

WO: We now have a service and product offering, particularly in our letter mail business, which would not be possible without digitalisation and which go above and beyond conventional postal logistics. Our

innovative solutions help to optimise processes in companies. This starts with scanning services and the digital recording of documents in the case of incoming mail to modular services and document management solutions in processing mail and finally the management of outgoing mail. When it comes to such offerings, we are in the midst of an evolutionary process we deliberately chose to pursue. In this way we support our customers to streamline their value chain on a step by step basis using our new digital services.

PU: Another increasingly important field is consulting, especially the start and expansion of an online presence for small- and medium-sized companies. We have significantly increased our skills in the fields of advertising and e-commerce thanks to two acquisitions, namely adserve Holding GmbH and ACL advanced commerce labs GmbH, thus positioning Austrian Post effectively for an expansion of these high-potential business areas.

The question frequently arises with respect to the digitalisation of processes as to what will happen to the human dimension. Are we going to have less contact with Post employees in the future?

GP: We are clearly focusing on a dual concept today and in the future. More specifically, this means that success will consist of a mixture of state-of-the-art digital technologies and competent employees in contact with the customer. This encompasses more than just our dense physical network with around 1,800 postal service points, but also our delivery staff of more than 9,000 people who have an enormous know-how. Even though the digital aspect is very important, a physical presence featuring people

at the interface to customers who favourably view the concept will also continue to be crucial. Human beings are the basis of success in our Group. We exploit modern digital technology to equip these people for their work as best as we can. These technologies change the nature of the work done by people in our company but do not replace them.

Does this duality also apply to Austrian Post's financial services business?

GP: We want to continue offering financial services in the branch offices to our customers in the future as well. Financial services will remain an important part of our business. We have observed that many customers inform themselves online, for example in the case of our popular offering to change electricity and gas suppliers. However, they actually prefer to personally implement the transaction with an employee in one of our branch offices. This confirms our dual approach, which makes use of both channels.

Against this backdrop, are future technologies such as artificial intelligence an issue for Austrian Post?

PU: We very closely monitor such developments and we deal with everything that is relevant to our business or could be in the future. For example, this includes self-learning systems for the purpose of volume predictability. This already enables us to carry out an extremely precise estimate of parcel volumes one or two weeks from now on the basis of information about the weather, holidays and notified quantities. In turn, this helps us with staff and vehicle planning and simultaneously protects the environment and conserves employee

resources. Recipients also benefit from increasingly precise delivery forecasts. Naturally, we are also observing market developments in areas such as autonomous driving and delivery with drones with great interest and have carried out preliminary practical tests. However, there are no plans yet for the standard use of drones in the near future.

What plans does the company have in the near future, more specifically for the year 2019?

GP: Against the backdrop of a successfully concluded financial year 2018, our major objective is

to ensure stability. We are aware that the challenges will not diminish, and that we will have to work hard for the success of our company. We managed this feat last year thanks to our 20,545 motivated and professional employees, who deserve our very special thanks. With their support we would like to build upon this success in the current financial year, and further improve the quality level we have reached when it comes to services performed on behalf of customers. At the same time, we also aim to maintain the current level of revenue and earnings.

"Networking and communication impose high demands on the IT infrastructure."

PETER UMUNDUM, Member of the Management Board,
Parcel & Logistics, Logistics Networks



The Challenge of DIGITALISATION



Austrian Post is taking advantage of the possibilities opened up by digitalisation for **new services and higher capacities**. Its objective is to more effectively fulfill increased expectations and needs.

The digital transformation is moving ahead, sustainably changing society as well as the needs and expectations of people. Future generations will have confidence in the digital changes being made to the worlds of work, entertainment and consumption, increasingly taking it for granted.

The rapid developments affecting the field of digitalisation pose a particular challenge to a company like Austrian Post. All strategic areas are impacted. The trend towards e-substitution has led to a decline in traditional letter mail. At the same time, e-commerce is growing exponentially, as are the challenges facing shipping services. Increasing volumes are being sent back and forth between retailers and consumers. For Austrian Post, this means it must critically assess its business model on an ongoing basis and adapt it to the evolving conditions and customer requirements in a timely, flexible and forward-looking manner. This applies to both the B2B and B2C business. Austrian Post is improving its level of service in the field of digital offerings from year to year. Digital solutions make the lives of customers and employees easier, enhance the quality of service and reliability of postal services and improve their ecological footprint. Core in-house processes at Austrian Post are also being subject to the digital transformation. Workflows are being optimised step by step with the aim of devoting freed-up capacities for the benefit of the postal business, the economy and customers.

The digital transformation

In the area of tension between the universal service obligation and competition



Strategic partnerships in digital lines of business

Austrian Post is targetedly expanding its competencies to meet the challenges of the present time by concluding strategic partnerships with companies such as adserve. In the coming years Austrian Post will gradually acquire adserve, a service and consulting company specialising particularly in programmatic and data-driven advertising. New business concepts and strategies for innovative advertising campaign management developed in cooperation with adserve are forward-looking and will thus play an even bigger role in the future.

Line of business: Direct Mail

Market Leadership
on all channels



Although the Internet is increasingly asserting itself as the virtual space for communication and consumption, there is nothing like addressed direct mail to skilfully and effectively appeal to the designated customers. The Dialogue Marketing Report 2018 once again showed how important it is to ensure a combination of online and offline communication. 52% of the people surveyed consider e-mail newsletters to be up-to-date, 12% align their purchase decisions to recommendations in social media and 92% look at personally addressed advertising mail. Austrian Post offers the tried and tested "Pimp my Campaign" initiative to enable companies, regardless of whether they are small or big, to optimally exploit the potential of their advertising campaigns. In this case, specific campaigns are optimised in line with the latest findings in the field of interactive marketing



"Building upon market leadership in the conventional printed advertising brochure market, we will position ourselves in the digital advertising market even more strongly than in the past. In doing so, adverserve will assist Austrian Post as a strategic and innovative specialist partner."

MICHAEL JIRESCH, Sales Manager Mail Solutions and Managing Director adverserve Holding GmbH

to enhance their impact. This includes a target group-oriented approach, ideas for individual offers as well as multi-channel campaigns encompassing online channels and social media. In the case of a renowned customer in the furniture sector, the three-step approach with e-mail teaser, direct mailing and e-mail reminder generated 66% more customer feedback than by simply sending a direct mailing.

Austrian Post takes an integrated, multi-track approach as a means of individually fulfilling the needs of business partners and customers in the core letter mail segment and continuing on all channels, whether analogue or digital. That is why the company's offering not only includes digital and conventional print solutions but also alternative dual solutions. They link the physical shipping of mail items with digital components, thus fusing the best of both worlds with each other. The e-letter was developed as a cost-cutting and digital solution. It offers maximum cost saving potential to senders alongside the necessary security, confidentiality and reliability. Dual delivery means mail items are either delivered digitally to the person's electronic mailbox or physically as a postal item.

Line of business:
Letter Mail
e-letter – secure and efficient



Innovations in retailing are high up on the list of the new business areas and services being opened up by digitalisation. Austrian Post supports retailers with

Line of business:

E-commerce

Complete solutions for
retailers from acl and
shöpping.at



complete e-commerce software solutions in collaboration with its subsidiary ACL. Services such as online shops, data management, design of shipping and storage logistics solutions and their implementation comprise just a small part of the service portfolio. In this way ACL makes it easier for retailers to enter the world of e-commerce and promotes their survival in a highly competitive market. The online marketplace of Austrian Post, shöpping.at, also enables many retailers to tap into online business opportunities. Numerous regional and nationwide suppliers already successfully leverage their presence on shöpping.at to convince new target groups and considerably increase their outreach. Moreover, every purchase supports the national economy, because shöpping.at brings together Austrian consumers exclusively with Austrian suppliers, thus creating a domestic alternative to foreign competitors.

Post Systemlogistik GmbH also profits from the growth in e-commerce. Thanks to its fulfillment services along the entire value chain, Systemlogistik offers complete strategic solutions to mail-order companies in cooperation with ACL, from online shops, storage and order picking to packaging and reliable delivery. In turn, this offering not only contributes to stimulating the

e-commerce business of customers from mail-order houses but also makes it simpler and more effective, thus ensuring a maximum level of satisfaction on the part of recipients.

Complete solutions

Along the entire
value chain



Modern process management right through the branch offices

The forces propelling the digital transformation also impact Austrian Post's in-house processes. This year the company is investing in a monitoring system to enable the timely detection of delivery bottlenecks in the future and thus enhance the effectiveness of core processes. The new monitoring system will link various databases with each other and be capable of quickly and automatically presenting where and when bottleneck hotspots will take place as a result of vacation time, sick leave and high shipment volumes. In this way, Austrian Post will be able to react in a timely and forward-looking manner to reliably maintain its high level of delivery quality, even when things get tight. This is because Austrian Post's focus is on the everyday lives of the customers as well as their expectations and needs, particularly in times marked by the accelerated development and implementation of electronically supported services.



Internal measures in 2018

1. Equipping post office branches with the latest generation of hardware.
2. Launch of a team leader app for the digital management of employee hours at work, vacation planning and employee presence reports.
3. Development of a monitoring system for bottleneck hotspots.

At Vienna's doorstep, all signs point to the FUTURE

The new logistics centre of Austrian Post is currently being built in Hagenbrunn. It is scheduled to be put into operation in the summer of 2019, shortly before the beginning of the peak season. **Stefan Heiglauer and Robert Modliba**, logistics experts at Austrian Post, talk about the importance of the new facility north of Vienna and the specific measures Austrian Post is taking in connection with the logistics of the future.

The expansion of logistics centres is designed to strengthen Austrian Post's market leadership position in the core business and safeguard the nationwide reliability of supply. In addition to these aspects of capacity expansion, employee interests and environmental issues also play a significant role. This is in line with the "PRO ACTIVE! Austrian Post. Sustainable for Austria."-initiative for sustainable and future-oriented logistics.

We are standing here in the new Hagenbrunn Logistics Centre. To what extent is substantial progress being made thanks to the new facility?

STEFAN HEIGLAUER (SH): This centre represents a central building block of our investment programme and a further step towards making our infrastructure fit for the future. The logistics centre will expand capacities in the magnitude of 25%. In this way we are making a key contribution towards sustainably securing our profitability while fulfilling our high standards with respect to efficiency, reliability of supply and environmental considerations. The new logistics centre creates many jobs in the region, and Austrian Post already made sure that

the construction process optimally took occupational safety and health protection aspects into account. The corporate culture will also be positively developed in Hagenbrunn, in light of the fact that further education and training measures will be offered alongside its ensuring diversity and equal opportunity.

To what extent do environmental aspects play a role here in Hagenbrunn?

ROBERT MODLIBA (RM): The issue of environmental protection is a key aspect in the construction of our distribution centres. We have already been relying for years on certified environmental management systems,



← The ground-breaking ceremony in Hagenbrunn took place in July 2018. Operational start in the summer of 2019.

→ **ROBERT MODLIBA (l.)** and **STEFAN HEIGLAUER (r.)** monitor implementation of the plans.



Hagenbrunn IN FIGURES

50

EUR m in investments

75,000

square meters of land

20,000

square meters
of building space

300

jobs

13,500

parcels/hour



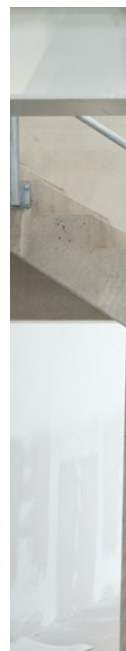
which we have successfully implemented at several sites. An environmental management system pursuant to ISO 14001 will also be implemented in Hagenbrunn due to our favourable experiences, for example in raising awareness among employees, energy savings based on the review of objectives and cost savings in waste management. More specifically, a photovoltaic plant with an output of 500 kilowatt-peak will be installed on the roof of the logistics centre, whereas interior and exterior lighting will be based on energy-saving LED light systems. The focus of our environmental targets is the reduction of energy consumption and waste volumes and sensitising employees concerning this issue.

Which priority is given to environmental aspects for Austrian Post in general as a logistics company?

RM: For us the primary environmental-related issues are climate protection and energy efficiency as well as the use of resources and responsible procure-

ment. Against this backdrop, the number of supplier checks by shipping customers in the field of CSR and environment is increasing each year. In the case of an increasing number of tenders, above all by international customers, inquiries are also being made concerning this issue. In the meantime, more than 150 mail and parcel customers already use our CO₂ NEUTRAL DELIVERY logo.

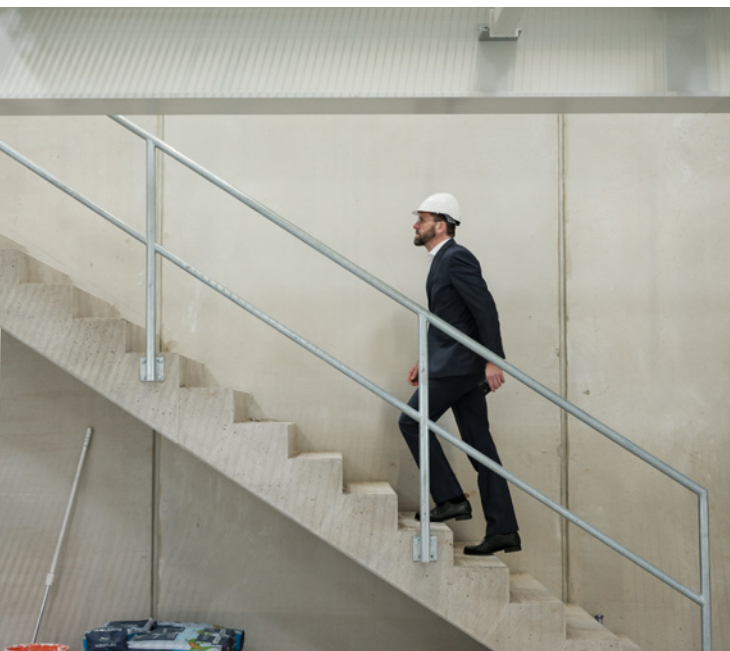
SH: Accordingly, one can say that environmental protection has become a key element in our sales strategy. It would be hard to imagine our business without the partnerships we conclude. As the quality leader, we want and have to meet our high quality demands with respect to this issue as well. The CO₂ NEUTRAL DELIVERY certificate is granted by Austrian Post to shipping customers each year in a festive setting. The certificate shows the shipping volume of the customer and the resulting CO₂ emissions compensated by Austrian Post.



City logistics also incorporate environmentally compatible solutions. The objective is to optimise urban freight transport from an environmental and cost perspective. What measures has Austrian Post already taken? And in which direction is the company going?

SH: The focus is on a holistic view of the last mile in urban areas, i.e. the path an item takes from the distribution centre to the recipient. Last year numerous innovative ideas for inner-city parcel delivery were developed at a multi-day workshop. They were subsequently fleshed out in detail and prioritised according to their added value. Based on this, in 2019 we want to evaluate the setting up of a city hub infrastructure. Such an inner-city distribution centre should test the most promising approaches within the context of both the downstream and upstream delivery process. Constructing a city hub would make it possible to reduce the number of delivery tours and deploy alternative delivery vehicles, for example cargo bikes or e-transporters.

RM: With respect to city logistics, it should be pointed out in general that we see a need to catch up with respect to ensuring a scientific basis for any initiatives: What causes traffic in the city? Which processes already work efficiently, and where should we seek to make improvements? We can first go on the offensive with new, innovative approaches when the corresponding results are available.



↑ **STEFAN HEIGLAUER**, Head of Parcel Logistics, on his way to the first floor, where the Technical Control Centre will soon be standing.



↑ **ROBERT MODLIBA**, Head of Mail Logistics, studies the construction plans. It is all about the details which are already taken into account in the planning process so that operations proceed smoothly afterwards.

What other environmental challenges and opportunities do you see for Austrian Post in the future? Where does it make sense to enter into partnerships?

RM: Austrian Post is Austria's largest logistics company. For this reason we should have sufficient self-confidence to set trends as reflected in our programme, which primarily focuses on solutions on the last mile. This includes projects such as AllesPost, the expansion of Post pick-up boxes, the pick-up service, Austrian-wide parcel redirection and the ongoing optimisation of delivery routes. All these measures contribute to reducing traffic volumes and setting standards in the entire postal sector.

SH: We are also engaged in a continuing dialogue with many stakeholders on this issue. We tested the deployment of an electric bicycle in the Josefstadt area of Vienna in 2017, and tests were carried out with an e-vehicle on autonomous delivery solutions in collaboration with the utility company Energie Steiermark, the Graz University of Technology and i-Tec Styria. We are also continually involved in a dialogue with the responsible traffic planners in Vienna, the Federal Economic Chamber and various scientific institutions. In several studies, e-commerce was rated per se as an environmentally-friendly possibility to do shopping. We have to continue working on enhancing efficiency and increase e-mobility. All in all, environmentally compatible logistics still hold great potential, for example in designing a vehicle fleet featuring alternative drive systems.



Less is the NEW MORE

How Austrian Post expands capacities and curtails environmental impacts at the same time

57%

of Austrian consumers
(15 or older) buy online¹

6–7%

annual growth in
e-commerce up to 2023²

7.2

EUR bn was spent by
Austrians on online
purchases in 2018¹

↓ Delivered personally: the mail carriers know the daily routine of their customers.



¹ E-Commerce Study 2018 of Austrian trade association (Handelsverband)

² Statista, Outlook 2019, eCommerce Austria



↑ Parcel volumes have more than doubled since 2009.
This growth is felt by the delivery staff every day.

Efficiency means concentrating on the essentials in order to achieve more, or even leveraging greater potential than beforehand with less. Keeping prices at a competitive level but increasing service, going easy on resources but improving performance: efficiency on all levels is imperative at the present time. The focus is on capacity expansion and the related challenges.

The growth curve in e-commerce is showing a steep upward trend, and places heavy demands on the logistic sector. 57% of all Austrian consumers aged 15 or older already do part of their shopping online. The expenditures on the part of Austrians for online retailers reached the record amount of EUR 7.2 bn in

2018, and annual e-commerce growth is anticipated to total 6–7% annually in the coming years. New strategies, approaches and concepts are called for in order to adjust the parcel market to the dynamic development of the online retail business and growing shipment volumes. As the only universal services provider and the number one logistics partner in Austria, Austrian Post is pressing ahead with the technological development of the logistics infrastructure and at the same time making the company fit for a sustainable future. This is being done by searching for energy-efficient and resource-efficient solutions. Against this backdrop, Austrian Post has developed strategic corporate social responsibility measures bundled in the “PRO ACTIVE! Austrian Post. Sustainable for Austria.”-initiative. This is designed to

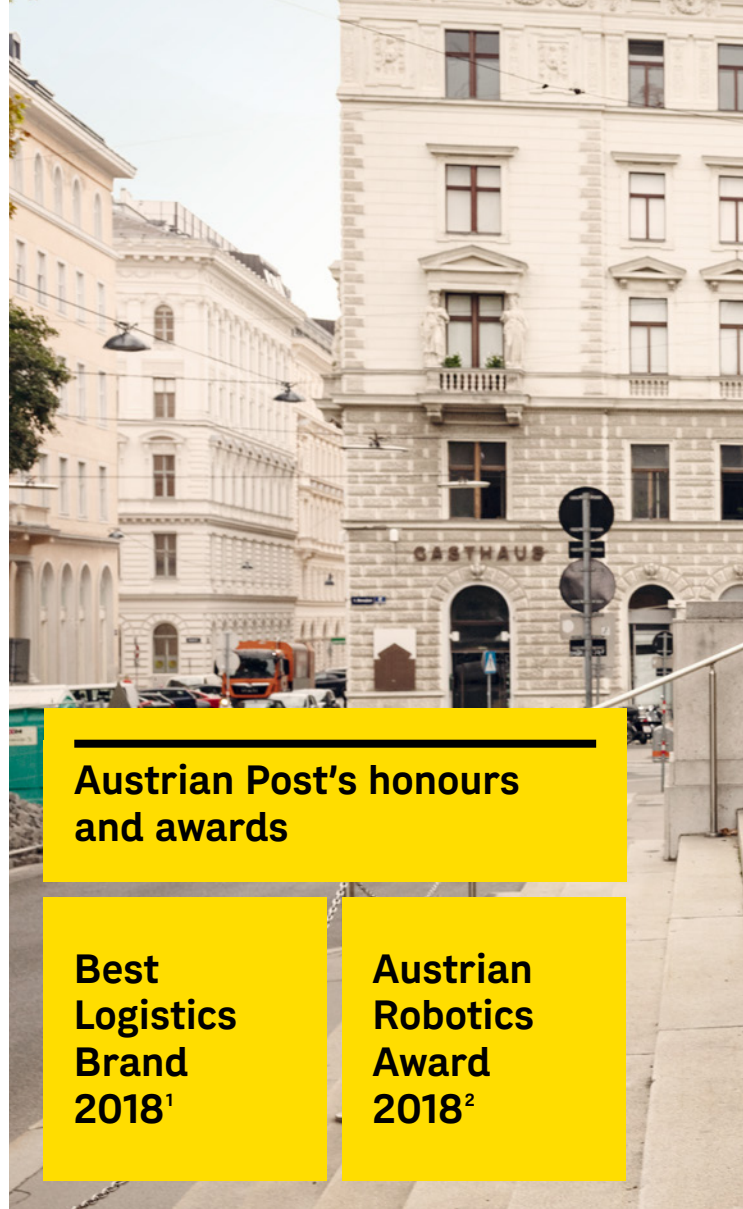


link the four fields of the corporate strategy with the four areas of the sustainability strategy. The factors of employee protection and reliability of supply play a decisive role in addition to economic and environmental issues. This is because Austrian Post is convinced that this integration of the two strategies can secure the long-term success of the company.

Fit for tomorrow: solutions and paths in city logistics

The service quality of parcel service providers is a significant factor enabling mail order companies to transform the online shopping experience into an all-round success. In 2018, Austrian Post was selected as the Best Logistics Brand in the category of courier, express and parcel services. Moreover, Austrian Post is the clear market leader with a 48% share of the Austrian parcel market. In the future, it will continue to focus on customer proximity and all-round service up to the last mile in order to defend its position. In doing so, it has to optimally deal with rising customer demands as well as growing shipment volumes and the increasing traffic density in city centres. For this reason, Austrian Post is searching for alternative solutions to delivery traffic, not least in order to meet the high expectations when it comes to environmental and climate protection. One of these options could be the so-called "city hubs". By setting up such inner-city distribution points, the total length of delivery tours would be reduced. The city hubs would also drive the deployment of alternative vehicle technologies over the last mile, from the cargo bike to e-bus. Austrian Post will evaluate the establishment of a city hub infrastructure within the context of its "city logistics" programme.

Furthermore, Austrian Post is also putting its trust in electromobility. This is an area in which Austrian Post is a trailblazer in light of the fact that it operates the country's largest e-vehicle fleet. The company expects to cover the entire last mile with electric-powered vehicles by the year 2030. The Austrian-wide capacity expansion programme implemented by Austrian Post ensures that the strong growth in parcel volumes will continue to be handled in a completely CO₂ neutral manner in the future as well. The "autonomous driving" project is also part of these efforts. In this case a modified e-vehicle would autonomously navigate its way to the target address in order to deliver parcels. The project carried out in collaboration with the Graz University of Technology, Energie Steiermark and i-Tec Styria was given the Austrian Robotics Award in November 2018.



Austrian Post's honours and awards

**Best
Logistics
Brand
2018¹**

**Austrian
Robotics
Award
2018²**

¹ Awarded by the international weekly "Verkehr" in cooperation with the Austrian Retail Association.

² Awarded at the initiative of robo4you and Grant Thornton Austria.

The innovation "Rapid Unloader" – Unloading system of the future

Austrian Post is expanding and refurbishing its existing parcel distribution centres in Austria in order to be equipped for developments in the near future. Furthermore, new logistics facilities are being built, such as the one in Hagenbrunn in Lower Austria, scheduled to be completed in the summer of 2019. In addition, an innovation of Austrian Post and PHS Logistiktechnik GmbH is designed to make sure that the unloading process from lorries is accelerated and simplified. The Rapid Unloader is a parcel unloading system cutting unloading time from the swap body container or lorry in half while relieving the physical burden on employees. It works quickly, fully automatically and efficiently, and was put into operation in 2018 for the very first time in the Upper Austrian logistics centre in Allhaming. The system is suitable for retrofitting. As a consequence, it



"The new unique European-wide quick unloading system has given us a capacity expansion solution which is just as intelligent as it is innovative."

