

MAGAZINE 2017

M

Together  
for Tomorrow

Develop Sustainably Today

## — Contents

### 01 EDITORIAL

#### — FOCUS: TOGETHER FOR TOMORROW

### 02 FEATURE STORY:

*Easier if you enjoy it*

### 11 INTERVIEW WITH THE MANAGEMENT BOARD:

*More closely together*

### 18 CUSTOMER PROFILES:

*One for All – All for One*

### 26 ESSAY:

*Feel-good branch offices*

#### — TECHNOLOGY & INNOVATION

### 30 INTERVIEW: I WANT IT ALL – AND I WANT IT NOW!

### 32 MORE SERVICE. HIGHER PERFORMANCE.

### 37 THE VIRTUES OF NEW TECHNICAL DEVELOPMENTS

#### — TEAM & WORLD OF WORK

### 42 THE NEW WORLD OF WORK – POST AM ROCHUS

### 44 TOGETHER

### 48 FOR ONE ANOTHER

#### — RESPONSIBILITY

### 50 E-MOBILITY

### 54 INTERVIEW: REDUCING INVESTMENT RISKS – THE ATTRACTIVENESS OF SUSTAINABILITY

### 56 A FORMAT TO TELL STORIES

### 58 AUSTRIAN POST

### 60 HAVING THE LAST WORD

### 61 CONTACT AND IMPRINT

## — Editorial



# *Dear readers!*

Austrian Post is successful year after year in spite of intense competition. In the past financial year we were once again able to present very good business results to our shareholders. We can assert ourselves against the competition as a broadly positioned market leader with a highly efficient infrastructure. It constitutes the stable foundation for our high quality standards. Our objective is to fulfil the highest demands placed on us in all our business activities. For this purpose, we continually work on upgrading our products and services for the benefit of our customers.

All of us at Austrian Post tackle challenges together in order to keep our promise of performance. More than 20,500 people work day in and day out to ensure the satisfaction of our customers. Our employees have a job to do and are fully committed to doing it well. Under these conditions it is possible to perform as a whole in a manner which clearly stands out from the average.

This collaborative approach plays an important role beyond the company's boundaries. In laying down a solid foundation today for our Austrian Post to remain successful in the future, we rely on us working together. We get closer to our customers to develop solutions with them which will continue to be convincing tomorrow. In this way, we take advantage of opportunities arising as a consequence of increasing digitalisation and the internationalisation of markets.

We will pay close attention to creating conditions in our company so that we can retain our valuable asset of having "motivated employees". We will turn our attention to solutions which make things easier for our customers. Our aim is to continue in the future and under all circumstances to provide our customers with what they are used to getting from us, i. e. an exceptional performance.

**YOUR GEORG PÖLZL,**  
CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE MANAGEMENT BOARD

“We are on the lookout  
for tomorrow’s solutions.”

Wolfgang Mayr-Lichem,

“Projects & Innovation” department

*Wolfgang*



# EASIER IF YOU ENJOY IT

*Identification  
with the task at hand  
is the beginning  
of real service*

**Life involves people playing many roles. Hardly any of them shape or preoccupy us as much as our professional role. It is where we make a living and spend a large part of our time. A person who enjoys his work is able to motivate others and perform better. Four Austrian Post employees explain why their commitment to their company is worth the effort.**

It is part of the job performed by Wolfgang Mayr-Lichem to repeatedly take other perspectives into account, or, as he says, “to walk in someone else’s shoes.” The business administration graduate has been at Austrian Post for six and a half years. He started in letter mail marketing in 2011. In the meantime, Mayr-Lichem has transferred to the “Projects & Innovation” department of Parcel Logistics Austria. “In my job, I have to reconcile the different interests and needs of different people. For this purpose, we focus on our customers and employees”, states Mayr-Lichem in explaining the basis for his work. The objective is to develop ideas for new solutions and products. Recently the service design method was applied. Under the leadership of Sergeja Mirnik of “Service and Brand Experience Management” of Parcel Logistics Austria, the objective was to find creative, novel and innovative solutions for the complex tasks carried out by customers in their everyday lives.