ANDREAS WOLFSCHLUCKNER AND MATTHIAS FRITZ, founder of PHS

can be integrated into the existing logistics infrastructure such as lorries and swap body containers in an economically and ecologically feasible manner. Following a trial period during normal business operations, the

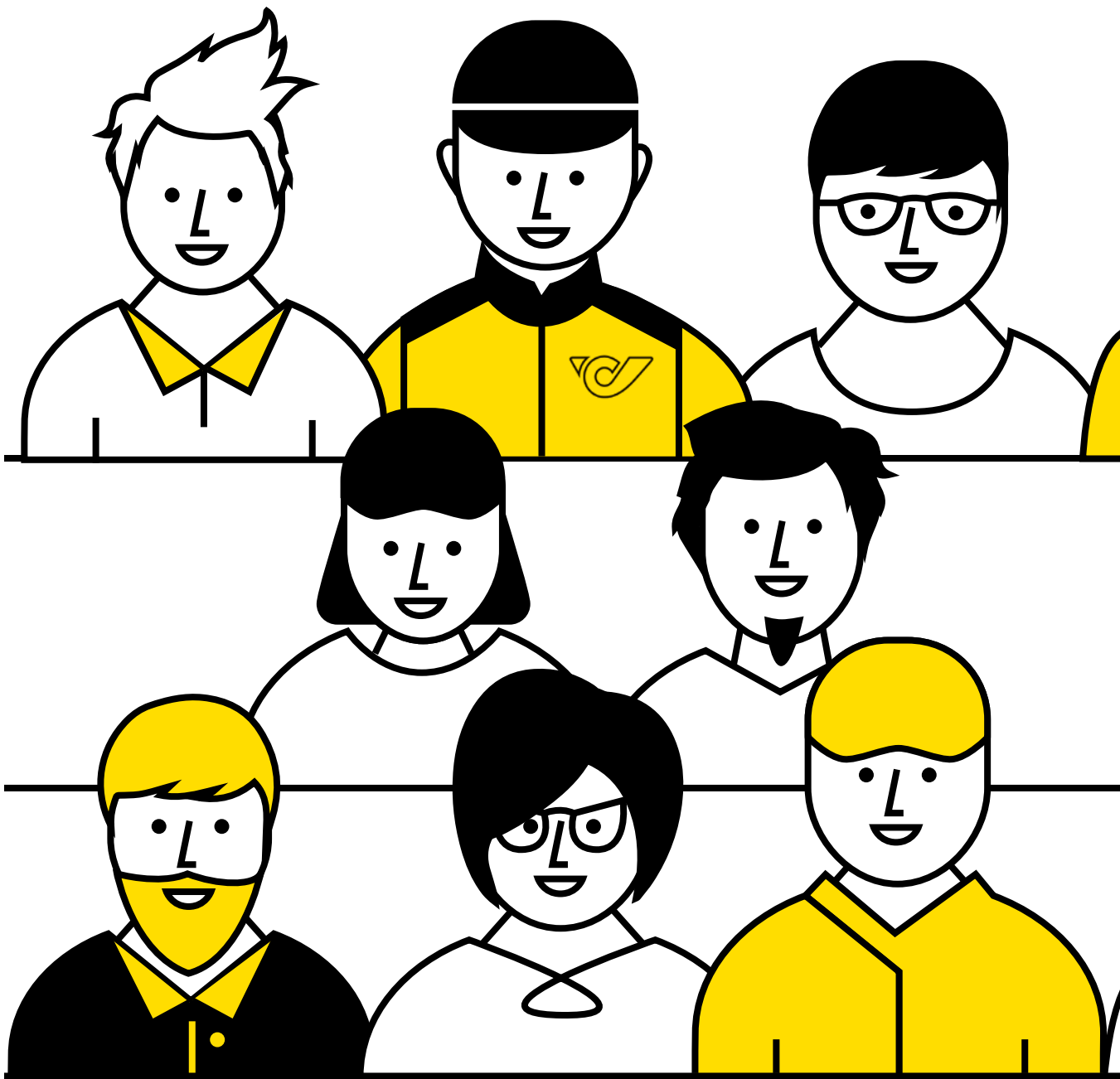
Rapid Unloader is ready for nationwide use on the logistics market. It can make a major contribution towards increasing unloading capacities and redistributing growing parcel volumes.



NEW WORLDS OF WORK

Promote diversity – generate sustainable value.

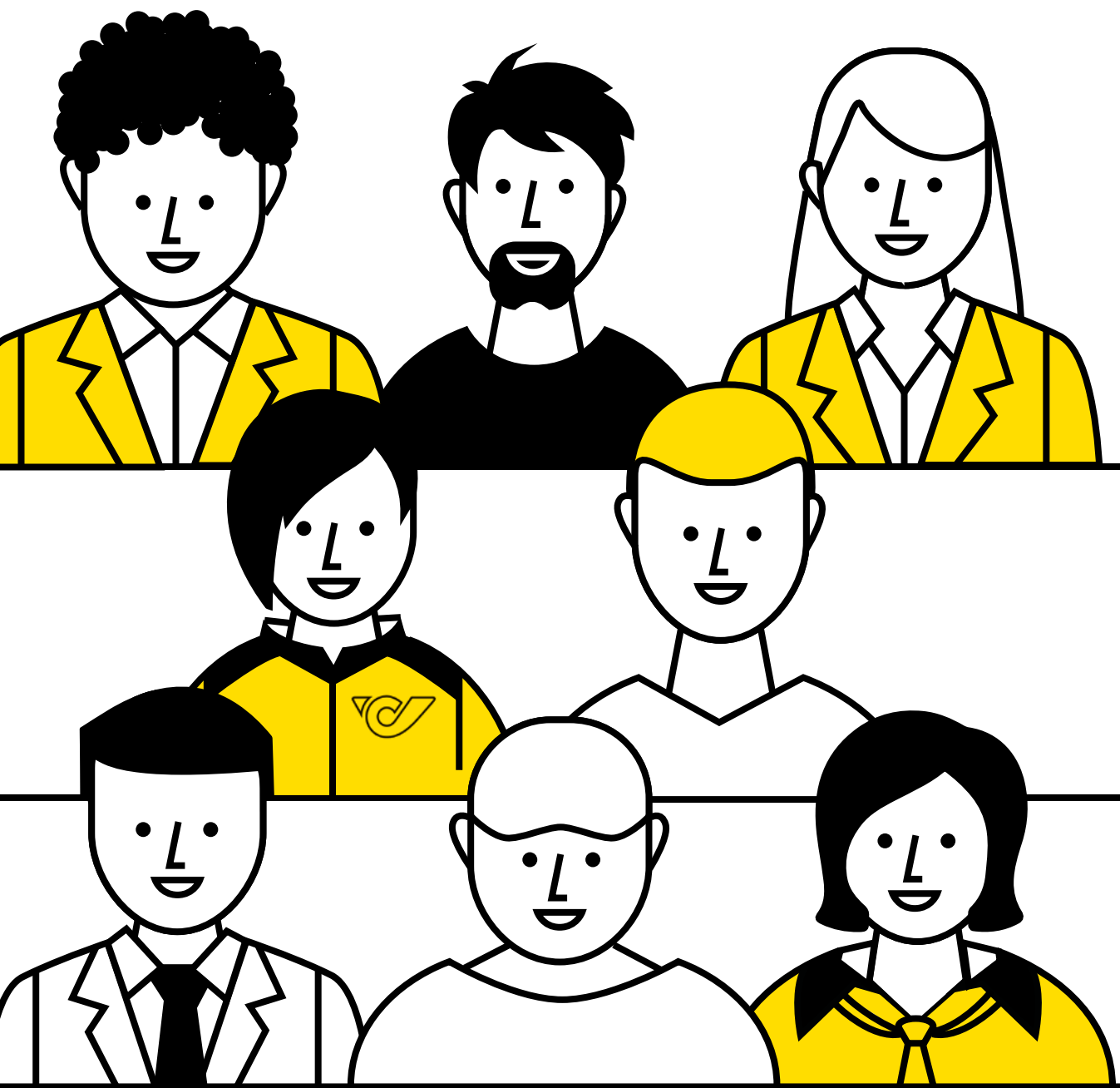
Verena Knott-Birklbauer of Austrian Post and the expert **Barbara Lutz** discuss this topic in an interview.



The digital transformation is also changing job profiles. Companies aiming to sustainably enhance their innovative strength have recognised the signs of the times and focus on diversity in their workforce. Austrian Post has also embarked on a challenging journey to a culture which promotes diversity in general and gender diversity in particular and purposefully benefits from them.

Ms Knott-Birklbauer, what was the catalyst leading Austrian Post to advocate a gender balance in the company in the first place?

VERENA KNOTT-BIRKLBAUER (VKB): Today about one third of the Austrian Post staff is female, and there are still even fewer women in management positions at present. Women are still currently underrepre-



"Women and Generation Y have a similar mentality."



BARBARA LUTZ has developed and established the Women Career Index.

sented, which means a lot of potential is still left unused. There have always been individual initiatives for more women at Austrian Post to change this, but now we are focusing on the business-relevant advantages of a gender balance and devoting our attention to this issue by developing an overall strategic concept which I am spearheading. We would like to promote a corporate culture which embeds and promotes diversity based on transparency and commitment in all worlds of work and on all levels.

How did you find out about each other, and what is your collaboration about?

VKB: I got to know Barbara Lutz in Vienna, when she presented the Women Career Index she developed in a lecture. This index measures the opportunities in a company for women to climb the entire career ladder from the bottom to the top. This analytical and professional approach convinced us, and we were the first completely Austrian company to undergo such an assessment. The status quo analysis laid out our strengths and potential in detail, and Barbara Lutz advised us to take appropriate measures. We will now compile the Women Career Index annually as a means of reliably measuring the progress of our commitment to gender balance.

BARBARA LUTZ (BL): We have indexed close to 200 companies up until now in addition to Austrian Post. An excellent and exclusive corporate network has developed in which the indexed companies regularly and intensively exchange information about their results and experiences. This takes place on a professional level and with a great deal of openness. There is really a remarkably high degree of willingness to share the most innovative and effective measures.

Ms Lutz, why is gender balance of fundamental importance to the economy? And Ms Knott-Birklbauer, why is it particularly vital to Austrian Post?

BL: Gender balance should be seen in a wider context. It's a matter of the systematic and structural changes taking place in almost all companies. This transformation is being driven by digitalisation. But Generation Y, the young talents on the job market – and I am not only talking about women – are imposing completely

different requirements upon their companies. They are primarily asking for flexibility and the compatibility of their professional and private lives. The second aspect relates to the issues of transparency and openness. They are the pre-requisites for successful change processes and are increasingly demanded by Generation Y. For example, the young generation wants knowledge to be openly shared in companies and for team-building processes to take place in a transparent manner. All this automatically requires greater bottom-up movement in companies and inclusiveness for new ideas. If the company opens itself in this manner, women will be able to successfully assert themselves in the organisation and gender balance will be achieved.

VKB: These transformation processes are also becoming increasingly important to Austrian Post. We believe in the potential of diversity, because studies show that mixed teams are simply more successful. Moreover, Austrian Post is faced with the challenge of finding and retaining good staff in addition to the growing pressure on our everyday business. Thanks to our commitment to gender balance, we want to ensure that we will have the best talents on board, leverage innovations to hold our ground on the marketplace and create customer proximity in the B2B and B2C segments.

Ms Lutz, popular lore has it that women are hard-working and tidy, whereas men are willing to take risks. Are there really ways in which women and men are fundamentally different at work and which can become strengths?

BL: The images in our minds of the typical traits of women and men are mainly shaped by social attributes and expectations. How and what determines our gender perception is primarily a social construct related to our upbringing, societal norms, values and stereotypes. For example, an ambitious man is frequently considered to be goal-oriented and focused, whereas an ambitious woman is seen as tough and stubborn. This makes it all the more important to critically reflect upon every perception we have with respect to stereotypical classifications of people. Strengths are such an individual matter, just like our perceptions.

“We promote women because mixed leadership teams have a positive impact on returns on investments, profits and share price development, as studies have shown.”



VERENA KNOTT-BIRKLBAUER
is Head of Group Accounting
at Austrian Post.



Actual situation and targets¹

35%

Overall share of women in 2018

41%

Targeted share of women in 2023

31%

Share of women in executive positions in 2018

39%

Targeted share of women in executive positions in 2023

¹ As at December 31, 2018 (headcount), employees of Austrian Post (incl. subsidiaries)



Ms Lutz: What will drive the executives of tomorrow forward? Are there differences between women and men?

BL: We have observed changes in men belonging to the younger generations. They are now also placing greater emphasis on flexibility and reconciling work and family life, similar to what women have demanded for a long time. This does not mean that Generation Y

wants to work less, but they do not want to go by a time clock. Key issues include taking sabbaticals and achieving a work-life balance. Money and hierarchies are not as important any more. In fact, the decisive factor is the content of a person's work. How meaningful is the work I am doing? In particular, women drop out when they no longer discover a sense of purpose at work.



Ms Knott-Birklbauer, what specific measures is Austrian Post taking to ensure a gender balance?

VKB: I initiated Expedition Elly within the context of my assignment. The name of the project is derived from the aviation pioneer Elly Beinhorn. She undertook demanding trips as a courageous aviator. Our Expedition Elly means we are going on a challenging journey towards a culture which stands up for diversity. A pioneering spirit is needed along with perseverance and good equipment. For this reason, we have analysed all the worlds of work at Austrian Post with respect to the employment structure, employee indicators and labour market situation and developed specific targets on the basis of our findings. Moreover, a diverse team from different areas and hierarchies at Austrian Post has developed measures for more gender balance. The focus is on the commitment of executives, communicative support and embedding gender goals in HR processes. We consider the hiring and development of employees to be just as important as the focus on enhancing the flexibility of working conditions and the management of time outs and the return to working life. It is crucial for us to put this commitment to gender balance into practice across the board for all employees in light of the fact that Austrian Post is a highly diverse company. To continue to use the language of aviation, this is not a short-haul flight. We have to master the challenges of circumnavigating the globe.

As a female executive, what experiences have you had in working for Austrian Post?

VKB: I have always actively searched for opportunities and I have pursued my career path at Austrian Post with pioneering work and a passion for change processes. I would also now like to inspire people to stand up for diversity with the same level of passion. As an executive, I promote talented people, both women and men, create space for diversity and make it a priority in my decision-making processes. Our gender balance initiative is a real opportunity for the best women and men at Austrian Post to further develop and fulfil their potential. Diversity means more than just gender balance. Different characters, perspectives and backgrounds should not be discriminated. At the end of the day, we want to profit from transparency and the successful teamwork of the best talents instead of holding ourselves back with stereotypes.

Measures for gender balance



Attract employees



Increased flexibility of working conditions



Manage time off and return to work



Further develop employees



ATTRACT AND RETAIN the best employees

Employees are **crucial to the success** of Austrian Post. It aims to be a company people enjoy working for. Accordingly, Austrian Post places great emphasis on giving employees the feeling that they are an important part of the whole. They are **heard, supported**, and thus more intensively integrated into the company.

For Austrian Post, the employees give the company a decisive competitive edge. This will not change in the age of digitalisation. The competence of every single employee strengthens Austrian Post as a whole. Employees shape the public image of Austrian Post, particularly those involved on the interface to customers. Mail carriers know their delivery areas very well and are also aware of when they can best reach customers and thus drop off a parcel if necessary.

Austrian Post has a huge need for suitable employees. In particular, the parcel business is booming, and the number of employees increased once again in 2018. The company is continuing to search for additional staff and thus relies on new strategies to position it as an appealing employer for applicants. At the same time, Austrian Post strives to remain attractive to its existing employees. Accordingly, it is investing in various programmes with the aim of promoting the professional development of experienced employees and luring new staff.

Attract ...



COMPETE FOR THE BEST

Austrian Post's recruiting focus is on the changed demands of prospective employees. It aligns its efforts to the forms of communication used by potential applicants and varies its personnel search depending on the advertised position. To appeal to people entering the job market, Austrian Post selects communication channels preferred by the younger generation, namely social media. It is difficult to catch their attention outside of these channels. Austrian Post has grasped the message and thus treads new paths. For example, young people are picked up where they are thanks to YouTube videos under the motto "Finally get what is important to you" designed to make them curious about apprenticeships at Austrian Post.



← A delivery staff of about 9,000 people and 1,600 branch office employees work in the front ranks comprise the face of the country's largest logistic and postal company.



→ From apprentice to manager, there is bound to be something there.





↑ Austrian Post offers a performance-oriented working environment where employees can develop.

→ Austrian Post combines tradition and modernity, and would also like to communicate this with its new look.



INSPIRE TRAINEES

Austrian Post relies on an apprenticeship campaign to appeal to young trainees for the company of tomorrow. Austrian Post aims to convince apprentices with a two-fold approach, namely changing its appeal in a manner tailored to young people as well as offering new apprenticeship occupations going above and beyond existing job profiles. For example, Austrian Post wants to train young minds to manage future work in the company by enabling apprenticeships in fields such as local and distribution logistics or application development. The diverse personal and professional development opportunities in an established company like Austrian Post make it an interesting employer, also for Generation Y and Generation Z.

HELPING PEOPLE TO GET STARTED

If the new features of Austrian Post's recruiting approach were successful in hiring suitable new employees, the next task is to effectively support them from the very first day at work and integrate them into day-to-day business operations. Ultimately, they should quickly find their way in their jobs and be able to experience pleasure in their work. With this goal in mind, Austrian Post initiated a project in its letter mail distribution called ODIN (short for onboarding, development, integration) to facilitate the job entry on the part of new employees. The new colleagues are given intensive support at the beginning and can thus gradually grow into their new role.

... and
develop them



STRENGTHEN THEIR MOTIVATION

Austrian Post focuses on creating a good working climate in order to ensure employee loyalty to the company. Employees want to take responsibility, be kept in the loop about new developments and get involved. If this happens, they will be motivated at work and actively commit themselves in the interest of their employers. This is how experts assess the situation, and it is also the conclusion of numerous studies. Austrian Post's employee retention measures are oriented to these findings.

PROMOTE SELF-RESPONSIBILITY

For example, Austrian Post changed its structures based on the "Teamwork 2018" programme and opened up its doors to new forms of decision making. Decisions are now made on site with fewer hierarchical levels. In turn, this facilitates processes and improves quality. The employee takes greater responsibility and feels he is a vital part of the big picture. This is motivating and positively impacts work results.

EXPAND KNOWLEDGE

Well trained employees show a higher level of motivation, something that customers appreciate. And the company profits from this. Accordingly, Austrian Post has been offering a broad spectrum of different training and professional development measures in all business areas of the company for years. For example, employees in the Vienna Parcel Centre were able to improve their language skills last year with the help of in-house, post-related German courses. Moreover, personality trainings positively impact the working atmosphere by improving the way people interact. Furthermore, trainings also ensure expanded internal know-how and a more intensified exchange of knowledge. Frequently the company works with external specialists, for example as reflected in Austrian Post's collaboration with the Vienna University of Economics and Business on a training programme called "Zukunft gestalten@Post" (Shape the Future@Post). The company's sales employees position themselves as experts for interactive marketing thanks to their newly-acquired knowledge and can provide future-oriented advice to customers.



PARTNER & POST on site

Shared goals. Mutual trust. Being there for someone else. Austrian Post stands for these values when it concerns the relationship to its stakeholders, especially its customers and postal partners. This **"we-feeling"** is the only way to achieve the best results for the benefit of everyone involved. A toast to working and living together!

"Nicer, better, longer ... The new branch office concept is rated as outstanding by customers."

LEANDER KRALL,
POST OFFICE BRANCH
MANAGER in
Vienna-Penzing





"In Austria there are no second-class postal customers."

**FRIEDRICH FÜRST, MAYOR
AND POSTAL PARTNER,
Martinsberg**

"Something important would be missing without the postal partner branch office."

**DIETER GSCHIEL,
POSTAL PARTNER
from the lakeside
district in Aspern**



PARTNER & POST together

Austrian Post fulfils its universal service obligation with no ifs or buts, whether in the city or in rural areas. The high standards it sets for itself go far beyond legal stipulations designed to safeguard the nationwide supply of postal services in Austria. It goes without saying that the company's offering includes **customized branch office concepts, value added services and individualised solutions** ensuring smooth-running services, even in remote corners of the country. They make a decisive contribution to the first-class design of the country's communications infrastructure. We have captured the voices of some people who explain where and how Austrian Post operates at a local level.

Small but impactful – the postal partners

"The cooperation with local partners ensures the supply of postal services to smaller communities such as ours. It is an important element in preserving jobs and maintaining the infrastructure."

FRIEDRICH FÜRST,
MAYOR AND POSTAL
PARTNER,
Martinsberg



No matter where you are – Austrian Post is already there!

Austrian Post's network of postal service points encompasses 1,791 locations, making it the largest private customer network in the country. In addition to 423 company-operated branch offices, the postal partner programme ensures that postal services can be optimally reached by every single customer, even in rural areas. The colourful mix of businesses serving as postal partners, ranging from grocery stores, petrol stations and pharmacies to office supply outlets, bookshops and the like, frequently safeguard existing economic structures in addition to providing local postal services throughout the country. "There are no second-class postal customers," says Mayor Friedrich Fürst of the Lower Austrian Municipality of Martinsberg. The Municipality of Martinsberg operates the postal partner office directly in the town hall. "Austrian Post continues to keep the flag flying in rural areas threatened by depopulation and the loss of a good infrastructure and is exactly where people need it."

Securing postal services and social engagement

The socially integrative company Wien Work GmbH provides support to people facing disadvantages on the job market. More than 300 people are at work or are being given training in different business areas in workshops, in the restaurant "Speisamt Seestadt" and in the training companies in Seestadt Aspern – Vienna's Urban Lakeside. The dry cleaners and ironing service operated by Wien Work and located in this young section of the city is also a postal partner. "Seestadt Aspern is one of Europe's largest urban development projects," says Dieter Gschiel, postal partner and branch office manager of Wien Work. "Of course, we are also part of the infrastructure in our role as a neighbourhood shop providing communication and additional services." "Something substantial would be missing without the postal partner branch office," says Seestadt Aspern resident Maria K. "Take a suit to the cleaners and then bring a parcel to Austrian Post right afterwards – one should be able to do this without travelling long distances!" This is possible here.

Jobs for disadvantaged people

"The postal partner office located in Seestadt Aspern – Vienna's Urban Lakeside – offers people with disabilities the chance to re-enter the labour market. We are proud of this social commitment in collaboration with Wien Work"



DIETER GSCHIEL,
POSTAL PARTNER
from the lakeside
district in Aspern

Service with extras

"We are the contact persons for various services and generated a substantial expansion of our sales activities for value added services in 2018 such as the energy cost calculator and the A1 mobile phone guarantee, in part due to the new branch office concept."

LEANDER KRALL,
POST OFFICE BRANCH
MANAGER in
Vienna-Penzing



New post office branches with new momentum – the WIENWOHL20 project

Austrian Post has to move out of 42 branch offices in Vienna due to the termination of the partnership with BAWAG P.S.K. Austrian Post is unleashing new potential in the Austrian capital city and is reinventing itself within the context of a completely revised branch office concept. The project entitled WIENWOHL20 is bringing a breath of fresh air and foresees the reopening of 31 modern branch offices by the end of 2019. "We believe that Austrian Post is quintessentially a service provider. Customer satisfaction is the top priority," explains Leander Krall from Vienna-Penzing. He manages one of the new Viennese feel-good post office branches which was festively opened in 2018. "Longer opening hours lasting till eight o'clock in the evening, an expanded self-service area, sales and consulting for interesting value-added services and an atmosphere inviting people to stay thanks to a lounge area and free WIFI – this is the direction Austrian Post is moving in," Krall adds. The branch office manager is aware of the fact that the new concept is excellently received by his customers. The satisfaction curve of employees is also pointing upwards. A survey revealed that the feel-good factor at the new workplace was consistently rated with almost straight A's.



Even more comfort for even **MORE SATISFIED** **CUSTOMERS**

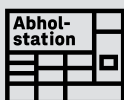
SERVICE POINTS OF AUSTRIAN POST



Branch
offices



Self-service
station



Pick-up
station



Postal Partner



Delivery staff



Pick-up Box and
Flexibox



Release delivery
authorisation



Desired
neighbour

CONTACT AT HOME

Starting in the spring of 2019: AllesPost

Austrian Post stands for **quality, service and reliability**. However, an extra smile, friendliness and a kind word comprise the icing on the cake in everyday postal operations. Customer satisfaction is much more than just a catchword for Austrian Post and its employees. For this reason, numerous convenient self-service solutions exist alongside the friendly branch office employees and delivery staff, allowing great autonomy and individual timing on the part of customers. This generates increased satisfaction.

Knowing customer needs and being able to meet the highest demands are at the heart of Austrian Post's activities. The company measures its success as a high-quality service provider by the satisfaction of its customers. Services and products are tailored to the customer and his wish for enhanced autonomy and comfort, from expanded self-service zones as part of modernised branch office concepts to customised individual shipping solutions.

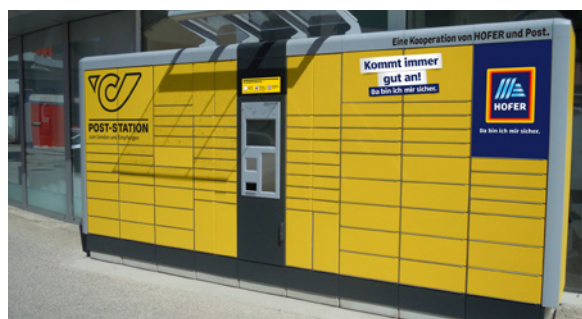
Reliability and friendliness – Austrian Post is well received

More than 9,000 mail carriers fan out each day to bring letters and parcels to the people who expect them. Six letter mail and seven parcel distribution centres ensure that all items quickly and reliably reach the right destination. Employees at 1,800 postal service points throughout the entire country offer the best personalised postal shipping and communication services. Professional handling, reliable transport and reliability are guaranteed for every delivery, whether letters from public authorities with advice of receipt, a flyer or parcel. The high quality of shipment and delivery verifiably influence the success of business customers and make a major contribution towards strengthening the reputation of Austrian Post with private customers as well. However, what tips the scales are the situations in which things become personal. Service-oriented customer contact which Austrian Post continuously strives to expand and improve is just as important as smooth

PILOT project

20

Post stations in Hofer shops across the country



↑ Austrian Post wants to make things comfortable and convenient for customers. Receiving and sending parcels should involve the least possible effort. For this reason, Hofer is becoming a postal hub in close to 20 pilot branch offices throughout the country. Parcels can be redirected to Hofer shops or picked up from here the next time the recipient goes shopping. A person's own parcels, e.g. returns, can be easily shipped from here. The pilot project will be further expanded if well received by customers.

processes. The company's efforts have paid off. For the very first time, the customer satisfaction index in 2018 was at a level of 70 points, so that it can be said in the double sense of the word that the (Austrian) Post is well received by customers.





Bring, redirect and deposit mail – flexible solutions provide relief to customers

Make a wish! Thanks to digital solutions, there is no problem at all arranging for mail items to be left with a neighbour, delivered to a self-chosen place, pick-up box, Flexibox or one of the 349 pick-up stations instead of the recipient being absent when the mail carrier comes by. It is quite simple to make a wish, select and decide upon a particular option via the Post website post.at or using the Post App installed on the smart phone – and the mail will be brought to where the recipient is. It is also possible to use this service to delay delivery for up to five days to a more suitable delivery date. Austrian Post has long provided this degree of comfort to its customers, and is expanding its offering. A new pick-up service has been available since 2018. Simply pre-frank the shipment with a return label or parcel stamp and let Austrian Post personally pick the parcel up from your preferred location or the Flexibox. Now this service can be booked online with just a few clicks. The underlying aim of expanding such services is obvious, i.e. Austrian Post is on the move and will come to the place where the customer is, in line with the motto: welcome to the comfort zone, dear customer. We will take care of you.

In the future: AllesPost

As a customer it is frequently not possible to decide which company will be responsible for shipping and delivery when goods are ordered. However, empowered consumers should have this option at their disposal. For this reason, Austrian Post is launching a new service in the spring of 2019 enabling people to specify that all their parcels are to be delivered by Austrian Post in the future. In this case, Austrian Post will assume responsibility for all product orders no later than on the last metres before the items reach the recipient – with all the advantages and reliability customers are accustomed to enjoying from Austrian Post.

← Austrian Post offers flexible services to its customers thanks to the pick-up stations. Here parcels which could not be delivered can be picked up.



The advantages of AllesPost:

- You never have to pick-up parcels again from different parcel shops.
- You conveniently receive parcels and save time.
- You can take advantage of all delivery options offered by Austrian Post.
- Act for the sake of the environment and reduce the number of delivery tours through bundling.

This is how it works:

1. You get an AllesPost address which you submit as your future recipient address. For example, the AllesPost address would be:
John Doe
AP2345678
Halban-Kurz Straße 10/1
1230 Vienna
2. All your parcels will be sent to this address by all transport companies.
3. From this point on Austrian Post's delivery staff will take charge and bring your mail items to you as usual.

Sustainability Report

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→ left to right **WALTER OBLIN, GEORG PÖLZL, PETER UMUNDUM**

STATEMENT – WHAT SUSTAINABILITY MEANS FOR US

GRI 102-14

Austrian Post considers corporate social responsibility to be of great importance. As an Austrian flagship company, we assume responsibility for our behaviour in a social environment. In future we want to positively shape our impacts on the economy, employees and environment as well as society with numerous targeted measures. With our programme called “PRO ACTIVE! Austrian Post. Sustainable for Austria”, we make it clear that sustainability is an ongoing process.

As a company we are compelled to ensure economic success on behalf of our shareholders. However, we are aware of our social responsibility, our role as an employer and our ecological footprint. Our mission statement and the integrated corporate and sustainability strategy comprise the basis of our day-to-day business operations. We take sustainability into account in our core business and correspondingly align our projects to these targets. In this way we safeguard the company's future success.

In order to ensure the sustainable orientation of our business activities, we define ambitious objectives on an annual basis in our four dimensions of economy, society, employees and the environment. We support the Sustainable Development Goals (SDGs) of the United Nations in our capacity as

a member of the UN Global Compact. Not only do we want to maintain our leading position undertaken with our CO₂ NEUTRAL DELIVERY initiative, but also to expand it further. We were one of the very first Austrian companies to make a clear commitment to climate protection, and already submitted a scientifically sound CO₂ reduction goal to the Science Based Targets initiative in 2016.

For our company, corporate social responsibility also means that we are in regular contact with our stakeholders. We want to know their expectations and make ongoing improvements. For this reason, we use every opportunity to pursue an active dialogue with our stakeholders. Our annual Stakeholder Roundtable is the highlight of our efforts. We appreciate the open and constructive discussions and thank our stakeholders for their willingness to contribute. At this point we would like to thank our employees not only for enabling Austrian Post to meet its economic, societal, social and ecological objectives but also to exceed our targets.

With this in mind, we are pleased to present this year's Sustainability Report to you, and hope you will find it to be informative!

With best regards,



GEORG PÖLZL
Chairman of the Management Board
Chief Executive Officer



WALTER OBLIN
Deputy Chairman of the Management Board
Mail & Direct Mail, Finance



PETER UMUNDUM
Member of the Management Board
Parcel & Logistics, Logistics Networks

AN OVERVIEW OF AUSTRIAN POST

(GRI) 102-1, 102-2, 102-3, 102-5, 102-7, 102-45, 102-46

The Austrian Post Group, hereafter Austrian Post, is the leading logistics and postal services provider in the country, with approximately 20,500 employees and an annual revenue of EUR 2.0 bn. The core business encompasses the transport and delivery of letters, direct mail items, print media and parcels as well as various logistics services.

Corporate Structure and Business Areas

(GRI) 102-2, 102-5, 102-7, 102-10

A majority stake in Austrian Post is held by Österreichische Beteiligungs AG – ÖBAG (formerly Österreichische Bundes- und Industriebeteiligungen GmbH – ÖBIB). Detailed information on the company as well as on the Austrian Post share and shareholder structure can be found in the Financial Report.

Austrian Post concentrates its business activities in two divisions, namely the Mail & Branch Network Division and the Parcel & Logistics Division.

The service spectrum of the Mail & Branch Network Division includes the collection, sorting and delivery of letters, postcards, addressed and unaddressed direct mail items and newspapers. In addition, Austrian Post offers postal and telecommunications products as well as financial services. Austrian Post also make energy services available and offers its customers a range of online services. The offering is complemented by new services for business and direct mail, including address, data and mailroom management, intelligent scanning and response management.

The transport and delivery of parcels and “Express Mail Service (EMS)” items for private and business customers comprise the core business of the Parcel & Logistics Division. The service spectrum of the Parcel & Logistics

Mail & Branch Network Division

720
million letters

550
million addressed
and **3.3 billion** un-
addressed direct mail
items

340
million print media
and **340 million**
regional media

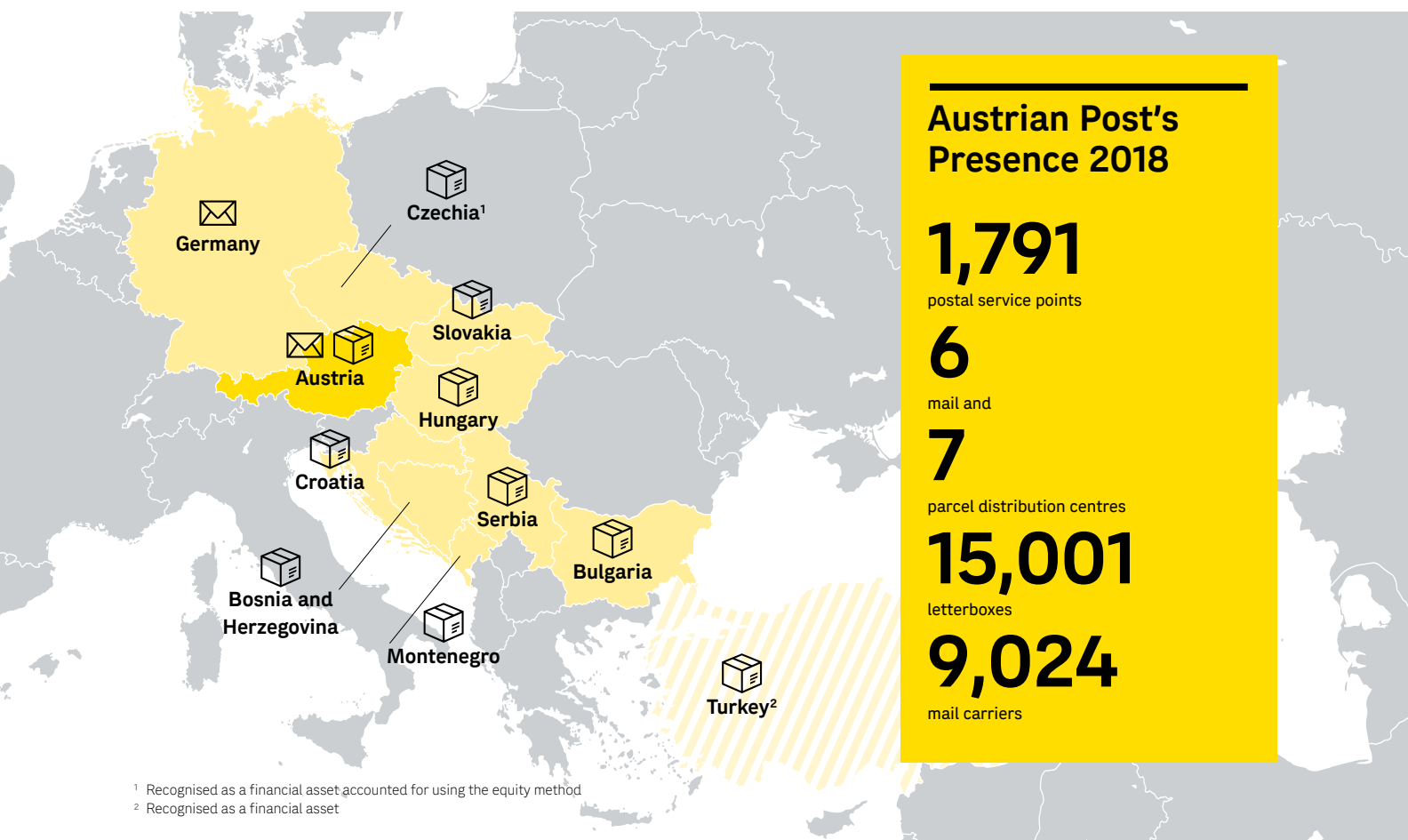
95.8 %
of all letters mailed
with Austrian Post reach
their recipients on
the next working day

Parcel & Logistics Division

108
million parcels
and EMS items

97.3 %
of all parcels to private
customers are delivered
within two working
days

91.4 %
of all parcels are handed
to their recipients by
Austrian Post on the first
delivery attempt



Division also includes a wide range of value-added services. They include fulfilment solutions such as warehousing, commissioning, returns management, the transport of valuable goods and cash, webshop logistics and webshop infrastructure.

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

Refer to the Financial Report 2018, p. 04f, p. 16

Austrian Post's Presence

102-4, 102-6, 102-7

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

Austrian Post generated about 92 % of its revenue in its domestic market of Austria in 2018 together with its Austrian subsidiaries. Austrian Post (AG) is a market leader in the country for the delivery of letters, direct mail items and newspapers as well as parcels.

Austrian Post (AG) offers its services throughout the entire country, featuring 1,791 postal service points, including 423 company-operated branch offices and 1,368 postal partner offices. It's network of postal service points ranks among the country's largest private customer networks.

Refer to the Financial Report 2018, p. 04f

INTEGRATED CORPORATE AND SUSTAINABILITY STRATEGY

Austrian Post considers the sustainable orientation of its business operations to be a great opportunity. For this reason, ecological and social factors also play a decisive role in managing the company in addition to the economic aspects. Together they secure the long-term success of the company.



Goals:

- Further develop the sustainable business model of Austrian Post
- Focus on customers and innovation

Goals:

- Ensure reliable supply of postal services and shape underlying conditions
- Promote social commitment

THE FOUR AREAS OF THE SUSTAINABILITY STRATEGY

	1. Defending market leadership in the core business
	2. Profitable growth in selected markets
	3. Enhancing efficiency and optimising the cost structure
	4. Customer orientation and innovation

SUSTAINABILITY DIMENSIONS



Sustainable profitability is the top priority of Austrian Post. It serves as the basis for further expansion of its services for the benefit of customers, the promotion of its international business and the modernisation of the logistics infrastructure.

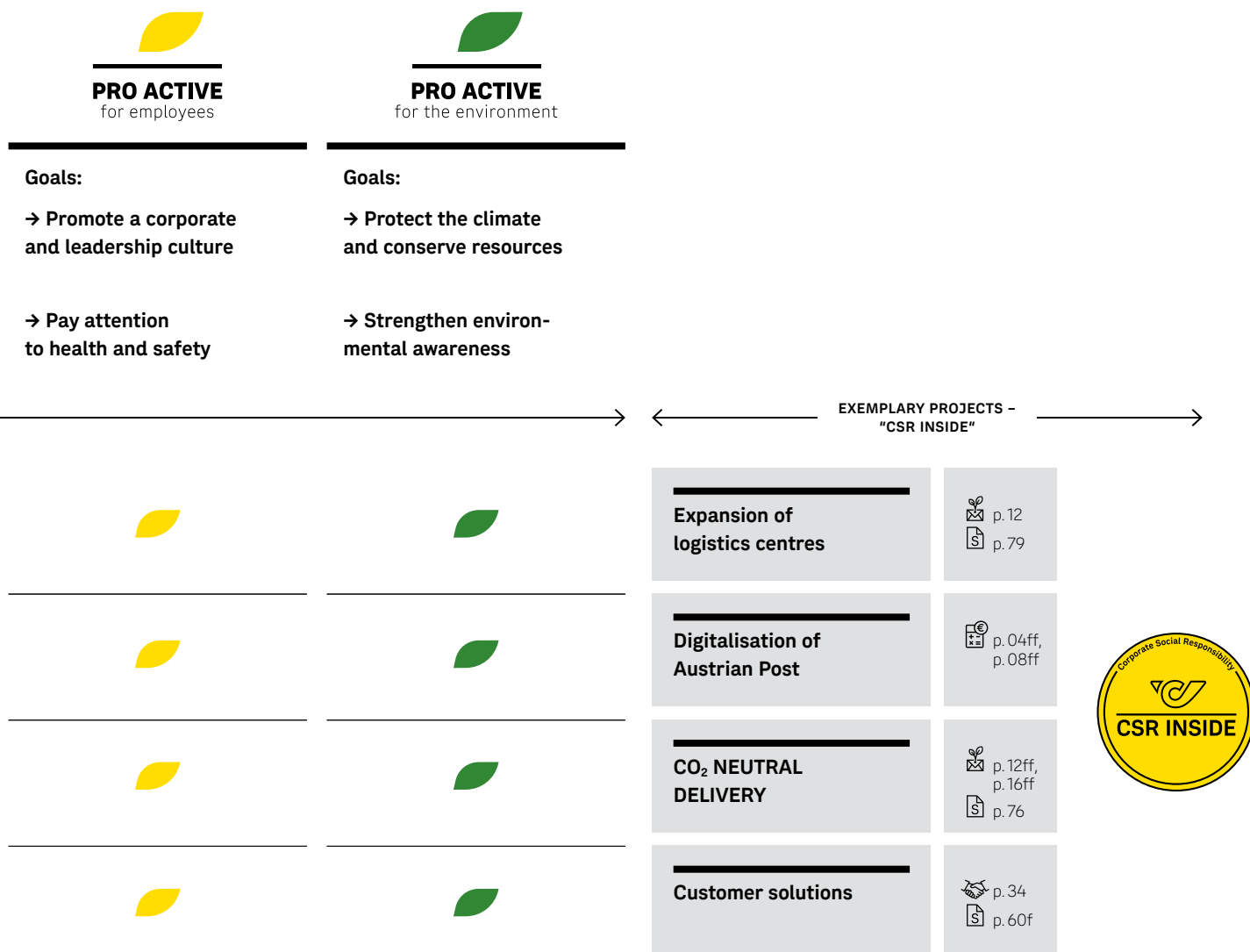
In order to safeguard its long-term profitability, Austrian Post relies on four strategic levers comprising the core of its overall strategic orientation. Moreover, the four dimensions of sustainability – economy, employees, society and environment – are integrated into the strategy of the company. In this manner the ongoing sustainable orientation of the entire company is ensured in line with the motto “PRO ACTIVE! Austrian Post. Sustainable for Austria.”

Two primary and two sustainability objectives determining the direction of the company are assigned to each of the four sustainability dimensions. Every year milestones serving as targets are defined for each of the dimensions, i.e. economy, society, employees and environment. They help the company to achieve its main targets. Implementation takes

place within the context of various sustainability projects oriented to the four strategic cornerstones of the corporate strategy. At the same time, these projects also take account of the material issues established in cooperation with the company's stakeholders.

This integration of the sustainability and corporate strategy practiced and embodied by the company is presented in the diagram below on the basis of four selected examples impacting all four sustainability dimensions. Starting in 2019, strategically important projects implemented by Austrian Post will be included in this matrix. In this way, the impacts of the projects can be reviewed and managed by the CSR & Environmental Management Department, ensuring that sustainability aspects are taken into account.

-  Corporate strategy, refer to the Financial Report 2018, p. 06ff
-  Sustainability targets and measures, refer to p. 58, 63, 67, 75f





Sustainable Development Goals

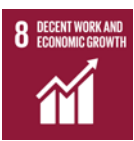






(GRI) 102-12, 103-2

Austrian Post has been a member of the UN Global Compact since 2007. In implementing its goals and activities, it aligns its operations to these principles with regard to human rights, labour laws, environmental protection and anti-corruption. On the basis of its commitment to the Global Compact, Austrian Post advocates implementation of the United Nation's 17 global objectives called the Sustainable

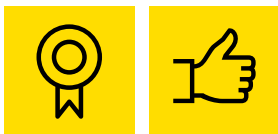
Development Goals (SDGs). They took effect in January 2016 and are designed to provide a globally valid framework for sustainability until 2030. Along with other 192 members of the United Nations, Austria has also adopted these goals. On balance, the measures and programmes carried out by Austrian Post contribute towards achieving eleven of the 17 sustainability goals of the United Nations.

The sections of this report marked with the symbol  outline how Austrian Post puts SDGs into practice: .

Sustainable Development Goals of Austrian Post

	<p>As a public limited company, a stable economic performance (SDG 8) is at the heart of its business operations.</p>
	<p>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 embedded in the company.</p>
	
	
	
	<p>As a logistics company, the ecological orientation of its business is becoming increasingly important. The focus is on climate protection (SDG 13), which Austrian Post actively supports by promoting a sustainable infrastructure (SDG 9), using renewable and innovative technologies (SDG 11) and actively promoting environmentally-friendly consumption and production patterns (SDG 12).</p>
	
	
	
	<p>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).</p>
	

Honours and Awards



(GRI) 102-12

Austrian Post operates in a sustainable manner – this has been confirmed by the capital markets and various national and international ratings.

MSCI ESG
RESEARCH LLC



MSCI ESG RESEARCH

Austrian Post was assigned the best possible rating of AAA in 2018 within the context of the MSCI Environmental, Social and Governance Ratings. As a part of the rating process, the company was evaluated according to the best-in-class approach and compared to other companies in the postal sector. In particular, MSCI also positively assessed the expansion of the e-vehicle fleet, the attractive remuneration systems, further education and professional development offerings for employees and the good and solid business management structures.



ISS OEKOM RESEARCH

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



CARBON DISCLOSURE PROJECT

Austrian Post was assigned an A- rating by the Carbon Disclosure Project (CDP), world's largest database for corporate environmental and climate change information and which is extensively used by capital market participants to evaluate potential investments. This recognition not only confirms Austrian Post's transparent environmental reporting but also serves as evidence of the quality of the initiated climate protection measures.



ECOVADIS

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



VÖNIX

The renewed inclusion of Austrian Post in the Austrian sustainability index VÖNIX of the Vienna Stock Exchange for the period 2018/19 confirms the sustainable manner in which Austrian Post operates from a capital market perspective.

IPC GOLD AWARD 2018

Austrian Post actively participates in international programmes such as the "Environmental Measurement and Monitoring System (EMMS)" of the International Post Corporation (IPC) and was awarded the IPC Gold Award in 2018.

ENERGY GLOBE AWARD

Austrian Post (AG) was given the internationally renowned "Energy Globe World Award" at the beginning of 2018 for its e-mobility concept. The award is given on an annual basis to outstanding projects with a focus on conserving natural resources, energy efficiency and the use of renewable energy.

AUSTRIAN SUSTAINABILITY REPORTING AWARD



In November 2018, Austrian Post (AG) placed third in the category "Separate sustainability report of large companies" within the context of the Austrian Sustainability Reporting Award (ASRA) in recognition of the best Austrian sustainability reports. The ASRA honours those Austrian companies which fulfil the requirements of operating sustainably in an exemplary manner and transparently present it in their sustainability reports.

SUSTAINABLE CORPORATE GOVERNANCE

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.


Austrian Post wants to be perceived as a responsible partner that acts with integrity. In this regard, proper and responsible business management as well as ethically sound behaviour on the part of all executives and employees play a major role.

Mission Statement


 102-16,  16

Austrian Post expects impeccable and exemplary behaviour from each employee at all times, regardless of his or her position. The mission statement was developed in 2010 in order to create a mutually shared value system and a clear benchmark for executives and employees. The mission statement, which applies to all employees, stipulates which core values of the corporate and sustainability strategy are to be implemented.

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

 post.at/mission-statement

Code of Conduct and Ethics

 102-16,  16

The Code of Conduct and Ethics of Austrian Post is based on the mission statement. It describes the principles of conduct which are binding at Austrian Post. Accordingly,

it serves as a reference framework for employees and executives and is the basis for an open, respectful and legally-compliant corporate culture. Its contents reflect the commitment of Austrian Post to comply with the principles of the UN Global Compact and thus comprise the foundation for an open, respectful and legally-compliant corporate culture.

All other Group guidelines and behavioural instructions are based on and derived from the Code of Conduct and Ethics. The Code of Conduct and Ethics is available on the Intranet at all times and can also be downloaded from the Austrian Post website in all Group languages.


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, social and ecological standards.

 Refer to p.50

 post.at/Code-of-Conduct

 post.at/Code-of-Conduct-for-Suppliers

Responsibility for Sustainability

 102-18, 102-19, 102-20

The issue of sustainability is of crucial importance to the entire company. For this reason, 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".

Great importance is attached in the company to an interdisciplinary approach and cooperation among the individual areas. The basis for this is the integrated sustainability and corporate strategy. For this reason, the "CSR and Environmental Management Department" maintains an

ongoing dialogue with various business units. Inter-company working groups deal with current sustainability-related issues, formulate corresponding objectives and define appropriate measures.