## Help shape the future with new ideas

The path towards problem solving begins with knowledge building. This knowledge provides the framework for brainstorming. In order to gather information, the problem is examined from every possible angle. The issue of “someone else’s shoes” is reflected in the specific questions which are asked. What would our customers say about this? What would our employees say? What interests do other stakeholders have? A person who continually develops new ideas and puts himself in someone’s place as Mayr-Lichem is bound to be able to think flexibly. “We are on the lookout for tomorrow’s solutions. This requires creativity, which suits me just fine. In my job I can also link this to my affinity for technology. As soon as we consider new solutions, a passion for the latest technology can prove to be helpful”, he adds. Ingenuity

“  
We are  
interested  
in the  
common  
interest  
which  
extends  
far beyond  
Austrian  
Post.”

Wolfgang  
Mayr-Lichem

and inventiveness are needed, but not only on his part. The ideas of different stakeholders are brought together in the process of finding a solution. The phase focusing on generating ideas comprises a special moment for Mayr-Lichem. In this step experts who are not limited to the narrower perspectives of the postal business provide input. “In the discovery phase, the creative aspect is exciting enough in itself. Boundless imagination is called for. This helps people to think out of the box”, as Mayr-Lichem is well aware of. Later the flashes of inspiration are filled out with detail, limits are defined or new ideas are added. In the end only the most promising ideas are left over, and they are the ones which eventually will be put into practice.

Since the summer of 2017, Mayr-Lichem has been primarily working on knowledge building for the City Logistics programme. The focus is on relieving the burden on city centres. The steadily rising number of parcels is traditionally delivered by lorries or small vans. New solutions are being sought against the backdrop of a growth in shipment volumes. These solutions could involve electromobility, alternative delivery solutions by bicycle, using robots or on foot as well as making use of city hubs. “When it comes to potential ideas, we have to think in broad terms. This may range from a simple interim storage site from which the delivery staff can quickly load new parcels and an underground logistics centre to actively incorporating recipients in the process”, explains Mayr-Lichem. The aim is to increase employee and customer satisfaction on the basis of new delivery solutions as well as to sustainably reduce the impact on the environment and the city.

Observing Mayr-Lichem, one can tell that creative thinking is precisely his thing. He proactively seeks to engage in a dialogue with people and appreciates new impetus provided by different-minded people. However, everything he does is based on a firm foundation, which he finds in his family but also with his colleagues. “I like

coming to work. The cohesion in the team and in parcel logistics inspires me. Every day I try to learn more.” And there it is again: the crux of the matter is knowledge. It is the driving force behind Mayr-Lichem’s ideas. For him, the most valuable exchange of views takes place with the parcel carriers – his colleagues on the front lines. He was just impressed with their extensive specialised expertise. “The delivery staff know their districts and the needs of their customers inside out. They plan their routes themselves and know best when to reach which customers. Not only do the customers benefit from this know-how, but also Austrian Post. In this way it can clearly distinguish itself from its competitors.”

## Think ahead, open up new perspectives for junior staff

When Christoph Hadek accepted a position at Austrian Post in 2001, he was looking for two things. He wanted an assignment matching his professional training as well as exciting challenges. “I knew that Austrian Post offers interesting work. And this is precisely the way it was”, says Hadek, who began his carrier at Austrian Post in the newly-created Strategic Investments unit. Hadek worked in a variety of positions at Austrian Post before being appointed Head of the Vienna Letter Mail Centre. “Up until this very day, what I have really enjoyed about my job above and beyond my own responsibilities is the fact that what we do, provides us directly with a sense of purpose. We deliver, sort and distribute letters and parcels. There is an immanent need which we fulfil. Thanks to these important functions, we play a key role in society”, he adds. He can also easily explain to his children what he does at his job. After all, Austrian Post is also part and parcel of their lives. It is easy for Christoph Hadek to identify himself with the company, something which is obvious to everyone. He sees himself as

“  
There  
is an  
immediate  
need which  
we fulfil.  
In this  
way we  
play a key  
role in  
society.”

Christoph  
Hadek

part of a whole and wants to contribute to the company’s success. “At the end of a day at work, I want to be able to say that we have helped to move the business forward and have been able to improve something”, concludes Hadek, affirming his understanding of being part of the whole.