The Management Board integrates sustainability-related issues in the highest decision-making bodies and processes, for example at Management Board and Supervisory Board meetings, in order to ensure the company's sustainability-oriented corporate development. 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. Important corporate decisions on social and ecological aspects are made in accordance with the mission statement of Austrian Post and on the basis of relevant legal regulations.


Corporate Governance

GRI 102-18, 103-1, 103-2

Austrian Post considers corporate governance to comprise responsible business management. Both the Management Board and Supervisory Board align corporate management and control to national and international principles. Since its initial public offering, Austrian Post (AG) has been unreservedly committed to complying with the Austrian Corporate Governance Code (ACGC).

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


Austrian Post reports on corporate governance annually in its Corporate Governance Report.

 Refer to the Financial Report 2018, p. 20ff

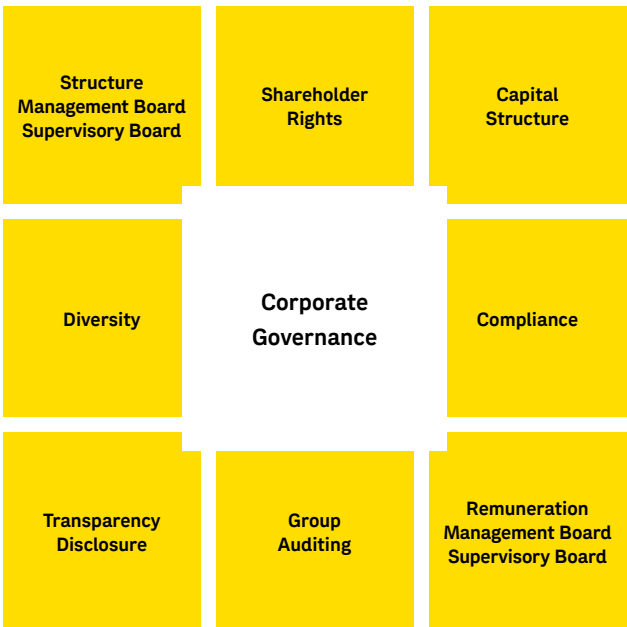
Risk Management

GRI 102-11

Comprehensive risk management is 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.

 Refer to the Financial Report 2018, p. 85ff

Responsible Corporate Management



Responsible corporate management, or good corporate governance, is characterised by compliance with laws and regulations, respect for the interests of shareholders, openness and transparency in the capital structure, corporate communications and the remuneration of the Management Board and Supervisory Board. Moreover, efficient cooperation and control between the Management Board and Supervisory Board is the prerequisite for good corporate governance. Since its initial public offering, Austrian Post (AG) has been unreservedly committed to adhering to the Austrian Corporate Governance Code (ACGC).


The objective of risk management is to identify risks at an early stage and to manage them by taking appropriate measures designed to minimise any potential deviation from the company's business targets. Ecological, social and ethical aspects are also integrated into the risk management system in the interest of sustainability. There were no sustainability risks in 2018 which impacted any deviations from Group targets.

Further details on the central risk management system, risk strategy and policy, the internal control system as well as a description of the main risks can be found in the Financial Report 2018.

Due to the increasing significance of sustainability risks on the company's business activities, several interdisciplinary risk workshops were organised by the Risk Management Department and the CSR & Environmental Management Department. The most important risks and opportunities for Austrian Post with respect to the focus areas of the economy, society, employees and environment were identified within the context of an interactive process. Continuation of the workshops and the subsequent assessment of opportunities and risks are planned for 2019.

 Refer to the Financial Report 2018, p. 20f, 38f, 43, 49, 51, 54, 57

Compliance and Anti-corruption


 103-1, 103-2

Austrian Post (AG) and its subsidiaries have established a compliance culture based on the mission statement and the Code of Conduct and Ethics to ensure ethically impeccable and exemplary behaviour. Austrian Post attaches particular importance to proper conduct towards business partners and customers as well as with public authorities and institutions. This is accompanied by the necessity for all employees in the Group to avoid any appearance of corruptibility or dishonesty in their business dealings. The main objective of Austrian Post is to prevent corruption from happening in the first place.

The Corporate Governance Report provides further information on compliance and the Non-financial Report 2018 includes details on anti-corruption.

 Refer to the Financial Report 2018, p. 50ff

Data Protection

 103-1, 103-2

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

Austrian Post reports on data protection and data security as well as its corresponding goals in the Non-financial Report 2018.

 Refer to the Financial Report 2018, p. 47ff

 post.at/data-protection

RESPONSIBLE PROCUREMENT

Austrian Post takes responsibility along the entire value chain. In addition to the organisation of internal processes, responsibility and integrity in its business relationships are also decisive factors enabling the company to live up to its ambitions in this regard.

Responsibility all Along the Line

© 103-1, 103-2, 102-9

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

Austrian Post distinguishes between purchasing for its core business (infrastructure and logistics) and procurement on behalf of its administration (indirect materials and services).

Within the context of its responsible procurement policy, Austrian Post takes account of environmental and social aspects in addition to price, quality and delivery time.

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 (AG) has been procuring electricity exclusively 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 (AG) purchases vehicles in the lowest emission classes

Infrastructure and Logistics

- Technical systems and machinery
- Technical equipment
- Transport (freight companies)
- Vehicles
- Information technology & telecommunication

Indirect Material and Services

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

i.e. Euro 5, Euro 5 EEV and Euro 6 and also focuses on alternative drive systems in its delivery processes and the continual expansion of its e-vehicle fleet.

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

Business Relationships of Austrian Post (AG)

(GRI) 102-9, 102-10, 204-1, (SDG) 12

Group Procurement is responsible for an annual order volume of about EUR 0.6 bn. Accordingly, Austrian Post (AG) ranks among the leading contracting entities in the Republic of Austria.

The company relies on regional structures in its procurement policy. 92 % of the approx. 7,000 suppliers are located in Austria. This means that Austrian suppliers account for more than 90 % of the total purchasing volume. During the reporting period, there have been no major changes in the supply chain with respect to its structure, the location of suppliers and their selection.

Corporate Procurement Policy and Local Procurement Policy

All purchases which exceed a value of EUR 100,000 are subject to Group-wide procurement guidelines (Corporate Procurement Policy). The Local Procurement Policy details the procurement guidelines applying to the entire Group 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 is sustainability, stipulating an environmentally and socially responsible organisation of procurement and relationships to suppliers in accordance with the sustainability strategy. 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 decentralised manner by the operating units. The compliance rules also apply for those exceptions (list of exceptions) which are subject to special rules in line with the procurement guidelines of Austrian Post. Austrian Post also applies internal guidelines in the selection of suppliers within the context of its procurement management.

Code of Conduct for Suppliers

(GRI) 205-2, 414-2, (SDG) 5, 8, 16

The Code of Conduct for Suppliers of Austrian Post has already been part of the standard documents included

The Code of Conduct for Suppliers of Austrian Post

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

in tendering procedures since 2012. Suppliers of Austrian Post are subject to the Group's own Corporate Procurement Policy and are required to adhere to the minimum social standards stipulated in the Code of Conduct for Suppliers of Austrian Post.

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

Vendor Integrity Check

(GRI) 103-3, 308-2, 414-2, (SDG) 5, 8, 16

Starting with an annual net purchasing volume of at least EUR 1m, or with respect to high-risk categories already starting with a volume of EUR 50,000, suppliers are subject to a vendor integrity check (VIC). In addition to compliance-related aspects, this evaluation also encompasses sustainability criteria such as human rights and labour laws, health and safety, sustainability and environmental protection as well as ethics and corporate responsibility. In 2018 the VIC was converted from a supplier self-disclosure to a system-supported process. This system-based approach considerably increases the data security and quality of the compiled information. The compiled data is subsequently reviewed by the Compliance Department and Group Procurement.

All verified suppliers are entered into the portfolio of the system, initiating an ongoing monitoring of key company characteristics. In the case of critical issues or when the criteria of the VIC are not fulfilled, the suppliers are asked

to submit a response or else appropriate measures are specified in consultation with the Compliance Department. Afterwards the implementation of these measures is checked. Austrian Post is working on implementing an upstream inspection process for the purpose of continually improving its supplier management.

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 VIC.

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

STAKEHOLDER MANAGEMENT

As one of the largest employers in the country and the market-leading universal postal service provider, Austrian Post has diverse relationships with various stakeholder groups. The dialogue with these stakeholders helps Austrian Post to fulfil their expectations, identify improvement potential and define specific measures to be implemented.

In the Spotlight

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


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

Stakeholder Groups of Austrian Post

GR 102-42

For Austrian Post, ongoing communication with its various stakeholder groups is enormously important to enable the step-by-step development of the company's sustainability strategy. The interest groups of Austrian Post encompass various areas of society and have different expectations of Austrian Post. For this reason, the relevant stakeholder groups were evaluated in 2014 and identified in line with ONR 192500, the certifiable guideline to ISO 26000.

Stakeholder Groups GR 102-40

Shareholders	Customers	Employees	NGOs	Communities/ Mayors
Public Authorities	Government		Associations	Social Partners
Friends and Family	Competitors	Media	Suppliers	Transport Service Providers

Austrian Post engages in dialogue with various stakeholder groups and relies on different forms of interaction. In addition to the annual Stakeholder Round-table, Austrian Post exchanges views with political decision makers, and gives its stakeholders the opportunity to participate via different communication channels.

Engaged in a Dialogue with Stakeholder Groups

(GRI) 102-21, 102-43, 102-44

A significant form of dialogue is the annual Stakeholder Roundtable. The roundtable offers different stakeholders such as customers, suppliers, employees, NGOs, investors and shareholders 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 organising its Stakeholder Roundtable, Austrian Post attaches great importance to providing a balance among the different stakeholder groups participating in the roundtable as well as between men and women. The Stakeholder Roundtable was held on October 2, 2018, for the eighth time. Austrian Post discussed the main challenges of the present and future with about 40 stakeholders. For each of the four sustainability dimensions economy, environment, employees and society one important aspect was singled out and discussed with stakeholders on the basis of targeted questions on risks and opportunities. For example, the aspect of gender balance was discussed in connection with the dimension of employees, whereas the aspect of city logistics was selected with respect to the dimension of the environment. The focus was on the regional reliability of supply in the dimension of society and on digitalisation with respect to the dimension of the economy.

Both external and internal stakeholders identified the flexibilisation of working hours and the required change in leadership as the most important aspect relating to gender balance. Stakeholders highlighted the further expansion of e-mobility and the use and integration of the existing (public) infrastructure for services with regard to city logistics. The use of branch offices as "click and collect" points as well as the extension of opening hours were the most important issues discussed in connection to the reliability of supply. With respect to the subject of digitalisation, stakeholders considered a stronger linkage of the digital and physical offering and the safeguarding of Austrian Post as a trustworthy partner to be the key issues. The relevant chapters of this report explain how Austrian Post incorporates the conclusions of the Stakeholder Roundtable. The next Stakeholder Roundtable is scheduled to be held in the autumn of 2019.

Furthermore, there are other opportunities for stakeholder groups to express their opinions, exchange views or participate in the decision-making process, a few of which are presented here:

- Employee survey (every two years)
- Customer service for private customers (available during normal business hours)
- Customer service for business customers (normal business hours)
- Customer survey (quarterly)

- Investor Relations Department (normal business hours)
- Compliance hotline (normal business hours)
- Ombudsperson for employees (normal business hours)
- Annual General Meeting (held once a year)
- Separate e-mail address for issues relating to sustainability (csr@post.at)

Interaction with Political Decision Makers

Austrian Post continually exchanges views with its stakeholders, including political interest groups and decision makers. Austrian Post (AG) is committed to ensuring that the political framework is in line with the demands imposed upon Austrian Post as well as the needs of its customers. Accordingly, Austrian Post (AG) has a justified interest in making sure that its concerns are conveyed to legislators with regard to laws and decisions affecting postal market regulations, mail and parcel delivery, transport and logistics, business location policies, e-government and many other areas. The underlying objective is to promote a broad understanding, attract support and optimally exert influence.

Transparency Regarding Lobbying and Interest Representation

(GRI) 103-1, 103-2, 103-3

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

The interests of Austrian Post are represented by its own employees as well as membership in associations (e.g. Austrian Federal Economic Chamber, Federation of Austrian Industries, PostEurop, International Post Corporation, EMOTA) as well via external consultants who monitor relevant political developments on a national and EU level and report their findings to Austrian Post.

All relevant information relating 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 (lobbyreg.justiz.gv.at; registration number LIVR-00196) since November 2014 but is also listed in the voluntary EU Transparency Register.

MATERIAL TOPICS

Austrian Post worked together with its external stakeholders and internal experts in an interactive process to define the most important issues.

(GRI) 102-46, 102-47

The importance and clustering of the material topics were identified and discussed with external stakeholders at the Stakeholder Roundtable 2017. Subsequently these issues were ranked according to their importance from a stakeholder perspective.

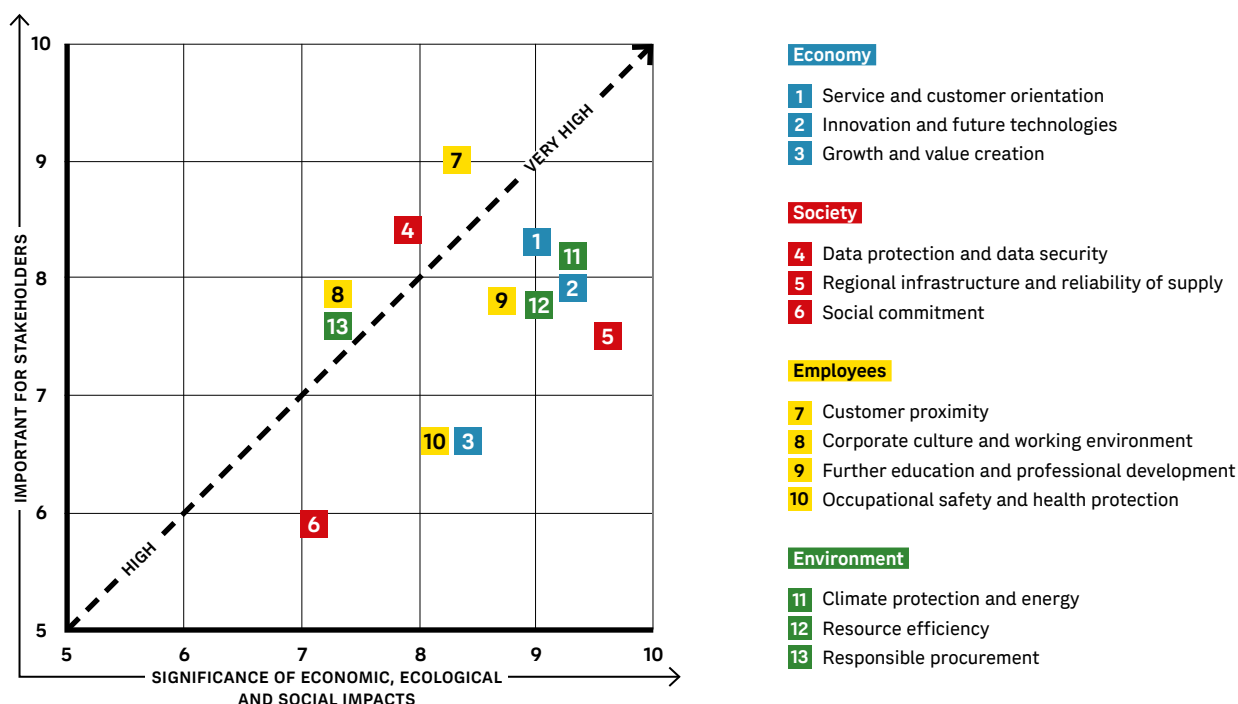
Following the Stakeholder Roundtable, in-house groups of experts assessed the material topics which were identified with respect to their economic, ecological and social impacts. The entire process was supported by an auditor.

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

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 four sections of this report dealing with the thematic priorities.

The reasons why these topics are considered to be of material importance and the impacts they have are presented in the following table:

Materiality Matrix of Austrian Post



Material Topics of Austrian Post

(GRI) 103-1, 102-46, 102-47

Material Economic Topics

Material Issues According to the Matrix	Impacts and Responsibility/Influence of Austrian Post	GRI Standard/Internal Performance Indicators
Growth and value creation	Growth and value creation are key factors in the economic success of Austrian Post. Other indirect effects arise from the related volume of contract orders, taxes and fees	GRI 201: Economic Performance GRI 205: Anti-corruption GRI 206: Anti-competitive Behaviour GRI 419: Socioeconomic Compliance
Innovation and future technologies	Modern and innovative products and services comprise a crucial prerequisite of economic success. Other companies, the government and society also profit from innovations and investments in infrastructure	No adequate GRI standard exists at the present time. An internal performance indicator is currently being evaluated
Service and customer orientation	Austrian customers, especially customers in the company's core business, directly benefit from the service and customer orientation of Austrian Post. With respect to those areas in which Austrian Post does not perform the services itself but, for example, works together with external delivery staff, the company only indirectly and to a limited extent has an influence on service and customer orientation	No adequate GRI standard exists at the present time. The internal performance indicators used here are the customer satisfaction analysis (CSI) results

Material Social Topics

Material Issues According to the Matrix	Impacts and Responsibility/Influence of Austrian Post	GRI Standard/Internal Performance Indicators
Regional infrastructure and reliability of supply	Austrian Post safeguards the regional infrastructure and ensures a reliable supply of postal services for the benefit of Austrian society and customers in Austria. Due to the public service obligation of Austrian Post (AG) as a universal service provider, this material topic only applies to Austrian Post (AG) and not to its subsidiaries	GRI 203: Indirect Economic Impacts. Other internal performance indicators are the requirements imposed by the universal service obligation (nationwide network of postal service points and stipulated delivery quality)
Social commitment	Socially disadvantaged sections of the population in Austria are supported by social projects carried out by Austrian Post. As a partly state-owned company, Austrian Post aims to assume its corporate social responsibility to a special degree	No adequate GRI standard exists at the present time. The internal performance indicators are total sponsoring expenditures and total amount of donations
Data protection and data security	Austrian Post adheres to all valid legal regulations relating to the protection, legitimate use and confidentiality of personal data as well as data security. Personal data is processed in line with data protection regulations, especially the General Data Protection Regulation (GDPR), the Austrian Data Protection Act, special provisions contained in the Postal Market Act and all other relevant laws	GRI 418: Customer Privacy

Material Employee Topics

Material Issues According to the Matrix	Impacts and Responsibility/Influence of Austrian Post	GRI Standard/Internal Performance Indicators
Corporate culture and worlds of work	A strong corporate image of Austrian Post and a positive corporate culture are important basic prerequisites for creating an attractive working environment for employees. This promotes employee identification and satisfaction. Austrian Post believes that only satisfied employees will be able to optimally contribute to the long-term value creation of Austrian Post	GRI 401: Employment GRI 402: Labor/Management Relations GRI 405: Diversity and Equal Opportunity
Occupational safety and health protection	Measures to ensure safety at the workplace and health protection positively impact employee health. Only employees who are fit for work can ensure the reliable supply of postal services in Austria. Austrian Post only has a limited influence on occupational safety and health protection at its partner companies. However, minimum standards are defined in the Code of Conduct for Suppliers	GRI 403: Occupational Health and Safety
Further education and professional development	Austrian Post employees are given individual support in order to enable them to optimally manage their professional challenges	GRI 404: Training and Education
Customer proximity	Regular contact of employees with customers is of particular importance and an important factor of Austrian Post's ability to achieve a high level of customer satisfaction	No adequate GRI standard exists at the present time. The performance indicators used here are the results of the customer satisfaction index (CSI)

Material Environmental Topics

Material Issues According to the Matrix	Impacts and Responsibility/Influence of Austrian Post	GRI Standard/Internal Performance Indicators
Climate protection and energy	As a logistics company, Austrian Post is associated with direct and indirect (e.g. via partner companies) environmental impacts. Effects on the climate and air quality particularly arise from operating vehicles and the use of energy in operating postal service points, logistics centres, delivery bases and office buildings in Austria	GRI 302: Energy GRI 305: Emissions
Resource efficiency	As a logistics company, Austrian Post is associated with direct and indirect (e.g. via partner companies) environmental impacts. The conscious use and handling of natural resources, for example energy, water and waste, is a matter of course for Austrian Post in order to further reduce negative impacts	GRI 301: Material 2016 GRI 302: Energy 2016 GRI 306: Effluents and Waste 2016
Responsible procurement	Austrian Post also assumes its responsibility in the supply chain based on a responsible and primarily regional procurement. The aim is to keep negative environmental and social impacts to a minimum	GRI 204: Procurement Practices GRI 205: Anti-corruption GRI 206: Anti-competitive Behaviour GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment

ECONOMY

Profound changes characterise the environment in which Austrian Post operates on the basis of its business model. Austrian Post continuously monitors and analyses the underlying conditions in order to be able to optimally respond to change.

Trends and Challenges

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

Digitalisation results in a decrease in letter mail volumes but also offers customers the highest degree of flexibility in accessing Austrian Post services. For this reason, Austrian Post is opening up new business areas to compensate for the loss of revenue from the letter mail business. At the same time, it creates innovative digital solutions to fulfil customer needs.

In essence, the trends impacting Austrian Post and the challenges they pose can be summarised as follows: In addition to cyclical and market developments as well as factor cost increases, the development of staff costs is one of the external influencing and success factors Austrian Post has to deal with in the short-term and long-term:

Megatrends in the Focus Area of the Economy

E-SUBSTITUTION – PRESSURE ON THE CORE BUSINESS

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

GROWING COMPETITIVE PRESSURE


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

Management Approach of Austrian Post

GRN 103-2

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

Austrian Post assigns great importance to innovation to fulfil the growing demands of its customers. The same question always arises: How can added value for senders be increased and comfort improved for recipients? In answering this key question Austrian Post benefits from being close to its customers and part and parcel of their everyday lives. Austrian Post knows the wishes and expectations of its customers. This knowledge enables Austrian Post to develop suitable offerings and services. It also ensures the company's competitiveness.

 Refer to p. 57f

This strategic direction is in line with material topics identified by stakeholders within the context of the materiality analysis in the focus area of the economy:

Material Issues in the Focus Area of the Economy

GRN 103-1

- Growth and value creation
- Innovation and future technologies
- Service and customer orientation

Austrian Post relies on new, innovative business ideas and the implementation of efficiency enhancement programmes as a means of generating growth and value creation and being able to offer attractive dividends to its shareholders.

Achievements in 2018 and Targets for 2019

© 103-3

The economic objectives of Austrian Post were defined for the entire Group. For this reason, the target achievement assessment incorporates Group data. These goals are to:

Further Develop Austrian Post's Sustainable Business Model

The strategic objective is to create value. Austrian Post intends to leverage further growth potential in selected

markets through a targeted offering of value-added services, especially in the fields of parcel and logistics and online services. The company aims to generate economically attractive earnings from its operations in Austria and abroad in order to strengthen the company's development and provide regular dividend payments to its shareholders.

Focus on Customers and Innovation

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

The economic performance of Austrian Post is presented in detail in the Financial Report 2018.

Overview of Economic Objectives

Main Target: Further Develop the Sustainable Business Model of Austrian Post

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Target of maintaining Group revenue at a stable level in 2018 (2017 revenue of EUR 1.9 bn)	The target of achieving Group revenue of EUR 2 bn was achieved in spite of a challenging business environment	Target of maintaining Group revenue at a stable level in 2019 (2018 revenue of EUR 2 bn)
Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency	Measures were continuously implemented again in 2018 to optimise structures, enhance efficiency and reduce costs. As a result, Austrian Post Group generated an EBITDA margin of 15.6% in the year under review	Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency
Target of generating stable operating earnings (EBIT) at the level of 2017 (EBIT 2017 of EUR 207.8m)	In 2018 the operating earnings (EBIT) of Austrian Post amounted to EUR 210.9m, a year-on-year increase of 1.5%	Target of generating stable operating earnings (EBIT) at the level of 2018 (2018 EBIT of EUR 210.9m)

Main Target: Focus on Customers and Innovation

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Promotion of online services as the Post App and e-letter	Promotion of online services such as the Post App, Postcard App and online parcel stamp	Ongoing promotion of online services such as the Post App and e-letter
Medium-term doubling of self-service solutions	34,100 Post pick-up boxes are at the disposal of customers 50,070 post office boxes at pick-up stations 413 self-service zones are at the disposal of customers	Expansion of Post pick-up boxes to a total of 46,000 by 2019 Expansion to 60,000 post office boxes at pick-up stations by 2019 Further expansion of self-service zones

Growth and Value Creation

Ⓔ 201-1, Ⓔ 2, 5, 7, 8, 9

Whoever wants to generate sustainable value has to operate in an economically sound and profitable manner. Austrian Post sees significant opportunities for the entire company in the sustainable orientation of its business activities. Austrian Post considers the "A" rating granted by the Carbon Disclosure Project (CDP) and other ESG ratings as confirmation that the company already operates in a sustainable manner from a capital market perspective.

Since full-scale market liberalisation took effect in Austria, Austrian Post has been a universal services provider, guaranteeing the supply of high-quality postal services throughout the country. Austrian Post (AG) generates about 88% of Group revenue. Through its Group subsidiaries, the Mail & Branch Network Division and Parcel & Logistics Division of Austrian Post (AG) not only operate in Austria but in Germany and in South East and Eastern Europe as well.

A solid revenue development, sustainably high profitability and the continuation of the attractive dividend policy are the declared goals of Austrian Post. The targets relating

to the environment, society and employees have a positive impact on the influencing factors of sustainable profitability, such as employee satisfaction and energy efficiency. On the other hand, only an economically successful company can fulfil its social responsibility. The company's basic understanding is correspondingly aligned to the idea that sustainably successful business management must take account of both financial and non-financial aspects and contribute to value creation.

More information on the business model and the strategy of Austrian Post can be found in the Financial Report 2018.

Refer to the ratings on p. 45, and About Austrian Post, p. 40f
Refer to the Financial Report 2018, p. 04f, 06ff

Analysis of Value Creation

Ⓔ 201-1, Ⓔ 2, 5, 7, 8, 9

Austrian Post pursues the goal of generating sustainable added value on behalf of its stakeholders. The value generated by the company in 2018 consisted of the following:

Analysis of Value Creation


EUR m	Austrian Post (AG) ¹			Group ²	
	2016	2017	2018	2017	2018
Origin					
Revenue and other operating income	1,771.4	1,881.6	1,862.4	2,051.6	2,054.6
less advances	-622.9	-691.1	-705.3	-798.8	-809.0
thereof raw materials and consumables	-339.8	-346.8	-361.9	-409.9	-441.2
thereof other operating expenses	-227.1	-286.8	-274.2	-316.1	-287.1
thereof depreciation and amortisation	-56.0	-57.6	-69.1	-72.8	-80.6
Value creation	1,148.5	1,190.4	1,157.1	1,252.8	1,245.7
Distribution					
to employees (salaries, social contributions)	957.1	983.7	935.7	1,023.4	1,011.9
to shareholders (dividends)	135.1	138.5	140.5 ³	138.5	140.5 ³
to the Republic of Austria (taxes)	32.7	53.8	62.9	59.4	65.1
to creditors (interest)	0.1	0.4	2.4	0.3	1.0
to non-controlling interests	0	0	0	-0.2	0.6
Balance	23.6	14.0	15.6	31.4	26.6
Added value	1,148.5	1,190.4	1,157.1	1,252.8	1,245.7

¹ Pursuant to Austrian Commercial Code (UGB)

² Pursuant to IFRS

³ Proposal to the Annual General Meeting on April 11, 2019

The revenue of EUR 2,054.6m generated by Austrian Post in 2018 (incl. other operating income) was offset by advances in the amount of EUR 809.0m. The resulting added value of Austrian Post totalling EUR 1,245.7m 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 1,011.9m.

 Refer to the Financial Report 2018 for more information about the earnings situation

Payments of Austrian Post (AG) to the Republic of Austria


 201-1,  2, 5, 7, 8, 9

The majority owner (52.85%) of Austrian Post, namely Österreichische Beteiligungs AG – ÖBAG (formerly Österreichische Bundes- und Industriebeteiligungen GmbH – ÖBIB), will receive EUR 74.3m in dividends from the total dividend payout of from Austrian Post (AG) amounting to EUR 140.5m (subject to approval by the Annual General Meeting on April 11, 2019). Moreover, EUR 62.9m was paid to the Republic of Austria as taxes and duties.

Payments of the Republic of Austria to Austrian Post (AG)

 201-1,  2, 5, 7, 8, 9

Austrian Post (AG) benefits from public sector funding for individual projects, and also actively participates in projects funded by the European Commission, such as “Smarter Together” (more information at smartertogether.at). The support and know-how of the Climate and Energy Fund, the Austrian Research Promotion Agency, the Vienna Business Agency and other government funding bodies enables Austrian Post to implement projects featuring a high level of research and innovation and/or relevance to environmental protection.

 smartertogether.at

The objective of several comprehensive mobility projects largely financed by the European Agricultural Fund for Rural Development (EAFRD) of the European Union and the Federal Ministry for Sustainability and Tourism is to further expand climate-friendly mobility solutions in the form of e-vehicle fleets. Austrian Post (AG) has created a central funding management unit to optimally support project managers of the eligible projects, serving as a competent internal and external contact partner, from application submission to the invoicing of project costs.



Dividend Policy

 201-1,  2, 5, 7, 8, 9

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. For the 2018 financial year, the Management Board will propose to the Annual General Meeting scheduled for April 11, 2019, the distribution of a dividend totalling EUR 140.5m (EUR 2.08 per share) to shareholders for approval.

The dividend policy of Austrian Post is based on a solid business model and strong cash flow from operating activities. In 2018, Austrian Post further improved its operating earnings. Moreover, the operating free cash flow before acquisitions/securities and growth CAPEX 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 2018, the dividend yield was 6.9%. Accordingly, Austrian Post has ranked among the most attractive dividend stocks both in Austria and internationally in recent years.

Innovation and Future Technologies

 103-1, 103-2, 103-3, 201-2, 203-1,  2, 5, 7, 9, 11, 13


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


Austrian Post relies on 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 also ensure efficiency and productivity in processes.

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. By the end of 2018, Austrian Post invested about EUR 17m in CO₂-neutral, pollution-free delivery. In total, investments of Austrian Post (AG) in the 2018 financial year totalled EUR 137m, up by EUR 15m from the prior-year level. This

amount encompassed spending of EUR 126.5m on property, plant and equipment and EUR 10.5m on intangible assets.

One of the focal points of the investment programme during the period under review was on other equipment, furniture and fittings. In addition to ongoing investments in the vehicle fleet, this area mainly involved investments in branch office equipment and furnishings. The section on the environment provides details on the vehicle fleet and the expansion of e-mobility. Another focal point was on investments made within the context of the capacity expansion programme.

 Refer to p. 78ff


 Refer to p. 13ff

Service and Customer Orientation


 103-2

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

In line with its guiding principle, "Everything we do revolves around our customers", Austrian Post focuses on the needs of its customers and steadily works on new products and services which respond to current customer requirements for greater flexibility in a pinpointed manner. The emphasis is placed on customer convenience and service quality on the basis of flexible delivery concepts and online solutions.

 Refer to p. 8ff, 57ff

Customer Satisfaction

 102-43, 102-44, 103-3

Austrian Post always strives to offer high quality to its customers, be it new ideas, innovative services or the offering they are used to. Customers have responded with constantly good customer satisfaction levels. Customer

satisfaction was measured on a quarterly basis during the reporting period by the renowned Institute for Empirical Social Research (IFES). The "Customer Satisfaction Index" (CSI) encompassing customer satisfaction and customer loyalty is determined by means of a representative survey with a sample size of n = 1,000 per wave.

Measuring customer satisfaction in accordance with the CSI scale considers 50 index points or less to represent a critical level and 51 to 60 points as moderately content, whereas 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.

 Refer to the Financial Report 2018 starting on p. 47ff

The customer at the centre of Post services



A – Contact at home

B – Postal service points

C – The future: Austrian Post moves together with the customer to meet his everyday needs. Making everything easier for the customer.

Customer satisfaction in 2018

70

points is the average CSI level

49 %

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

84 %

rated their mail carriers as being "very good" or "excellent"

77 %

said their parcel carriers are "very good" or "excellent"

SOCIETY

Austrian Post delivers 5.3 billion mail items each year, thus ensuring that the Austrian population is provided with basic postal services.

Trends and Challenges

GR1 102-15, 103-2

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

Austrian Post (AG) offers its services throughout the country based on a delivery staff of 9,024 people along with 423 company-operated branch offices and 1,368 postal partners and is thus a reliable partner to its customers. Thanks to an extensive offering of online and offline services the company takes account of customer needs and integrates them into its core business based on practical, everyday solutions.

In order to effectively address societal trends and the relating challenges on the basis of an appropriate management approach, these trends are closely monitored and services are aligned accordingly.

Various social developments impact the way Austrian Post (AG) perceives and structures its public service obligation. Society is becoming increasingly complex and customers are becoming more demanding. This is a responsibility that has become an every day challenge. The universal service obligation is directly linked to the core business. For this reason, challenges relating 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 in the Focus Area of Society

DEMOGRAPHIC CHANGE

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

DIFFERENTIATED LIFE STYLES

Austrian Post has to constantly offer innovative services, online and personal, around the clock and on time.

SUSTAINABILITY AND ENVIRONMENTAL AWARENESS

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

Management Approach of Austrian Post

GR1 103-2

Austrian Post's (AG) top priority is to ensure the nationwide supply of top-quality postal services throughout the country. This is because Austrian Post (AG) plays a decisive role in Austria's communications infrastructure. The company has optimally tailored its services to reflect the material topics identified as part of its ongoing dialogue with stakeholders as a means of dealing with the above-mentioned trends and challenges in the focus area of society.

Material Topics in the Focus Area of Society

GR1 103-1

- Regional infrastructure and reliability of supply
- Social commitment
- Data protection and data security


As a universal services provider in Austria, Austrian Post (AG) is subject to legal requirements with respect to the reliability of supply and delivery speed which do not apply to the company's subsidiaries. Accordingly, the material topic "Regional infrastructure and reliability of apply" is only relevant for Austrian Post (AG). For this reason, this section of the report refers to Austrian Post (AG) for the most part.

The issue of data protection and data security is dealt with in the sustainable corporate governance section as well as in the Non-financial Report.

Austrian Post (AG) 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.

Furthermore, it is committed to society beyond the company's boundaries, supporting a range of business-related social projects and activities. In this regard,

Austrian Post attaches great importance to ensuring that its social commitment is clearly linked to its core business and that it can meaningfully contribute its core expertise to support socially disadvantaged people.

 Refer to p. 48, 65, 76f

Achievements in 2018, Targets for 2019

 103-3

Austrian Post has defined objectives and measures revised on an annual basis as a means of measuring its success and progress in its focus area of society as well as to document and manage its achievements on important issues.

Overview of Societal Objectives

Main Target: Ensure Reliable Supply of Postal Services and Shape Underlying Conditions

Targets for 2018	Achieved in 2018	Targets for 2019
Ensuring reliable delivery services at all times and exceeding legal requirements by Austrian Post (AG)	95.8% of letters were successfully delivered on the first working day after letters were posted	Ensuring reliable delivery services at all time and exceeding legally stipulated performance targets by Austrian Post (AG)
Ensuring a nationwide network of postal service points and exceeding legal requirements by Austrian Post (AG)	Austrian Post (AG) exceeded legal stipulations: the network encompassed 1,791 postal service points at the end of 2018	Ensuring a nationwide network of postal service points and exceeding legal requirements by Austrian Post (AG)

Main Target: Promote Social Commitment

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Continuation of support for social projects on the basis of Austrian Post's logistics competence	412,000 mobile phones collected for the Ö3 Wundertüte campaign. 7,300 "gift parcels for the Christ Child" and 3,000 school boxes are sent throughout the country each year by Austrian Post (AG)	Continuation of support for social projects on the basis of Austrian Post's logistics competence

Regional Infrastructure and Reliability of Supply

 203-1

As a supplier of universal postal services, Austrian Post (AG) is responsible for the reliable, nationwide supply of postal services as well as maintaining and safeguarding the country's communications infrastructure. To ensure that this

continues, the company continually upgrades its nationwide network of postal service points, consisting of company-operated branch offices and postal partner offices.

Regional infrastructure and the reliability of supply also have to take the demographic transformation of Austrian society into account. For this reason, Austrian Post (AG) offers up-to-date products and services tailored to various customer groups and links the physical and digital worlds of communication in order to accommodate changing life

styles. The company works continually on innovative products and services to fulfil current customer requirements as effectively as possible in response to changing life styles. Today's customers want to take care of their postal business in a flexible manner and at different times. This is precisely what Austrian Post (AG) makes possible thanks to its 24/7 concepts. In addition to the convenience and efficiency of services, the actual experience, the feeling of well-being and the overall atmosphere of a place also play a major role. A total of 19 branch offices have already been adapted in line with the "feel-good branch office concept". These measures help to combine a modern, customer-oriented regional infrastructure for postal services and the fundamental need for supply reliability.

Exceeding Requirements of the Universal Service Obligation

Austrian Post (AG) fulfils its mandate in outstanding quality due to its operation of six letter mail distribution centres and seven parcel distribution centres as well as 244 letter and 16 parcel delivery bases. In 2018, 95.8% of all letters were delivered on the next working day, and 97.3% of parcels within two working days. Both levels are higher than what is legally stipulated within the context of the universal service obligation.

Austrian Post (AG) also surpassed the good performance achieved in the previous year with respect to the first-time delivery success rate for parcels, a very important factor determining customer satisfaction. In 2018, 91.4% of parcels were successfully delivered on the first attempt.

© 102-7

In order to ensure the optimal supply of postal services to customers, the definition of the Universal Postal Service Obligation also requires Austrian Post to operate a nationwide network of at least 1,650 postal service points. Austrian Post (AG) clearly exceeds the statutory requirements in this respect as well. The company provides its services throughout the entire country, featuring a network encompassing 1,791 postal service points at the end of 2018, including 423 company-operated branch offices and 1,368 postal partners. Accordingly, the network of postal partners ranks among the country's largest private customer networks and is designed to be very easily accessible for every customer.

Triple-win Situation of the Postal Partner Concept

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

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

The company also cooperates with postal partners from the social sector, such as charitable organisations. These partnerships are particularly successful because they have a two-fold social effect.

While they make a contribution towards ensuring the supply of postal services they also help employees of these organisations to be reintegrated into the job market.

Austrian Post (AG) also supports future postal partners in meeting legal requirements on barrier-free access into account in a timely manner when making construction changes to their sites. Starting in 2018, Austrian Post's postal partner management unit made an information leaflet on barrier-free construction available to companies interested in becoming postal partners as a means of contributing to a more inclusive society.

Responding to Demographic Change and different Life Styles

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

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

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

Social Commitment

(GRI) 103-2

Austrian Post believes it has the social responsibility to support people, who are socially disadvantaged and require special support. The company takes this responsibility very seriously, linking this commitment to its core business particularly by utilising its nationwide delivery of mail items and Austrian distribution network for social or charitable purposes.

Committed to help Socially Disadvantaged

The Ö3 Wundertüte is one example of how Austrian Post (AG) has been committed to help socially disadvantaged people for so many years. In 2018, as in the year before, Austrian Post directly delivered the Ö3 Wundertüte in the form of a red paper bag to every household in the country. In this way, consumers were able to give away their old mobile phones and return them free of charge. The net proceeds from recycling these devices were donated in equal parts to the emergency aid funds of "Licht ins Dunkel" ("Light into the Darkness") and also to Caritas. In total, the campaign generated donations of EUR 600,000, 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 (AG) once again cooperated with the Workers' Samaritan Foundation in 2018 to ensure that no child in need in Austria would have to celebrate Christmas without a present. Anyone, who wanted to send a Christmas present to a child in Austria exposed to the risk of poverty could order a prepaid parcel stamp online free of charge, stick it on the gift parcel and drop it off at a postal service point. Austrian Post (AG) sent the parcels to collection centres of the Workers' Samaritan Foundation, where full-time and voluntary Samaritans personally gave the parcels to children in social welfare institutions and families in need. About 7,300 such parcels were sent in Austria.

Commitment to the Next Generation

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

VIENNA DAUGHTER'S DAY

A total of 22 girls spent the 11th Vienna Daughter's Day end of April at the mail and parcel distribution centres, as well as the transport of goods in Inzersdorf. The aim of the Vienna Daughter's Day is to motivate girls to select

training pathways which are either new or in some cases unusual for them before making their career choice.

AUSTRIAN POST MAKES CHILDREN CLEVER

Under the title "Austrian Post Makes Children Clever", Austrian Post sends about 3,000 school boxes to primary schools each year. These appealingly designed teaching materials aim to encourage pupils to read and write and simultaneously help them understand what Austrian Post does.

Commitment to Culture

The "Post Cultural Associations" (seven bands and two choirs throughout Austria) have about 400 members. Not only do they include many Post employees, but also other music enthusiasts. This is because playing music together ensures a good atmosphere and strengthens the sense of community, not only among colleagues. In collaboration with the post.sozial association, Austrian Post supports the Post cultural associations financially, for example in purchasing instruments and uniforms.

Social Commitment in 2018

412,000

mobile phones
for the "Ö3 Wundertüte"

7,300

children received "gift parcels
for the Christ Child"

3,000

school boxes are
distributed each year
throughout the country

22

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

EMPLOYEES

Austrian Post is a service provider. Its success as a company is fundamentally linked to the skills, motivation and commitment of its employees.

Trends and Challenges

(GRI) 102-15, 103-2

Customer needs are changing, which can be attributed to digitalisation, demographic change and increasing mobility and flexibility on the part of customers. These developments impose new demands on employees. Austrian Post will only be able to fulfil the changed service and quality demands with qualified employees, who actively shape the further development of the company along with new and innovative services.

Digitalisation changes processes and work flows, which requires new mindsets and competencies. In turn, this leads to new requirements with respect to executive management development as well as further education and training of employees, which Austrian Post has to adapt to.

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

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

Megatrends 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 trained.

PRESSURE TO BE EFFICIENT – SOCIAL COMPATIBILITY OF ADJUSTMENTS

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

AUTOMATION – MINIMISATION OF ACCIDENT RISKS AND PROTECTION OF EMPLOYEES

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

WORK-LIFE BALANCE – ENHANCING MOTIVATION AND EMPLOYEE RETENTION

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

Management Approach of Austrian Post

(GRI) 103-2

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

Mutually shared visions and values are particularly important for employees in an environment strongly influenced by changes and transition. They serve as the basis for all employees to act in a target-oriented and sustainable manner. The mission statement of Austrian Post is the foundation for its

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.

Material Topics

(GRI) 103-1

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

- Corporate culture and working environment
- Occupational safety and health protection
- Further education and professional development

- Customer proximity (Refer to Service and Customer Orientation on p. 61.)

Achievements in 2018 and Targets for 2019

(GRI) 103-3

Austrian Post manages and reviews its success and progress in the focus area of employees on the basis of main targets which have been defined and the measures derived from them.

The figures in the infoboxes marked in yellow refer to Austrian Post (AG).

Overview of Employee Objectives

Main Target: Promote a Corporate and Leadership Culture

Targets for 2018	Achieved in 2018	Planned for 2019
Training for executive management: Implementation of at least 1,000 person-days of trainings and seminars for executives	2,122 person-days of training and seminars were carried out for executives	At least 1,000 person-days of trainings and seminars for executives
A Day Visiting Customers: Participation of at least 250 executives in the programme "A Day Visiting Customers"	304 executives took part in the programme "A Day Visiting Customers"	Participation of at least 250 executives in the programme "A Day Visiting Customers"
"Career and family" audit: Continuation of the re-audit	Measures planned within the context of the re-audit were continued or implemented on an ongoing basis and included in the Annual Report as the targeted goals	Continue the planned measures or implement them on an ongoing basis

Main Target: Pay Attention to Health and Safety

Targets for 2018	Achieved in 2018	Planned for 2019
Heart rate variability analyses: Implementation of heart rate variability analyses and health workshops at five sites or more	273 heart rate variability analyses were carried out at 20 sites	Evaluation of implemented measures
Health-related activities: At least 1,000 health consultations and 15 Health Days are to be held	1,130 health consultations and 18 Health Days were held	1,000 health consultations and 15 Health Days
Development and continuation of health projects: Austrian Post is on the move ("The right exercise is good for everybody"): Production of ten short movies and a brochure on right exercise including a training initiative	Twelve short movies were produced ("The right exercise is good for everybody"), including a training initiative	Production of a brochure and posters on proper exercise including a training initiative; implementation of the "Fit2Work" project at the Vienna Letter Mail Centre
Evaluation of psychological stress: Development of measures for parcel logistics in Austria and distribution centres as well as transport logistics	Evaluation of psychological stress in Austrian parcel logistics, distribution centres and transport logistics was completed	Evaluation of psychological stress at corporate headquarters
Accident prevention: Compulsory wearing of safety helmets for delivery staff on bicycles	Compulsory wearing of safety helmets for delivery staff on bicycles and equipping them with clearly visible Post helmets, along with creation of a short film on accident prevention	Development of measures to deal with the most frequent causes of accidents in 2018, creation of posters on the issue of falling and measures focusing on traffic safety
Safety and health at work – employee protection: Production of a brochure including checklists for individual management levels and areas for easy use and implementation of employee protection measures	Production of a brochure on safety and health at work for the individual management levels and areas for easy use and implementation of employee protection measures	Development of checklists for individual areas for easy use and implementation of employee protection measures; campaign targeting executives focusing on training and instruction

Corporate Culture and Working Environments

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

In order to effectively position itself for the future, Austrian Post laid the foundation for a cultural transformation in 2010 based on a new mission statement. The three value categories of customer orientation, profitability and sustainability as well as communication and appreciation and one central principle for each provide clarity and guidance as to which values should characterise the way every employee acts and which values serve as the basis for the corporate strategy.

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

PROMOTION OF THE LEADERSHIP CULTURE THROUGH EXECUTIVE TRAINING

Since 2012, executives have been regularly trained at Austrian Post's own Executive Academy. The long-term professional development programme supports executives and key employees to implement the leadership guidelines in their daily work routines.

A Strong Corporate Culture Based on Appreciation and an Exchange of Views

A DAY VISITING CUSTOMERS

In 2018, more than 300 executives seized the opportunity again to take part in the annual "A Day Visiting Customers". They familiarised themselves with the work of employees who are in daily contact with customers to more effectively assess the challenges they face. "A Day Visiting Customers" also promotes the exchange of views between employees and executives as well as mutual understanding, and thus supports the Austrian Post mission statement.

TEAMWORK 2018

With the "Teamwork 2018" concept, Austrian Post launched a new leadership structure and downsized letter mail distribution teams. These teams are now headed by a "playing captain", who works on the delivery staff himself and is thus familiar with the day-to-day work of his colleagues. The flattening of hierarchies promotes direct communication between executives and employees, which

Executive Training in 2018

322

executives took part in the Executive Academy

273

area and team leaders were given leadership training

in turn improves the information flow and the feeling of belonging and increases motivation. A total of 244 delivery bases were realigned in accordance with the "Teamwork" concept in 2018.

Dialogue with Employees

GRN 102-43

The open dialogue Austrian Post maintains with its employees is based on respect, appreciation, honesty and trust. This also entails Austrian Post (AG) informing employees in a timely and regular manner about major developments and changes in the company, for example by means of department and team meetings as well as one-on-one discussions.

Additional Employee Benefits

In addition to uniform leadership guidelines and an open communication culture, Austrian Post believes that motivating and productive working conditions also include offering a variety of additional services to employees, regardless of their age, gender and occupation type.

Employee Profit Sharing

Austrian Post is one of the few companies in Austria with an employee profit-sharing scheme, which has been in effect for more than ten years. Austrian Post (AG) voluntarily pays employees an annual EBIT bonus, part-time employees receive a pro rata share.

(GRI) 401-2

The joint welfare association "post.sozial" offers additional social services above and beyond legally required obligations to full-time and part-time employees. The non-profit association was established in 2005 with the objective of providing social support to active employees of Austrian Post and its subsidiaries as well as to retired employees, family members and surviving relatives of employees.

Diversity and Equal Opportunity

(GRI) 103-1, 103-2

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

Austrian Post wants to highlight the individual differences among employees to create 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 (AG) signed the Charter of Diversity in 2013, making a clear commitment to creating and promoting a working environment which is free of prejudices.

Equal Opportunity

Equal treatment at work and equal treatment of employees without reference to their gender and age are a matter of course for Austrian Post (AG) and its subsidiaries. The recruiting process strictly adheres the principle of equal treatment of women and men.

Women have been promoted to management jobs on the first and second reporting levels in numerous business areas. The aim is to achieve the best possible diversity at the highest management level and gradually increase the share of women in executive positions. For this purpose, the programme "Mentoring for Women at Austrian Post" was initiated in 2017. Approximately 25 selected female junior executives (mentees) have an experienced executive from another company at their disposal to serve as their mentor for career and development issues. The focus is on the personal and professional development of the mentees

post.sozial in 2018

6.13

EUR m in total funding

54,330

overnight stays by
Fair.Reisen

3.84

EUR m in food coupons
by Helfens.Wert


22,821

discounted admission tickets
by Sehens.Wert

as well as a mutual exchange of experience. Edith Hlawati, Chairwoman of the Supervisory Board, and Edeltraud Stiftinger, Deputy Chairwoman of the Supervisory Board, assumed the patronage of the mentoring programme, which was launched on January 1, 2018.

GENDER BALANCE

Austrian Post developed a strategy to ensure gender balance in the company with its flagship project "Expedition Elly". Diverse teams formulated the strategy as well as corresponding objectives and measures. In this way, Austrian Post wants to achieve gender balance and ensure it remains a model company for innovation and customer proximity.

 Refer to p. 20ff

COMPATIBILITY OF FAMILY AND CAREER

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

The Austrian Post programme to promote the career advancement of women was overhauled in 2017. The

underlying objective of the plan is to ensure equal opportunities for women and men in the company on the basis of the Federal Equal Treatment Act (B-GIBG) and to increase the proportion of women in areas in which they are under-represented. One measure designed to help achieve the designated target is an annual equality check to help evaluate the implementation of the programme to promote the career advancement of women at Austrian Post (AG) and its subsidiaries.

Equal Treatment

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

It is important for Austrian Post to ensure that people with disabilities can take an equal part in professional life. It is so important that in past years Austrian Post more than fulfilled its legally stipulated employment obligations. In the year 2018, 1,207 people with special needs were employed by Austrian Post (AG).

Contact Point for Employees

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

Occupational Safety and Health Protection

(GRI) 103-2

Only healthy employees are able to do their best for the benefit of the company and actively contribute to employee satisfaction and further development of the company. 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.

The internal directive called "Safety and Health at the Workplace – Employee Protection" was issued effective

Employee diversity in 2018

(GRI) 405-1, (SDG) 5, 8

3,210 Austrian Post employees come from a total of

89

different nations (excl. Austria)

38 Post executives come from

14


nations


24 %

of executives and

30 %

of employees are women

 For further employee indicators, refer to p. 85ff

 For information on diversity on the Management Board and Supervisory Board, refer to the Financial Report, p. 21ff

January 1, 2018, and thus redefined the rules related to the underlying conditions impacting employee protection at Austrian Post (AG). In particular, the new guidelines newly regulated responsibility and control of employee protection at the individual sites and workplaces and redefined inspection obligations in a cascading system. The inspection and control obligations of every single executive are precisely specified. In order to provide the best possible support to executives, an awareness campaign was launched in 2018. Moreover, the contents of the directive were summarised in a brochure for easier handling and accompanied by instructions. The training initiative for executives started in the autumn of 2018 with the aim of raising awareness of responsibilities and the role model function executives have. Furthermore, checklists are being developed and coordinated with the specialist areas. The training drive will be expanded in 2019.

Health Management

Within the context of its healthcare management programme, Austrian Post continually offers preventive measures at different sites to maintain and promote the health and working capacity of its employees. They include vaccinations, anti-smoking initiatives and eye examinations. In addition, health consultations and Health Days are regularly held.

"A HEALTHY HEART AND YOU" CAMPAIGN

The focus in 2018 was on the further development of the project "A Healthy Heart and You" to prevent heart disease as well as on flu vaccinations. Occupational physicians at Austrian Post offered health counselling sessions to employees to discuss their individual risk profile for cardiovascular diseases and explain preventive measures.

STRESS MANAGEMENT AND HEART RATE VARIABILITY ANALYSES

In 2018, 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, complemented by comprehensive information talks and workshops.

HEALTH DAYS

Health Days were once again offered at various company locations in 2018. Employees had the opportunity to test their lung capacity as well as to determine their fat and muscle mass and body's water content by means of the Body Composition Analyser. Information was also provided on healthy diets and relaxation.

EVALUATION OF PSYCHOLOGICAL STRESS

Austrian Post (AG) continued its evaluation of psychological stress in 2018. Representative groups of employees were formed for different types of work, for example machine distribution and manual mail sorting, to identify the psychological stress factors impacting each specific group. Workshops were held and measures were developed which are now being implemented.

PROMOTION OF SPORTING ACTIVITIES

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

Health Management in 2018

18

Health Days were held. In total, the different service stations were visited more than **1,300** times

174

sites offered **health counselling** to prevent heart disease.
1,130 participants were given information

1,297

vaccinations were carried out – of which **1,113** were against the flu.
148 eye examinations were carried out. **273** heart rate variability analyses were also conducted

5,198

employees took part in **18** running events throughout Austria in 2018

Occupational Safety

GRN 403-1, 403-4

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

In 2018 16 regional occupational safety committee meetings were held for sites with more than 100 employees or sites exposed to certain dangers.

Guidelines are contained in Sections 88 and 88a of the Employee Protection Act. Improvement suggestions are developed on individual safety and health issues and the implementation of appropriate measures is discussed.

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

In addition to legal regulations on occupational safety and accident prevention, there are also internal organisational rules and instructions as well as leaflets designed to contribute towards protecting employees. In light of the fact that the safety of all employees is very important, Austrian Post (AG) initiated the compulsory wearing of helmets for



all staff delivering mail on bicycles (including e-bikes) and also equipped all the affected employees with helmets.

In order to minimise work-related stress, video films for various work processes such as getting in and out of vehicles or the correct pushing and pulling of heavy loads were produced alongside training courses and ongoing instruction. The trade union and the Works Council of Austrian Post are involved in all important matters relating to safety at work and accident prevention and are also represented in the above-mentioned occupational safety committees.

RISK MINIMISATION AND OCCUPATIONAL SAFETY TRAINING

Austrian Post focuses on raising awareness of employees for potential dangers at work. Employees are informed and made aware of possible safety risks and potential dangers through instructions and training before commencing work as well as in regular intervals. In this way, they will be capable of avoiding accidents by behaving correctly. New findings and dangers are regularly identified via workplace inspections and assessments. Measures are defined in collaboration with executives, and safety and health protection documents are updated.

Sick Leave and Accident Statistics

 403-4,  3,8

In the reporting year 2018, accident reporting was modernised and implemented in line with the GRI standard 403-9:2018 of the Global Reporting Initiative. The objective was to ensure a state-of-the-art report and comparability with relevant market participants. The new reporting relies on new indicators i.e. – the accident frequency is calculated on the basis of productive hours instead of full-time equivalents. Furthermore, subsequent sick leave is also incorporated. The improvement of data quality and shorter reporting intervals are designed to assist the company in analysing causes of accidents more quickly, effectively and in greater detail and to take short-term measures in order to prevent such accidents from occurring again in the future. A total of 718 occupational accidents were reported in 2018 for Austrian Post AG. Among the main reasons and at the same time risks for serious accidents are falls, traffic accidents and the natural handling of objects comprise the main reasons for accidents and also the risk for serious accidents. Weather-related road conditions are usually the reason for falls and for traffic accidents. The lifting and carrying of loads play a major role when it comes to manually handling objects. Responsibilities and reporting processes are regulated in detail by the organisational directive 6/2018 "Safety and Health at the Workplace". 23 accidents took place at work in 2018 involving leased personnel.

 Refer to p. 88

Employee Protection in 2018

3,436

workplace inspections by safety representatives and counselling of site managers regarding the safety and protection of employees

1,031

assessments of Austrian Post workplaces

765

training courses with safety experts and occupational physicians

Further Education and Professional Development

 103-2, 404-2,  8

Austrian Post offers its employees both personal and professional development possibilities. In addition to the Executive Academy, the target group-oriented and competence-oriented further education and training of employees was intensively continued in 2018. These measures encompassing specialised instruction, continuing education courses, coaching and training comprise an important focal point of Austrian Post's human resources management.

Individual Development Planning

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

PROJECT WORK@POST

The new project Work@Post identifies and implements improvement potential in the fields of employer branding, recruiting, onboarding, junior staff/talents, executives, compensation, IT success factors and feedback within the

context of working groups. The underlying objective is to reduce employee turnover and the drop-out rate.

TRAINEE PROGRAMME

Eighteen new trainees commenced their programme at Austrian Post in September 2018. They spent time familiarising themselves in detail with the work of different departments for the purpose of comprehensive training.

APPRENTICESHIP TRAINING

Austrian Post (AG) has already been offering young people an "Apprenticeship with a Secondary School Diploma" for eight years. In 2018, a total of 90 apprentices were trained at Austrian Post as retail salespeople with a focus on telecommunications. As of September 2018, four apprentices are being trained as office clerks and e-commerce merchants at corporate headquarters.

COOPERATION WITH UNIVERSITIES

Austrian Post (AG) 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 (AG) supports prospective graduates with an outstanding academic performance and intensively promotes them over a period of two years. Furthermore, Austrian Post (AG) supports the programme of the Delta Academy of Montanuniversität Leoben, offering additional, high-quality education to selected students.

EXPERIENCED HIRES AND INTERNSHIP PROGRAMME

Two new, innovative programmes were launched in 2018. Experienced Hires training with internationally recognised lecturers and network events are offered to create attractive job entry opportunities for experienced specialists. This is complemented by meetings with the highest management level as well as coachings.

The Internship Programme offers ten students at universities and colleges the opportunity to complete an internship at Austrian Post. At the same time, the interaction with the younger generation generates valuable innovation contributions for the company.

Austrian Post Labour Market

(GRI) 404-2, (SDG) 8

Increasing competition and changes in market conditions require the company to implement ongoing adjustments to its personnel structure. In these situations, Austrian Post (AG) considers responsible corporate behaviour to entail reacting to the resulting changes in a socially acceptable manner and actively supporting relevant measures.

Further Education and Professional Development in 2018

(GRI) 404-1, (SDG) 4,5

1,062

seminars were attended by **6,473** employees. **39%** of seminar participants were women and **61%** were men

7.7

The average number of hours female employees were involved in training **5.5 hours** comprised the average for men

118,415

The total number of seminar hours in which Austrian Post employees took part

 Refer to p. 89

Austrian Post (AG) assists employees impacted by restructuring measures to reposition themselves on the job market. The "Internal Labour Market" platform offers career guidance and vocational orientation to employees. Personal consultations help employees to find either internal positions, or jobs outside the company. For example, the post-qualified training initiative enables employees who lost their jobs to upgrade their IT user qualifications to a certified level or to attend English language or spelling courses. The platform also supports the temporary employment of employees and has established its own rules for this purpose. This ensures that the leased Post employees are paid in conformity with the collective wage agreement for the respective sector.

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". As of the end of 2018, 675 former civil servants of Austrian Post were employed by federal agencies. This figure shows that the competencies of Post employees are very much in demand at the ministries.

ENVIRONMENT

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

Trends and Challenges

(GRI) 102-15, 103-2

Logistics is a significant growth market. Increasing globalisation leads to a rise in international trade volumes. At the same time, parcel volumes are increasing as a result of the e-commerce boom. Subsequently, there is a growing demand for logistics services and innovative solutions. This is a development that also relates to business success of other companies and which is closely monitored by Austrian Post. The logistics solutions offered by Austrian Post connect people, regions and countries, create jobs and generate added value. However, they also have effects 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 the largest logistics company in the country, the challenge for Austrian Post is not only to reduce climate-changing greenhouse gases such as CO₂ but to also avoid generating them in the first place and thus to minimise environmental impacts to the greatest possible extent. Moreover, as one of the country's flagship companies, Austrian Post bears a special responsibility to actively participate in the efforts to achieve the national climate protection targets.

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

Megatrends in the Focus Area of the Environment

GLOBAL CLIMATE CHANGE – IMPACTING DELIVERY OPERATIONS

Climate change leads to changed weather conditions, such as somewhat heavier rains and extremely hot or cold

temperatures. Austrian Post and its employees are directly exposed to these conditions.

LOCAL EMISSIONS – E-MOBILITY AND A MODERN VEHICLE FLEET

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

ENERGY TRANSITION AND CONSEQUENCES – NECESSARY ECOLOGICALISATION OF ENERGY SOURCING

The necessary energy transition motivates 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 price increases of natural resources require the company to continually assess whether these resources are used efficiently enough. This issue is extremely important, especially in the vehicle fleet.

URBANISATION – SMART CITY LOGISTICS SOLUTIONS

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

Management Approach of Austrian Post

(GRI) 103-2

As a large logistics company, Austrian Post bears the responsibility to minimise the environmental impacts of its activities. Austrian Post has already been consistently integrating climate and environmental protection measures into its core business for many years in order to reduce its

ecological footprint. For this purpose, Austrian Post has established a range of Group-wide environmental protection measures tailored to reflect the material issues defined within the context of its dialogue with stakeholders. They are designed to minimise environmental risks and optimally exploit opportunities:

Material Topics in the Focus Area of the Environment

(GRI) 103-1

- Climate protection and energy
- Resource efficiency
- Responsible procurement

Achievements in 2018 and Targets for 2019

(GRI) 103-3

Austrian Post considers environmental protection to be an ongoing process. It has defined the goal of protecting the climate and conserving natural resources. Austrian Post manages and evaluates its performance and progress on the basis of its specified main targets and the derived measures:

Overview of Environmental Objectives

Main Target: Protect the Climate and Conserve Resources

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Continuation of the CO ₂ NEUTRAL DELIVERY initiative and evaluation of expanding it to subsidiaries	The CO ₂ emissions of Austrian Post (AG) and their compensation were confirmed by TÜV Austria again in 2018. The potential expansion of the initiative was assessed but a decision has not yet been made	Continuation of the CO ₂ NEUTRAL DELIVERY initiative and evaluation of expanding it to subsidiaries
Science Based Target CO ₂ reduction goal: reduction of CO ₂ emissions by 14% by 2025 (base year: 2013) and evaluation of CO ₂ reduction targets for subsidiaries	Increase in CO ₂ emissions of Austrian Post (AG) by 1.4% due to rising parcel volumes (base year: 2013). An evaluation was carried out but a decision has not yet been made	Reduction of CO ₂ emissions by 14% by 2025 (base year: 2013) and evaluation of CO ₂ reduction targets for subsidiaries
Steady expansion of the e-vehicle fleet to 1,800 vehicles by the end of 2020	1,592 e-powered vehicles at Austrian Post (AG) were in use at the end of 2018, or 17.2% of the entire delivery fleet	Deployment of 100% e-powered vehicles for all delivery operations (last mile) by 2030
Expansion of the "Green Vienna" (delivery of letter and direct mail items to private customers by foot, bicycle or e-vehicles) project to other provincial capitals and urban areas	100% "green delivery" takes place in Eisenstadt. Green delivery services apply to more than 90% of letter and direct mail items in Vienna, Wiener Neustadt and St. Pölten and 60–80% of all items delivered in the other provincial capitals by Austrian Post (AG)	Deployment of 100% e-powered vehicles for all delivery operations (last mile) by 2030
Additional energy efficiency measures at Austrian Post (AG) and its subsidiaries	Implementation of 31 energy efficiency measures in the categories of lighting, room heating, electricity measurement and water heating at Austrian Post (AG) and its subsidiaries	Further implementation of energy efficiency measures at Austrian Post (AG) and its subsidiaries, implementation of a Group-wide energy audit
Evaluation of further optimisation and quality assurance potential.	Waste and recycling management was reorganised at six logistics centres of Austrian Post (AG) and in the subsidiary feibra	Continuation of optimisation and quality assurance projects at Austrian Post (AG) in the field of waste and recycling management
		Construction of a photovoltaic power plant on the roof of the new Hagenbrunn Logistics Centre and exploration of other potential sites

Main Target: Strengthen Environmental Awareness

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Roll-out of the environmental management system pursuant to ISO 14001:2015 to other sites of Austrian Post (AG) and Medien.Zustell GmbH	The Wernberg Parcel Centre and two other sites of the subsidiary Medien.Zustell GmbH were successfully certified pursuant to ISO 14001	Preparation for ISO 14001 certification of two other sites (the Hagenbrunn Logistics Centre and the corporate headquarters Post am Rochus)
Evaluation of other sites	The evaluation of other sites was completed and targets were subsequently defined for the coming years	

Targets for 2018	Achieved in 2018	Targets for 2019 and beyond
Employee awareness raising with the help of a new campaign on the Internet and Intranet	Publication of the "Fact Book" on sustainability Introduction of the issue of sustainability at the Welcome Day for new employees Creation of a new recruiting homepage Implementation of a waste management campaign at corporate headquarters Promotion of participation in the "Bike to Work" initiative via the Intranet Training on waste separation for all employees of the subsidiary Medien.Zustell GmbH	Roll-out of the internal quality seal "CSR INSIDE" to certify projects and employees on the issue of sustainability Internal promotion and Austrian-wide participation in the "Austria Goes Biking" to enhance environmental awareness and promote health
		Project to recycle working clothes which are no longer in use
	Development of a handbook for sustainable events	Application of the handbook for sustainable events at Austrian Post events



The initiative CO₂ NEUTRAL ZUGESTELLT consists of three steps:

1.

Efficiency increases in core processes

e.g. a modern vehicle fleet and energetic optimisation of buildings

2.

Increased use of alternative technologies

e.g. electricity from renewable sources and expansion of the e-vehicle fleet

3.

Compensation for unavoidable CO₂ emissions

Results:

all items are delivered in a CO₂ NEUTRAL MANNER in Austria by Austrian Post (AG). This is confirmed each year by TÜV Austria. And more than 150 customers use the logo in their communication activities.

Climate Protection and Energy

(GRI) 103-2

The CO₂ NEUTRAL DELIVERY initiative plays a key role at Austrian Post with respect to climate protection and energy. The initiative was launched in 2011 and is at the heart of Austrian Post's environmental efforts. In particular, its goal is to continually and extensively reduce greenhouse gas emissions (refer to the illustration on the left).

Within the context of this initiative, the first step is taking measures to ensure greater efficiency in core processes, for example optimising energy efficiency of buildings and lighting and continually modernising the vehicle fleet.

The second step involves the increasing use of alternative technologies. Austrian Post (AG) has already been procuring its entire electricity needs from renewable energy sources since 2012. Since 2017 it has exclusively used electricity from renewable energy sources in Austria. Since 2018 all Austrian subsidiaries have been procuring green electricity from Austria.

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

The results demonstrate that the CO₂ NEUTRAL DELIVERY initiative is successful. Since 2011 Austrian Post (AG) has delivered all mail items within Austria in a CO₂ neutral manner. This makes the company a leader in the international logistics sector.


The CO₂ NEUTRAL DELIVERY initiative also makes a substantial contribution to raising the environmental awareness of employees, customers and other stakeholder groups. It improves the climate scorecard of customers thanks to

the CO₂ neutral delivery of their mail items. Furthermore, interested business customers can request a certificate to confirm the CO₂ neutral delivery of all their mail items in the previous year. Austrian Post (AG) issued about 500 such certificates in 2018.

Emissions

Austrian Post has succeeded in significantly reducing the emissions it causes in recent years. The consistent and ongoing energy-saving measures implemented by Austrian Post and the increased use of alternative energies have resulted in a considerable drop in emission levels. Emissions increased slightly, however, in 2018. This is primarily due to the strong growth in the parcel business, which meant emissions could not be reduced despite a number of measures to reduce emissions.

Key indicators as well as further information on reporting boundaries, calculation methods and conversion factors can be found in the Facts & Figures section.

 Refer to p. 82f, 92f

Science Based Targets

Austrian Post (AG) has been taking part in "Science Based Targets" since 2016, thus strengthening its commitment to climate protection. The Science Based Targets initiative is an international organisation supported, for example, by the World Wide Fund for Nature. It pursues the goal of actively involving companies in climate protection. As a result, Austrian Post (AG) is a trailblazer when it comes to the scientifically substantiated approach for developing a CO₂ reduction target. Austrian Post is only the second Austrian company to submit a science-based target. This is in accordance with the results of the Paris Agreement on Climate Change, and thus contributes to ensuring that global warming is limited to under 2° C. More specifically, Austrian Post aims to cut its own CO₂ emissions by 14 % by 2025 (base year 2013).

This goal not only encompasses emissions in Austrian Post's (AG) sphere of influence (Scope 1 and Scope 2) but also CO₂ emissions from suppliers (Scope 3 targets). The commitment to these holistic and scientific targets requires a decrease in CO₂ emissions along the entire value chain. Accordingly, Austrian Post (AG) collaboration with suppliers paying attention to the environmental compatibility of their business operations becomes even more important.

Emissions climbed by 1.4 % in comparison to the base year. The strong growth in the parcel business (+54 % in the period 2013 to 2018) led to an increase in the number of kilometres driven and the related higher energy consumption

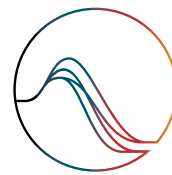
Climate Protection Targets of Austrian Post (AG):

14 %

reduction of CO₂ emissions by 2025
(base year 2013)

100 %

e-powered vehicles in delivery
(last mile) by 2030



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in the vehicle fleet, which in turn resulted in a rise in CO₂ emissions.

Climate Protection on a National and International Level

With respect to its corporate social responsibility, it is essential for Austrian Post to be proactively involved in climate protection outside of the company. For this reason, Austrian Post (AG) provides support for climate protection projects in Austria and abroad within the context of the CO₂ NEUTRAL DELIVERY initiative. The compensation for the remaining unavoidable emissions is the third step in CO₂ neutral delivery. In Austria itself, support is provided to projects such as the replacement of outdated heating systems running on fossil fuels by modern pellet heating or the purchase of e-vehicles for charitable organisations via the Climate Austria initiative. All this helps avoid CO₂ emissions and also supports the regional economy via a high indirect profitability.

On an international level, Austrian Post (AG) also supports numerous certified climate protection projects, such as the generation of renewable energy by solar power facilities in India. The development of a low-cost and efficient stove for the populations in Kenya and Honduras as a means of reducing fuel consumption and minimising health risks is

another example. A similar project in Virunga National Park in Ruanda contributes to protecting the mountain gorillas there.

Ecological Transport

If Austrian Post wants to avoid or reduce CO₂ emissions as a logistics company, the most promising approach is to focus on transport operations, because this is the area it can influence the most. Each year mail and parcel carriers deliver 5.3 billion items to more than four million households and companies in Austria. In doing so, it circles the globe several times – on foot, by bike, but also on mopeds, in cars and in lorries. Austrian Post is working intensively on structuring its transport operations to be as environmentally compatible as possible.

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

 Refer to p. 92f

Modern Vehicle Fleet for Greater Efficiency

The condition of the vehicles plays a key role in the efficiency of the vehicle fleet. For this reason, Austrian Post focuses on deploying modern vehicles and carries out regular maintenance work as a means of optimising efficiency in the vehicle fleet.

More Alternative Drive Systems for Lower Emissions

Moreover, Austrian Post (AG) increasingly relies on alternative drive systems in its delivery operations, and once again expanded its fleet of e-vehicles in 2018. Supported by the funding programme “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 (AG) now operates 1,592 e-vehicles today, including 1,036 single track e-vehicles and special vehicles (quads and trikes) as well as 556 electric cars. Accordingly, Austrian Post is the largest e-fleet operator in the country. The further expansion of the e-vehicle fleet will be implemented in Austria’s rural regions with the support of the European Agricultural Fund for Rural Development (EAFRD) as well as the Austrian Federal Ministry of Sustainability and Tourism

within the context of several cross-border projects. Austrian Post (AG) deployed 1,597 e-vehicles in the year 2018.

Austrian Post (AG) has yet set another ambitious goal for more ecological transport operations, namely that the entire delivery of mail and parcels to customers will be carried out by e-vehicles by 2030. At present, e-vehicles account for 17.2% of the Austrian Post (AG) delivery fleet.

The main areas of operation for the e-vehicles at present are populated areas, especially Vienna, as well as provincial and district capitals. In its “Green Provincial Capitals” project, Austrian Post defined the goal in recent years of delivering all mail and direct mail items to private customers in the provincial capitals in a “green” or CO₂ neutral manner. This means the delivery of mail and direct mail items to private customers are to be carried out entirely without the use of fossil fuels. Conventional mopeds or automobiles are no longer used. Instead, delivery is carried out completely on the basis of the staff’s own muscle power or electrical energy. Now the project is being extended to rural areas. Only e-powered vehicles or vehicles featuring alternative drive systems will be deployed for delivery purposes by the year 2030.

The fact that Austrian Post makes an important contribution to climate protection based on its ecological transport measures is confirmed by the latest award granted for the project involving the delivery of letter mail with e-vehicles. At the beginning of 2018, Austrian Post (AG) received the internationally prestigious “Energy Globe World Award” environmental prize for its e-mobility concept. The Energy Globe Award is assigned annually in recognition of outstanding projects with a focus on resource conservation, energy efficiency and the use of renewable energies.

Environmental and Climate Protection also in Transport Logistics


Austrian Post has also undertaken major efforts in its transport logistics in recent years to protect the environment and the climate. The primary focus is on rejuvenating its vehicle fleet and thus applying modern technologies.

In order to reduce fuel consumption and emissions, capacity utilisation of lorries is increased to reduce the number of kilometres driven. In addition, routes are optimised and the types of vehicles deployed are adjusted to routes with lower utilisation levels.

Ecological Building Structure

(GRI) 302-4, (SDG) 7, 8, 12, 13

With more than one million square meters of usable building space, Austrian Post also requires a large amount of energy in its buildings. For this reason, Austrian Post has implemented various measures to minimise the ecological footprint of its activities, but without compromising on the quality of its services or its mandate to provide postal services.

 Refer to p. 91

Lower Energy Consumption for Reduced Emissions

Austrian Post is continually striving to decrease energy consumption in buildings and thus reduce emissions. It consistently monitors energy consumption and is successively converting the lighting systems in its logistics centres to LED lighting solutions.

In 2018, the company continued to exploit much of the energy savings potential identified in an energy audit in 2015, for example converting heating systems to district heat or installing efficient heating and warm water systems.

More Renewable Energy Sources for Fewer Emissions

Austrian Post (AG) exclusively derives green electricity from renewable energy sources for company-owned buildings and leased buildings for which it can impact the supply of electricity. The low amount of electricity from unknown sources relates to postal partner offices and leased buildings with unknown electricity suppliers.

However, Austrian Post (AG) not only procures electricity from renewable energy sources but also produces such electricity itself. It has been operating one of the largest rooftop photovoltaic facilities in Austria located on the Vienna Letter Centre since the autumn of 2013, boasting an output of 882 kilowatt peak (kWp). A second photovoltaic facility with an output of 496 kWp has been generating solar power on the roof of the Allhaming Logistics Centre in Upper Austria since 2014. A third photovoltaic plant with 24 kWp on an office building in Vienna was put into operation at the beginning of 2018. The logistics centre in Hagenbrunn currently under construction is also being equipped with a photovoltaic plant. The energy produced by the facilities amounting to about 1.4 million kWh is sufficient to provide the entire e-vehicle fleet of Austrian Post (AG) with clean solar energy, free of greenhouse gas emissions.

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

Resource Efficiency

(GRI) 103-2

Resource efficiency is an important aspect and part of Austrian Post's contribution to climate protection and energy saving. In order to enhance resource efficiency, Austrian Post strongly relies on increasing awareness of this issue among external and internal stakeholders.

Accordingly, the CO₂ NEUTRAL DELIVERY initiative contributes considerably to raising awareness in different stakeholder groups. For example, an employee survey carried out every two years shows that the CO₂ initiative is positively assessed by employees, is of major significance to them and is important for their identification with the company.

The fact that the CO₂ NEUTRAL DELIVERY initiative has become an integral part of society is underlined by the high level of public awareness. Customer satisfaction surveys carried out semi-annually show that this initiative is very well known in Austria and helps shape the image of Austrian Post. Interested business customers can also use the CO₂ NEUTRAL DELIVERY logo for their own communication purposes and request a certificate confirming the CO₂ neutral delivery of all their mail items.

Environmental Awareness as the Basis for Enhanced Resource Efficiency



Austrian Post continuously works to raise awareness of environmental issues among its employees by means of internal communications. 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. In 2018, an internal quality seal "CSR Inside" was created focusing on the issue of sustainability and will be used starting in 2019. Within this context, projects will be evaluated on the basis of sustainability criteria and employees with a high level of commitment to sustainability will be appointed as ambassadors.

The environmental management system according to the ISO 14001 standard, which has been in effect since the year 2016, serves as a key instrument in ensuring resource efficiency and environmental awareness. The more sustainable use of natural resources requires awareness among employees to sensibly handle materials. In the meantime,

the Vienna Letter Mail Centre, the largest logistics centre operated by Austrian Post, as well as the Wernberg Parcel Centre and the entire subsidiary Medien.Zustell GmbH are certified in accordance with ISO 14001.

Accordingly, environmental protection and sustainability have gained in importance at the company's facilities and are embedded in the organisation via a regulated management process. The main focus is on increasing employee awareness on environmental protection, decreasing energy consumption and reducing the volume of residual waste. An improvement of the environmental management system takes place through the annual validation by a certified auditor of TÜV Austria. It is planned to extend this certification to two further sites in 2019.

Resource-oriented Behaviour Based on Responsible Waste and Recycling Management

 306-2,  12


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

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


Responsible Procurement

 103-2

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

 Refer to p. 49ff


Environmental Risks for Austrian Post

 102-15, 201-2

Risks cannot be excluded in a diverse area such as the environment, which is shaped so much by natural events. For this reason, the management of environmental risks which can potentially arise for the company is embedded in the Group-wide risk management system. The precise environmental risks arising from Austrian Post's business operations are explained in greater detail in the Financial Report.

Environmental risks impacting Austrian Post primarily arise from natural influences such as the consequences of climate change.

However, normative changes, the slow technological progress, economic developments and the loss of reputation also have an impact.

 Refer to the Financial Report 2018, p. 57

PHYSICAL CLIMATE RISKS

Climate change and the related acute effects on the weather impact the infrastructure in Austria. In turn, the consequence could be detours, interruptions and losses of time with respect to freight transport and delivery services. Additional financial obligations could arise if the company is unable to fulfil its legal obligations to provide nationwide postal services over a given period of time due to natural disasters. Austrian Post's commercial properties could also be impacted more frequently in the future as a result of the severe effects of the weather such as flooding and damage caused by hail.

TRANSITORY CLIMATE RISKS

A further risk relates to changes to and a tightening of applicable environmental laws or new environmental regulations, which could result in higher investments. In addition, higher taxes or increasing energy costs triggered by a shortfall of natural resources could lead to higher costs.

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

Further Information

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ABOUT THIS REPORT

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 also taking economic criteria into account.

(GRI) 102-50, 102-51, 102-52, 102-54

The Sustainability Report of Austrian Post is published annually. This report applies to the 2018 financial year, and thus is a seamless continuation of the 2017 Sustainability Report. This report is prepared according to the "Core" option of the GRI Standards.

As Sustainability and Diversity Improvement Act (NaDiVeG) came into effect, Austrian Post expanded its financial reporting in 2017 for the first time by reporting on key non-financial aspects of its business operations with respect to observing human rights, combatting corruption and bribery as well as environmental, social and employee issues and expanding it to encompass the entire Austrian Post Group. The legally required Non-financial Report 2018 can be found in the Annual Report.

 Refer to the Financial Report 2018, p. 35ff

(GRI) 102-45, 102-49

This Sustainability Report refers to the entire Austrian Post Group for the first time and covers the same scope as the Non-financial Report. However, due to the fact that the parent company Austrian Post (AG) generates most of the Group revenue (88%) and has the largest number of employees (85%), the impact of subsidiaries is considered to be immaterial in comparison. The database and quality of the subsidiaries is being continuously improved and upgraded.


 Refer to the Financial Report 2018, p. 36

(GRI) 102-48

The data collection system was expanded due to the fact that the scope of the report was enlarged to include the fully-consolidated subsidiaries. The measurement methods used were selected in a similar fashion as with the prior sustainability report. Individual deviations will be noted appropriately.

(GRI) 102-56

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

 Refer to p. 104f

Reporting Boundaries, Calculation Methods, Conversion Methods and Conversion Factors Relating to Greenhouse Gas Emissions Generated

(GRI) 302-1, 305-1, 305-2, 305-3

Reporting encompasses the parent company Austrian Post (AG) as well as its fully consolidated subsidiaries. A list of all the subsidiaries is included in the Non-financial Report of the Annual Report. There is no breakdown according to region for reporting in accordance with GRI Standards due to the fact that the main market is in Austria.

 Refer to the Financial Report 2018, p. 37

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

There are no air mail delivery services within Austria. Emissions from domestic rail traffic are evaluated each year but are not material due to the low volume. Calculation of the CO₂ emissions of Austrian Post (AG) and its subsidiaries feibra, Post Systemlogistik and Post Wertlogistik from road transport is the responsibility of the Group Vehicle

Management organisational unit. The basic data for calculating the emissions of Austrian Post is 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 on kilometres driven for "external shipping companies" for letter mail comes from databases which distinguish between the fields of distribution and freight traffic. The data for "external shipping companies" for parcels is determined by a calculation of ratios. The parcel delivery volume of the outsourced external companies is compared to the parcel delivery volume of Austrian Post to calculate mileage. This results in a figure for total mileage, which is multiplied by the average fuel consumption of the Austrian Post vehicles taking account of the particular vehicle category. The result is the fuel consumption of the shipping companies.

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

The environmental indicators of the international subsidiaries are based on data directly obtained from the respective subsidiaries. Environmental indicators of the national subsidiaries are determined in cooperation with the subsidiaries and by the CSR and Environmental Management Department with the assistance of Group Real Estate. The

subsequent plausibilisation and consolidation of the indicators supplied by all subsidiaries is implemented by the CSR and Environmental Management Department. In the case of implausible figures, an extrapolation is carried out on the basis of average values applying to Austrian Post (AG).

The CO₂ emission factors for natural gas, heating oil, diesel and petrol for Austrian Post (AG) and the national subsidiaries are derived from the database of the Federal Environmental Agency. In line with contracts with energy suppliers, the electricity is green electricity from Austria. The Austria mix from the database of the Federal Environmental Agency in 2017 is used to calculate the CO₂ emissions. All emission factors involve CO₂ equivalents. It is important to mention here that the term "CO₂" is to be equated with CO₂ equivalents in the entire report. Exceptions are emissions of the district heat companies in Vienna, Graz and Hall. For Fernwärme Wien, the emission factor from the 2005 report of the Federal Environmental Agency on the company Fernwärme Wien is used. Information provided by operators is used in determining the emission factors for "Fernwärme Graz" and "Fernwärme Linz". CO₂ equivalents are not used in these three exceptional cases.

Emission factors from the database of the Federal Environmental Agency are also used for natural gas, heating oil, diesel and petrol for the international subsidiaries. The emission factors from the respective countries are the basis for electricity and district heat. These are derived from the ecoinvent database. All CO₂ emission factors are reviewed and updated on an annual basis.

FACTS & FIGURES

Indicators create transparency and show possibilities for improvement. In this way Austrian Post can manage measures being taken and steer target achievement. The development of indicators is depicted over a three-year period.

The development of Austrian Post in 2018 is characterised by declining mail revenue (–2.5%) and rising parcel revenue (+11.5%). The analysis of the financial and non-financial indicators clearly reflects this. The consequences of these developments with regard to financial indicators (revenue and earnings) could be kept stable as predicted. Changes in the services provided (growth of parcel volumes and the accompanying increase in the kilometres driven as well as individualised delivery services for private customers relating to delivery times and locations) also impact

non-financial indicators in the fields of employees, society and the environment.

Data compilation in the scope of consolidation of the Group was expanded in 2018. For this reason, the non-financial indicators on a Group level are not directly comparable with the information provided in the previous year. The company is working on ensuring further harmonisation in order to enable improved comparability of indicators on a Group level. For this reason, changes will be commented upon in each case in relation to Austrian Post (AG).

Employee Indicators

Employees (GRI) 102-8, 102-41 (SDG) 8

The total number of employees working for Austrian Post (AG) rose slightly from 17,225 full-time equivalents (FTE) in 2017 to 17,406 in 2018. This is due to the good capacity utilisation for letter mail items as well as the increasing

volume development in the parcel business reflected in a double-digit growth rate of 11.1% in transported parcel volumes in 2018.

	Austrian Post (AG)			Group ¹	
	2016	2017	2018	2017	2018
Total Employees (FTE²)	17,448	17,225	17,406	19,956	20,545
thereof women	5,068	5,027	5,264	5,996	6,481
thereof women (FTE in %)	29.0	29.2	30.2	30.0	31.5
thereof men	12,380	12,198	12,142	13,960	14,064
thereof men (FTE in %)	71.0	70.8	69.8	70.0	68.5
Civil servants (FTE)³	7,642	7,056	6,315	n/a	n/a
thereof women ⁴	–	1,037	921	n/a	n/a
thereof men ⁴	–	6,019	5,394	n/a	n/a
Salaried employees (FTE)	9,582	9,991	10,914	n/a	n/a
thereof women ⁴	–	3,913	4,265	n/a	n/a
thereof men ⁴	–	6,078	6,649	n/a	n/a
Employees pursuant to the Austrian Civil Code (ABGB, FTE)^{3,5}	225	179	178	n/a	n/a
thereof women ⁴	–	77	78	n/a	n/a
thereof men ⁴	–	102	99	n/a	n/a
Full-time employees (head-count)	15,512	15,256	15,324	n/a	18,228
thereof women (in %)	23.5	23.5	24.5	n/a	n/a
thereof men (in %)	76.5	76.5	75.5	n/a	n/a
Part-time employees (head-count)	3,395	3,474	3,600	n/a	3,951
thereof women (in %)	75.9	74.4	73.7	n/a	n/a
thereof men (in %)	24.1	25.6	26.3	n/a	n/a
Average tenure of civil servants (years)	32	33	34	n/a	n/a
Average tenure of salaried employees (years)	11	10	10	n/a	n/a
Temporary staff (FTE)	246	326	389	n/a	n/a

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. For this reason, the indicator "Total employees (FTE) does not correspond to the total number of employees (FTE) included in Financial Report on p. 45.

Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents

³ All civil servants are employed for an unlimited period of time. Salaried employees are also employed for an unlimited period of time for the most part. In 2018, 456 FTE were employed for fixed periods of time (including employees undergoing a trial period and who then receive a permanent employment contract.) Employees pursuant to the Austrian Civil Code are principally employed for fixed periods of time.

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

⁵ They are not subject to the collective wage agreement in line with stipulations contained in the Postal Services Structure Act (Sect. 19 Para. 5 PTSKG).

Employee Turnover 102-48, 401-1

The turnover statistics showed a trend towards increasing employee turnover, which reflects the current situation on the labour market. The general favourable economic situation has inherently led to increased willingness of employees to change jobs. Austrian Post (AG) initiated a

programme in response to this development as a means of reducing employee turnover and ensuring the long-term retention of employees in the company. Relevant measures were developed and implemented in the administrative, as well as in Mail- and Parcel & Logistics divisions.

	Austrian Post (AG)			Group ¹	
	2016	2017	2018	2017	2018
Employee attrition (total staff departures)²	2,072	2,309	2,548	n/a	3,280
thereof women	879	885	918	n/a	1,211
thereof men	1,193	1,424	1,630	n/a	2,069
By age group					
under 30	475	651	735	n/a	969
30–50 years	755	764	789	n/a	1,130
over 51	842	894	1,024	n/a	1,181
Employee attrition (staff departures in %)^{2,3}	11.1	12.3	13.6	n/a	14.8
thereof women	42.4	38.3	36.0	n/a	36.9
thereof men	57.6	61.7	64.0	n/a	63.1
By age group					
under 30	22.9	28.2	28.8	n/a	29.5
30–50 years	36.4	33.1	31.0	n/a	34.5
over 51	40.6	38.7	40.2	n/a	36.0
New employee hires (total)²	1,548	2,442	n/a ⁴	n/a	n/a
thereof women	702	1,050	n/a ⁴	n/a	n/a
thereof men	846	1,392	n/a ⁴	n/a	n/a
By age group					
under 30	889	1,346	n/a ⁴	n/a	n/a
30–50 years	607	1,017	n/a ⁴	n/a	n/a
over 51	52	79	n/a ⁴	n/a	n/a
New employee hires (in %)^{2,3}	8.3	13.2%	n/a ⁴	n/a	n/a
thereof women	45.3	43.0	n/a ⁴	n/a	n/a
thereof men	54.7	57.0	n/a ⁴	n/a	n/a
By age group					
under 30	57.4	55.1	n/a ⁴	n/a	n/a
30–50 years	39.2	41.6	n/a ⁴	n/a	n/a
over 51	3.4	3.2	n/a ⁴	n/a	n/a

¹ Austrian Post Group 2017: This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group.

² 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.

³ Persons leaving or hired in relation to the average number of employees.

⁴ 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 2018 financial year cannot be disclosed in light of the fact that the current Sustainability Report was already published in March. New employee hires for this reporting year will be included in the Sustainability Report in the subsequent year.

A review of diversity at Austrian Post (AG) in 2018 showed a continuation of the balanced mix of employees by age groups. The indicator “Women in executive positions”

revealed an increase in the proportion of women in 2018 as a consequence of Austrian Post's (AG) ongoing measures to promote the career advancement of women.

	Austrian Post (AG)			Group ¹	
	2016	2017	2018	2017	2018
Employees with special needs (total as of December 31st)	1,226	1,243	1,207	n/a	n/a
Employees (FTE¹) by age group	17,448	17,225	17,406	19,956	20,545
under 30	2,068	2,317	2,731	2,799	3,396
30–50 years	8,241	7,690	7,535	9,325	9,377
over 51	7,139	7,218	7,139	7,832	7,772
Employees by age group in %					
under 30	11.9	13.5	15.7	14.0	16.5
30–50 years	47.2	44.6	43.3	46.7	45.6
over 51	40.9	41.9	41.0	39.2	37.8
Employees in management positions (FTE)²	921	887	778	993	972
thereof women	213	202	186	224	245
thereof men	708	685	591	769	727
By age group					
under 30	11	14	19	n/a	24
30–50 years	480	438	363	n/a	513
over 51	430	435	395	n/a	435
Employees in management positions in %^{1, 2}	5.3	5.1	4.5	5.0	4.7
thereof women	23.1	22.8	24.0	22.6	25.2
thereof men	76.9	77.2	76.0	77.4	74.8
By age group					
under 30	1.2	1.6	2.5	n/a	2.5
30–50 years	52.2	49.3	46.7	n/a	52.8
over 51	46.7	49.0	50.9	n/a	44.8

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo.
Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents

³ Management Board members, management team (reporting directly to the Management Board), expanded management team (directly reporting to the management team or executives) and leadership conference (employees of the reporting level 2 to 5 responsible for at least three employees) as well as all other executives, who are responsible for at least three employees.

Sick Leave and Accident Indicators 102-48, 403-9:2018, 3, 8

A statistically higher number of occupational accidents has been registered since 2018. This is attributable to an improved and thus changed data compilation and evaluation system. The rate of people on sick leave remained virtually unchanged despite the increase in parcel volumes.

	Austrian Post (AG)			Group ¹	
	2016	2017	2018	2017	2018
Employees on sick leave (FTE² in %)	8.9	10.1	10.6	n/a	9.7
thereof women (in %)	35.7	26.6	27.3	n/a	n/a
thereof men (in %)	64.3	73.4	72.7	n/a	n/a
Days lost per sick leave (working days)	10.5	11.3	11.6	n/a	n/a
thereof women	8.4	8.8	9.0	n/a	n/a
thereof men	11.7	12.9	13.2	n/a	n/a
Number of occupational accidents³	654	617	718	676	809
thereof women	235	236	292	n/a	n/a
thereof men	419	381	426	n/a	n/a
thereof serious accidents	11	11	8	n/a	n/a
thereof women	4	1	2	n/a	n/a
thereof men	7	10	6	n/a	n/a
thereof fatal accidents	0	0	0	0	3
Accident frequency^{3, 5}	23	22	25	n/a	n/a
Accident frequency for serious accidents^{3, 4, 5}	0.4	0.4	0.3	n/a	n/a

¹ Austrian Post Group 2017: This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo.
Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents

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

⁴ Accidents beginning with six months or more lost. Only actual absence from work is reported, whereas expected times of absence are not taken into account.

⁵ Number of occupational accidents (starting with one working day lost) in relation to the hours worked, referring to one million working hours. The calculation takes place analogously for the accident rate for serious accidents.

Further Education and Professional Development

The number of seminar participants increased compared to the prior-year level, whereas the number of seminars remained stable. The number of person-hours at 118,415 was above the long-term average. The indicators for 2017 were

impacted by special effects such as the discontinuation of participant registration for heart rate variability measurements at the delivery bases.

	Austrian Post (AG) ¹			Group ²	
	2016	2017	2018	2017	2018
Number of seminars	1,048	1,066	1,062	1,133	1,259
Number of participants	5,136	6,092	6,473	6,326	6,868
thereof women (in %)	32.5	34.3	39.2	n/a	n/a
thereof men (in %)	67.5	65.7	60.8	n/a	n/a
Person hours	100,442	131,894	118,415	n/a	123,496
Average annual number of person hours for women	5.9	8.6	7.7	n/a	n/a
Average annual number of person hours for men	5.0	6.3	5.5	n/a	n/a

¹ Indicators 2016 apply to employees of Austrian Post (AG) incl. national subsidiaries. Indicators for 2017 and 2018 apply to Austrian Post (AG) excl. national subsidiaries.

² **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo.
Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group.

Environmental Indicators

Fundamentally speaking, all indicators are based on both real data and extrapolations. These extrapolations are necessary due to the fact that the availability of real data is limited at the time of data collection. The approach used in making extrapolations is continually evaluated and improved. The strong growth in the Parcel & Logistics Division has resulted in the most frequent increases in indicators compared to the previous year.

Data compilation in the scope of consolidation of the Group was expanded in 2018. Furthermore, data collection

has been expanded within the scope of consolidation. The entire Group is presented with the exception of one subsidiary. In comparison to the previous year, the CO₂e emission factors were also updated for the subsidiaries. For this reason, it is not possible to directly carry out a comparison with the prior-year figures on a Group level. Moreover, developments of the respective indicators are only explained for Austrian Post (AG).

Energy Overview 302-1, 7, 12, 13

The entire energy consumption of Austrian Post (AG) for its commercial properties and vehicle fleet increased by 3 % year-on-year to about 402m kWh. However, energy consumption of its property holdings fell by 3 % to about 122m kWh. Energy consumption of the Austrian Post (AG)

vehicle fleet rose by 6 %. The main influencing factor in this regard was parcel volume growth of 11.1 %. This required a spatial extension of logistics processes and a conversion to larger and more powerful vehicles.

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017 ²	2018	2017	2018
Energy consumption buildings and vehicle fleet	m kWh	384.1	389.0	401.7	469.7	484.4
Energy consumption buildings (total) ³	m kWh	125.2	125.5	121.6	147.7	143.5
Energy consumption vehicle fleet (total) ⁴	m kWh	258.9	263.5	280.0	322.0	340.9

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo.

Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

² Within the context of the audit, indicators relating to external vehicles for the year 2017 were revised upwards due to adjustments made to the original calculations.

³ Energy indicators for property holdings in the year 2018 include all space occupied by Austrian Post (office space, delivery bases, logistics centres, branch offices). The indicators for Austrian Post (AG) are based on real data available as at the deadline of January 17, 2019. The remaining share is based on estimates. Indicators for subsidiaries are based on data made available by them as at the deadline of January 24, 2019. Extrapolations were used in some cases.

⁴ Energy indicators for the vehicle fleet in 2018 refer to all motorised vehicles of Austrian Post. The indicators for Austrian Post (AG) are based on real data. The indicators applying to subsidiaries is based on data made available by them as at the deadline of January 24, 2019. Extrapolations were used in some cases.

Energy – Property and Buildings 302-1, 302-4 7, 8, 12, 13

Austrian Post (AG) administered more than one million square metres of building space. The total area in m² rose slightly by 1% in 2018 compared to the previous year. The entire amount of energy consumed by property holdings fell by 3% to about 122m kWh due to adjustments carried out in

the data collection and evaluation system combined with energy efficiency measures. Specific CO₂ emissions in tonnes per thousand m² declined even more strongly and was down by 10 %.

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017	2018	2017	2018
Building space (m²)	m ²	1,053,200	1,048,295	1,055,669	1,185,294	1,208,212
Total energy consumption building²	m kWh	125.2	125.5	121.6	147.7	143.5
Natural gas	m kWh	33.2	32.3	32.7	42.3	42.5
Heating oil	m kWh	3.1	3.1	2.0	3.3	2.1
District heat	m kWh	32.6	34.5	30.3	36.9	33.0
Electricity (total)	m kWh	56.3	55.6	56.6	65.3	65.8
thereof electricity from renewable energy sources	m kWh	52.8	52.4	55.4	55.4	59.0
thereof electricity from own photovoltaic plants	m kWh	1.3	1.5	1.4	1.5	1.6
thereof grey electricity	m kWh	3.5	3.1	1.2	9.9	6.8

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. **Austrian Post Group 2018:** The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

² Energy indicators for property holdings in the year 2018 include all space occupied by Austrian Post (office space, delivery bases, logistics centres, branch offices). The indicators for Austrian Post (AG) are based on real data available as at the deadline of January 17, 2019. The remaining share is based on estimates. Indicators for subsidiaries are based on data made available by them as at the deadline of January 24, 2019. Extrapolations were used in some cases.

Energy – Vehicle Fleet 302-1 7, 12, 13

In 2018 Austrian Post (AG) travelled a total of 170m km to render its services. The number of kilometres driven rose by 5 % as a result of increased parcel volumes. Volume growth of 11.1% and weight increases in this segment not only required a conversion to larger and more powerful vehicles but a spatial extension of logistics processes, in particular in the case of third-party vehicles deployed to transport goods (vehicles > 3.5 t). This freight transport and

use of lorries led to a vehicle-related rise in fuel consumption. For this reason, overall fuel consumption climbed by 6 % to 280 million kWh. Austrian Post (AG) cannot directly influence energy consumption by external vehicles, which is why the company implements a large number of measures in its own vehicle fleet (expansion of e-mobility, modern and efficient vehicle fleet).

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017 ²	2018	2017	2018
Kilometres driven ³	m km	160.2	162.2	170.1	218.5	229.4
Total fuel consumption vehicle fleet ³	m kWh	258.9	263.5	280.0	322.0	340.9
thereof own vehicle fleet	m kWh	166.0	170.7	176.5	198.7	208.5
thereof electricity consumption e-mobility	m kWh	0.6	1.1	1.2	1.1	1.2
thereof external vehicle fleet	m kWh	93.0	92.8	103.5	123.3	132.3

¹ Austrian Post Group 2017: This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

² Within the context of the audit, indicators relating to external vehicles for the year 2017 were revised upwards due to adjustments made to the original calculations.

³ Energy indicators for the vehicle fleet in 2018 refer to all motorised vehicles of Austrian Post. The indicators for Austrian Post (AG) are based on real data. The indicators applying to subsidiaries are based on data made available by them as at the deadline of January 24, 2019. Extrapolations were used in some cases.

CO₂e emissions (Scope 1–3) of Austrian Post (AG) increased by 3% to 71,389 tonnes compared to the previous year. Strong parcel growth was the main factor responsible for this rise in emissions. The CO₂e emissions in Austrian Post's (AG) property and buildings (Scope 1 and

Scope 2) was up 9% to 12,365 tonnes. The 7% increase in CO₂e emissions (Scope 1 and Scope 3) in the vehicle fleet to 59,024 tonnes offset the drop in emissions in the company's property and buildings.

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017	2018	2017	2018
Total CO₂e emissions (Scope 1–3)² according to the Greenhouse Gas Protocol	t CO ₂ e	67,491	68,982	71,389	89,166	95,354
CO₂e emissions buildings	t CO ₂ e	12,707	13,649	12,365	18,941	17,829
CO ₂ e Scope 1 – buildings	t CO ₂ e	7,473	7,312	7,078	9,343	9,073
Natural gas	t CO ₂ e	6,630	6,462	6,541	8,455	8,506
Heating oil	t CO ₂ e	843	850	537	888	567
CO ₂ e Scope 2 – buildings ³	t CO ₂ e	5,234	6,337	5,287	9,598	8,756
District heat	t CO ₂ e	5,003	5,401	4,991	5,858	5,543
Electricity	t CO ₂ e	231	936	296	3,740	3,213
CO₂e emissions vehicle fleet	t CO ₂ e	54,784	55,333	59,024	70,225	77,525
CO ₂ e Scope 1 – own vehicle fleet	t CO ₂ e	35,154	35,713	37,065	42,804	47,953
CO ₂ e Scope 3 – Partner companies	t CO ₂ e	19,630	19,620	21,959	27,421	29,573

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. **Austrian Post Group 2018:** The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

² All gases named by GRI are taken into account in calculating Scope 1, Scope 2 and Scope 3 emissions. In order to fulfil GRI requirements, the CO₂e emissions for Austrian Post (AG) for the base year 2013 are listed as follows: CO₂ Scope 1 – road transport (own emissions: 35,199 t; CO₂ Scope 1 – buildings: 8,887 t; CO₂ Scope 2 – buildings: 6,346 t; CO₂ Scope 3 – partner companies: 19,951 t. These figures refer exclusively to Austrian Post (AG). The difference to previously published CO₂ emission figures for the year 2013 arises by not taking account of Post Wertlogistik GmbH.

³ The calculation of Scope 2 emissions (electricity and district heat) for Austrian Post (AG) 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), CO₂e emissions for the year 2018 are at 19,839.9 tonnes. This shows the impact of procuring electricity from renewable energy sources. The calculation of Scope 2 emissions (electricity and district heat) for the national subsidiaries is carried out in line with the market-based method. This means supplier-specific emission factors are used if available. The calculation of Scope 2 emissions (electricity and district heat) for international subsidiaries is carried out in line with the location-based method.

Relative Emissions 302-1, 7, 12, 13

Due to the changes in the mail and parcel businesses, it makes sense to compare CO₂e emissions to the respective reference value. CO₂e emissions of property and buildings fell by 10 % to 11.7 tonnes per thousand m², a

more pronounced decrease than for absolute emissions. CO₂e emissions of the vehicle fleet climbed by 2 % to about 347 tonnes of CO₂e per million kilometres, less than the comparable increase for absolute CO₂e emissions.

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017	2018	2017 ¹	2018
Relative CO ₂ e emissions buildings ²	t CO ₂ e/1000 m ²	12.1	13.0	11.7	16.0	14.8
Relative CO ₂ e emissions vehicle fleet	t CO ₂ e/m km	342.0	341.1	347.0	321.5	337.9

¹ Austrian Post Group 2017: This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

² All gases named by GRI are taken into account in calculating Scope 1, Scope 2 and Scope 3 emissions. In order to fulfil GRI requirements, the CO₂ emissions for Austrian Post (AG) for the base year 2013 are listed as follows: CO₂ Scope 1 – road transport (own emissions: 35,199 t; CO₂ Scope 1 – buildings: 8,887 t; CO₂ Scope 2 – buildings: 6,346 t; CO₂ Scope 3 – partner companies: 19,951 t. These figures refer exclusively to Austrian Post (AG). The difference to previously published CO₂ emission figures for the year 2013 arises by not taking account of Post Wertlogistik GmbH.

Vehicles

The number of e-vehicles in the Austrian Post (AG) vehicle fleet in 2018 was up 12 % to 1,592. The total number of vehicles rose by 7 % to 9,257 in comparison to the prior-year figure. This can be attributed to the fact that new vehicles

were put into operation at the end of 2018. However, the decommissioned vehicles were not yet eliminated from the vehicle fleet during the period under review, which explains the increase.

	Austrian Post (AG)			Group ¹	
	2016	2017	2018	2017	2018
Total vehicles	8,735	8,680	9,257	9,952	10,473
Bicycles	807	714	719	715	758
thereof electric bicycles	683	613	620	613	621
Mopeds	882	809	921	944	970
thereof electric mopeds	370	369	416	370	417
Vehicles up to 3.5 t	6,893	6,996	7,467	8,066	8,529
thereof natural gas-driven vehicles up to 3.5 t	2	0	0	0	3
thereof e-vehicles up to 3.5 t	334	441	556	443	559
Vehicles over 3.5 t	153	161	150	227	216

¹ Austrian Post Group 2017: This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

Paper

Paper consumption fell by 70 tonnes due to a variety of different measures (printer settings, awareness building measures, etc.). The share of paper from sustainable sources (FSC or PEFC) remains at a constant high level (more than 90%).

	Unit	Austrian Post (AG)			Group ¹	
		2016	2017	2018	2017	2018
Total paper consumption	t	6,302	5,539	5,469	5,755	5,697
thereof sustainably produced paper (PEFC and FSC paper)	t	5,443	5,372	5,195	5,415	5,243

¹ **Austrian Post Group 2017:** This includes Austrian Post (AG) and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo.
Austrian Post Group 2018: The indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

GRI INDEX

(GRI) 102-55

In the following GRI Index, the standard disclosures made by Austrian Post, material topics and at least one related indicator are listed in line with the “Core” option. 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	Information on Disclosure or Reference	Reasons for the Omission/ Comments
UNIVERSAL STANDARDS						
GRI 101: FOUNDATION 2016						
GRI 102: GENERAL DISCLOSURES 2016						
ORGANISATIONAL PROFILE						
GRI 102	General Disclosures	102-1	Name of the organization		Österreichische Post AG (Austrian Post)	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services		p. 40f Financial Report 2018: p. 04f	
GRI 102	General Disclosures	102-3	Location of headquarters		Rochusplatz 1, 1030 Vienna, Austria	
GRI 102	General Disclosures	102-4	Location of operations		p. 41 Financial Report 2018: p. 04f	
GRI 102	General Disclosures	102-5	Ownership and legal form		p. 40f Financial Report 2018: p. 14ff	
GRI 102	General Disclosures	102-6	Markets served		p. 41 Financial Report 2018: p. 05	
GRI 102	General Disclosures	102-7	Scale of the organization		p. 40f, 64 Financial Report 2018: p. 04f, 66ff, 116ff	
GRI 102	General Disclosures	102-8	Information on employees and other workers	SDG 8: Decent Work and Economic Growth	p. 85	Part of the services rendered in the field of goods transport and parcel delivery are handled by external transport companies.
GRI 102	General Disclosures	102-9	Supply Chain	SDG 8: Decent Work and Economic Growth	p. 49f	
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain		p. 40f, 50	
GRI 102	General Disclosures	102-12	External initiatives		p. 44f	
GRI 102	General Disclosures	102-13	Membership of associations		post.at/memberships	
SUSTAINABLE CORPORATE GOVERNANCE						
GRI 102	General Disclosures	102-11	Precautionary Principle or approach		p. 47f Financial Report 2018: p. 20f, 78ff	
GRI 102	General Disclosures	102-14	Statement from senior decision-maker		p. 39	
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities		p. 62, 66, 74, 80 Financial Report 2018: p. 85ff	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	SDG 16: Peace, Justice and Strong Institutions	p. 46ff Financial Report 2018: p. 50ff	
GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	SDG 16: Peace, Justice and Strong Institutions	Financial Report 2018: p. 50ff	
GRI 102	General Disclosures	102-18	Governance structure		p. 46f Financial Report 2018: p. 20ff	
GRI 102	General Disclosures	102-19	Delegating authority		Financial Report 2018: p. 21ff	
GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics		p. 46f	
GRI 102	General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	SDG 16: Peace, Justice and strong institutions	p. 53 Financial Report 2018 p. 38	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 21ff	
GRI 102	General Disclosures	102-23	Chair of the highest governance body	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 21ff	
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	SDG 5: Gender Equality SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 24f	
GRI 102	General Disclosures	102-25	Conflicts of interest	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 26	Reporting on this disclosure is voluntary and therefore incomplete.
GRI 102	General Disclosures	102-35	Remuneration policies		Financial Report 2018: p. 12, 27ff	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	SDG 8: Decent Work and Economic Growth	p. 85	
STAKEHOLDER MANAGEMENT						
GRI 102	General Disclosures	102-40	List of stakeholder groups		p. 52	
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders		p. 52	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement		p. 53, 61, 68	
GRI 102	General Disclosures	102-44	Key topics and concerns raised		p. 53, 61	
REPORTING PRACTICE						
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements		p. 40f, 82 Financial Report 2018: p. 37, 115f, 188	
GRI 102	General Disclosures	102-46	Defining report content and topic Boundaries		p. 40f, 54ff	
GRI 102	General Disclosures	102-47	List of material topics		p. 40f, 54ff	
GRI 102	General Disclosures	102-48	Restatements of information		p. 82, 86, 88	
GRI 102	General Disclosures	102-49	Changes in reporting		p. 82	
GRI 102	General Disclosures	102-50	Reporting period		p. 82	
GRI 102	General Disclosures	102-51	Date of most recent report		March 14, 2019	
GRI 102	General Disclosures	102-52	Reporting cycle		p. 82	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report		p. 106	
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards		p. 82	
GRI 102	General Disclosures	102-55	GRI content index		p. 96f	
GRI 102	General Disclosures	102-56	External assurance		p. 82, 104f	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/Comments
MATERIAL TOPIC: GROWTH AND VALUE CREATION						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 57	
GRI 103	Management Approach	103-2	The management approach and its components		p. 57	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 58	
GRI 201: ECONOMIC PERFORMANCE 2016						
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	SDG 2: Zero Hunger SDG 5: Gender Equality SDG 7: Affordable and Clean Energy SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure	p. 59f Financial Report 2018: p. 69ff	Not applicable. Information on this disclosure is not applicable.
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	SDG 13: Climate Action	p. 80	Limitations due to confidentiality. Costs and financial risks or opportunities are not disclosed for reasons of confidentiality.
GRI 203: INDIRECT ECONOMIC IMPACTS 2016						
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	SDG 2: Zero Hunger SDG 5: Gender Equality SDG 7: Affordable and Clean Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities	p. 60, 63	In this case, the investments are commercial in nature.
MATERIAL TOPIC: CORPORATE CULTURE AND WORLDS OF WORK						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 47f, 67 Financial Report 2018: p. 41ff, 50ff	
GRI 103	Management Approach	103-2	The management approach and its components		p. 47f, 66ff Financial Report 2018: p. 41ff, 50ff	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 67 Financial Report 2018: p. 41f, 51ff	
GRI 205: ANTI-CORRUPTION 2016						
GRI 205	Anti-corruption	205-1	Operations assessed for risks related to corruption	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 51	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 53f	
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 54	There were no cases of corruption during the reporting period.

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016						
GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SDG 16: Peace, Justice and strong institutions	In the year 2018 there were no lawsuits filed against Austrian Post nor sanctions or fines imposed upon the company for anti-competitive behaviour, formation of cartels or monopolistic practices, based on the Federal Act Against Unfair Competition (UMG) or the Austrian Cartel Act (KartG).	
GRI 401: EMPLOYMENT 2016						
GRI 401	Employment	401-1	New employee hires and employee turnover		p. 86	Not applicable. In line with Austrian Post's internal definition, the annual average is used to calculate new employee hires and employee turnover.
GRI 401	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		p. 69	
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016						
GRI 402	Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	SDG 8: Decent work and economic growth	Generally speaking, the rules relating to participation on the part of employee representatives in organisational changes is regulated by the Labour Constitution Act. Moreover, Austrian Post is obliged to comply with the stipulations contained in the Postal Service Works Constitution Act. In line with Section 72 Para. 3/7 of this law, Austrian Post is required to inform employee representatives in a timely manner before organisational changes take place and to promptly negotiate with them. Based on these regulations, organisational changes are coordinated with the employee representatives more than two months on average before they are implemented.	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016						
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SDG 5: Gender Equality SDG 8: Decent work and economic growth	p. 70, 87	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016						
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SDG 16: Peace, Justice and strong institutions	In the year 2018 there were no lawsuits filed against Austrian Post nor sanctions or fines imposed upon the company for anti-competitive behaviour, formation of cartels or monopolistic practices, based on the Federal Act Against Unfair Competition (UMG) or the Austrian Cartel Act (KartG).	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
MATERIAL TOPIC: RESOURCE EFFICIENCY						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 75	
GRI 103	Management Approach	103-2	The management approach and its components		p. 74, 79	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 75f	
GRI 301: MATERIALS 2016						
GRI 301	Materials	301-1	Materials used by weight or volume	SDG 8: Decent work and economic growth SDG 12: Responsible Consumption and Production	p. 95	
GRI 301: EFFLUENTS AND WASTE 2016						
						The information is not available: Waste at Austrian Post arises because of deliveries made by customers. This waste primarily consists of cardboard, plastic films and waste wood. Operational waste management is the responsibility of the respective site. Waste is only handed over to authorised waste management companies. They subsequently introduce these valuable waste materials either to the recovery or disposal cycles. Austrian Post is working intensively on a centralization and bundling of its strategic and operational waste management. A database is to be created in the coming years to as the basis for reporting.
GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	SDG 3: Good health and Wellbeing SDG 12: Responsible Consumption and Production	p. 80	
MATERIAL TOPIC: CLIMATE PROTECTION AND ENERGY						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 75	
GRI 103	Management Approach	103-2	The management approach and its components		p. 74, 76	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 75f	
GRI 302: ENERGY 2016						
GRI 302	Energy	302-1	Energy consumption within the organization	SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action	p. 82, 90f	
GRI 302	Energy	302-4	Reduction of energy consumption	SDG 7: Affordable and Clean Energy SDG 8: Decent work and economic growth SDG 12: Responsible Consumption and Production SDG 13: Climate Action	p. 79, 91	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
GRI 305: EMISSIONS 2016						
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	SDG 3: Good health and Wellbeing SDG 12: Responsible Consumption and Production SDG 13: Climate Action	p. 82, 93	Not applicable: Austrian Post does not generate biogenic CO ₂ emissions. Information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the Austrian Federal Environmental Agency which GWP will be used and the source will be disclosed.
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	SDG 3: Good health and Wellbeing SDG 12: Responsible Consumption and Production SDG 13: Climate Action	p. 82, 93	Information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the Austrian Federal Environmental Agency which GWP will be used and the source will be disclosed.
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	SDG 3: Good health and Wellbeing SDG 12: Responsible Consumption and Production SDG 13: Climate Action	p. 82, 93	Information is not available: The Global Warming Potential (GWP) and the source of the GWPs are not known. By the time the next report is published in 2019, it will be clarified with the Austrian Federal Environmental Agency which GWP will be used and the source will be disclosed.
MATERIAL TOPIC: RESPONSIBLE PROCUREMENT						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 49	
GRI 103	Management Approach	103-2	The management approach and its components		p. 49, 80	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 50 Financial Report 2018: p.51	
GRI 102: GENERAL DISCLOSURES 2016						
GRI 102	General Disclosures	102-9	Supply chain	SDG 8: Decent Work and Economic Growth	p. 49f	
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain		p. 50	
GRI 204: PROCUREMENT PRACTICES 2016						
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	SDG 12: Responsible Consumption and Production	p. 50	The term "local suppliers" refers to Austrian suppliers.
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016						
GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken		Financial Report 2018: p. 51	No significant social and environmental impacts are known with respect to verified suppliers.
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016						
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	SDG 5: Gender Equality SDG 8: Decent work and economic growth SDG 16: Peace, Justice and strong institutions	Financial Report 2018: p. 51	No significant social and environmental impacts are known with respect to verified suppliers.

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
MATERIAL TOPIC: OCCUPATIONAL SAFETY AND HEALTH PROTECTION						
GRI 103: MANAGEMENT APPROACH 2016						
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 67	
GRI 103	Management Approach	103-2	The management approach and its components		p. 66, 70	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 67	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016/2018						
GRI 403	Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	SDG 8: Decent work and economic growth	p. 71	Not applicable: Data on occupational illnesses is not compiled, because it is not relevant. Productive hours are not disclosed for reasons of confidentiality. Conversion to the new standard: productive hours of temporary staff are not available. For this reason, the frequency of accidents incurred by temporary staff cannot be reported at the present time. In 2019 an evaluation will take place to determine whether accident frequency for temporary staff can be included.
GRI 403	Occupational Health and Safety	403-9	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SDG 3: Good Health and Wellbeing SDG 8: Decent work and economic growth	p. 88	The information is not available: Presentation of temporary workers according to gender.
GRI 403	Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions	SDG 8: Decent work and economic growth	p. 71f	
GRI 404: TRAINING AND EDUCATION 2016						
GRI 404	Training and Education	404-1	Average hours of training per year per employee	SDG 4: Quality education SDG 5: Gender Equality	p. 73, 89	The information is not available: In line with the database 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	Programmes for upgrading employee skills and transition assistance programmes	SDG 8: Decent work and economic growth	p. 72f	

MATERIAL TOPIC: DATA PROTECTION AND DATA SECURITY

GRI 103: MANAGEMENT APPROACH 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		Financial Report 2018: p. 47	
GRI 103	Management Approach	103-2	The management approach and its components		Financial Report 2018: p. 47f	
GRI 103	Management Approach	103-3	Evaluation of the management approach		Financial Report 2018: p. 49	

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	SDGs	Information on Disclosure or Reference	Reasons for the Omission/ Comments
GRI 418: CUSTOMER PRIVACY 2016						
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SDG 16: Peace, Justice and strong institutions	There were no major complaints against Austrian Post in 2018 relating to the violation of customer data protection rules or the loss of customer data above and beyond media reports which were publicised.	

OTHER MATERIAL TOPICS WITHOUT AN EQUIVALENT GRI STANDARD

MATERIAL TOPIC: INNOVATION AND FUTURE TECHNOLOGIES

GRI 103: MANAGEMENT APPROACH 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 57	
GRI 103	Management Approach	103-2	The management approach and its components		p. 57, 60	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 58	Internal performance indicators are currently being evaluated.

MATERIAL TOPIC: SERVICE AND CUSTOMER ORIENTATION

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 57	
GRI 103	Management Approach	103-2	The management approach and its components		p. 57, 61	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 58	Internal performance indicators are the results of the customer satisfaction index (CSI).

MAIN TOPICS: SOCIAL COMMITMENT

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 62	
GRI 103	Management Approach	103-2	The management approach and its components		p. 62, 65	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 63	Internal performance indicator: total expenditures for sponsoring and donations.

MATERIAL TOPIC: CUSTOMER PROXIMITY

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 57, 67	
GRI 103	Management Approach	103-2	The management approach and its components		p. 61	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 58	Internal performance indicators are the results of the customer satisfaction analysis (CSI).

MATERIAL TOPIC: REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary		p. 62	
GRI 103	Management Approach	103-2	The management approach and its components		p. 62f	
GRI 103	Management Approach	103-3	Evaluation of the management approach		p. 63	

INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING

GRI 102-56

To the Board of Directors of Österreichische Post AG.

We have performed an independent assurance on the disclosures and indicators concerning the sustainability performance for the financial year 2018 published in the Sustainability Report 2018 ("the Sustainability Report") Österreichische Post AG, Vienna, ("the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the Sustainability Report in accordance with the reporting criteria. The Company applies the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, "Core" option) as reporting criteria.

The responsibility of the legal representatives of the company includes the selection and application of reasonable methods for sustainability reporting (especially the selection of material topics) as well as the use of assumptions and estimates for individual non-financial disclosures that are reasonable under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls relevant for the preparation of the sustainability reporting in a way that is free of – intended or unintended – material misstatements.

Auditors' Responsibility and Scope of the Engagement

Our responsibility is to state whether, based on our procedures performed, anything has come to our attention that causes us to believe that the Sustainability Report of the Company is not in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, "Core" option) in all material respects.

The engagement scope included the Sustainability Report regarding the GRI Standards listed in the GRI Index.

References to other formats of reporting stated in the GRI Index were assessed for GRI conformity.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance. In spite of conscientious planning and execution of the engagement it cannot be ruled out that material mistakes, unlawful acts or irregularities within the Non-financial Reporting will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel on corporate level, which are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;
- Conduct of a media analysis on relevant information concerning the sustainability performance of the Company in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and

control of the disclosures and indicators concerning the sustainability performance in scope of this assurance agreement, including the consolidation of the data;

- Inquiries of personnel on corporate level responsible for providing and consolidating and for carrying out internal control procedures concerning the disclosures;
- Inspection of internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Inquiry of employees as part of a site visit of a subsidiary in Austria (feibra GmbH) to assess local data collection and reporting processes and the reliability of the reported data;
- Analytical evaluation of the data and trend explanations of quantitative disclosures, submitted by all sites for consolidation at corporate level;
- Evaluation of the consistency of the for the Company applicable requirements of the GRI Standards ("Core" option) with disclosures and indicators in the Sustainability Report;
- Evaluation of the overall presentation of the disclosures by critical reading of the sustainability report.

The procedures that we performed do not constitute an audit or a review in accordance with Austrian professional guidelines, International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE). Our engagement did not focus on revealing and clarifying illegal acts such as fraud, nor did it focus on assessing the

efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures, figures from previous periods and statements from external information sources and expert opinions. Disclosures which were audited within the scope of the Annual Financial Statement were assessed for correct presentation (no substantial testing).

This assurance report is issued based on the assurance agreement concluded with the Company. Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.



The respective latest version of the AAB is accessible at kpmg.at/aab

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company is not in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, "Core" option) in all material respects.

Vienna, 22 February 2019

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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Wirtschaftsprüfer

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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 could cause actual circumstances – and hence actual results – to deviate from the forecasts contained in this report.

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

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

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

Editorial deadline: March 13, 2019