At present, Hadek is focusing on a project designed to open up career perspectives for younger employees. Austrian Post benefits from having a loyal staff. As for the Vienna Letter Mail Centre he realised that positions involving management responsibility were already filled and tend to remain that way. There were hardly any opportunities for young employees to move up the career ladder. It was obvious to Hadek that they would not stay at the company for a long time without attractive prospects for the future. That is why he started looking for a solution. For this purpose, existing structures were modified, and the management system was overhauled. Following intensive preparations, what was meticulously planned is now being implemented. “We give employees the possibility to gain initial management experience, coordinate work processes and supervise employees in their business areas. All this takes place alongside their ordinary work. They use part of their working time for this. All in all, this approach has been well-received”, states Hadek, who is also aware of another advantage. “This tells us: we have a lot of potential!” For him, proactive, forward-looking human resources development is a fundamental building block for the future. When it comes down to figuring out how Austrian Post is going to be in the future, the question which automatically arises is who is going to be able to assume responsibility several years down the road.

Environmental protection also focuses on the future, namely “the future of all of us”, adds Christoph Hadek, who is particularly concerned with taking responsibility for coming generations. Accordingly, an ISO-certified environmental management system was established at the Vienna Letter Mail



*Christoph*

“Everyone throws himself into his work,  
and the level of motivation is high.”

Christoph Hadek,  
Head of the Vienna Letter Mail Centre



“I think the nicest  
thing is when the customer  
says: “I like coming  
to you best.”

Melissa Sitter,  
Trainee branch office Klagenfurt

Melissa

Centre under his leadership. It thrives on an ongoing change process and makes sure to involve the staff which develops solutions together. “We cooperate with our employees to continually find ways to work in a resource-saving manner. This means achieving the same level of production whilst using fewer resources. And we have succeeded quite well so far.”

Hadek does not have to think long about the major strengths of his 900-person team. “Their firm commitment, identification with the company and their own responsibilities. Everyone throws himself into his work and the level of motivation is high.” This is also considering the core role played by the letter mail centre. The branch offices and transport come first in the process chain before the logistics centres, delivery operations follow. Whatever Hadek’s team was unable to sort overnight, cannot be delivered the next day. The Vienna Mail Centre is responsible for half of Austria’s letter mail volume. In this regard, no letter should be left behind.

## When the customer trusts you ...

Each morning Melissa Sitter’s work starts at the drop-off box in her branch office. Here she unloads the parcels which were posted and takes them to the next stage of their journey. She goes over her day in her mind and inspects various things. In her everyday work Melissa Sitter leaves nothing to chance. This is in contrast to how she got started at Austrian Post. “The only thing I was looking for was an apprenticeship place. I did not have my sights set on a particular company. An acquaintance of mine told me that Austrian Post was looking for trainees.” Now, in the third year of her training, Sitter considers this turn of events to be a stroke of luck. “Somehow the job is made for me. I am an open person who likes to be there for people.” Sitter is eager to speak to customers and helps out wherever she

“  
You can  
contribute  
towards  
being able  
to enjoy  
going to  
work every  
morning.  
”

Melissa  
Sitter

can. This is what she likes best about her work. Customers react positively, which in turn motivates her, indicating that she is on the right path. For Sitter it is crucial to have fun on the job. “Everyone has to work, but you can contribute towards being able to enjoy going there every morning.” The branch office in Klagenfurt where she is finishing her training makes it easy for her. In her team she feels like she is in good hands. “Everyone looks out for each other. I can go to anyone and get assistance”, says Sitter, full of praise for her colleagues.

Sitter got a particular motivational boost in the previous summer when she had the opportunity to take part in a special one-week training programme along with other selected apprentices. The trainees were able to demonstrate their talents in different positions in Austrian Post’s very first branch office for apprentices, from overall responsibility for heading the branch office, personalised customer service and the Post energy cost calculator to customer support in the self-service zones and the sale of retail goods. The young career entrants learned the joy and challenges of responsibility while performing all these tasks in an Innsbruck post office. Sitter had an enormous responsibility in the trainee-oriented branch office when she was put in charge of the main cash desk. “I looked after the entire safe with all the money from the branch office”, states Sitter proudly. If the level of cash was too high, she had to pay out money, and if coins were missing, she had to order some more. And if a colleague required cash, she was the one to withdraw the money from the vault.

Sitter’s experience in this apprenticeship branch office certainly broadened her horizon. “You perceive work processes differently because you take greater responsibility. Since I left I feel much more secure, because now I think I can manage these things.” Now Sitter would like to spend a day working on the delivery staff. She hopes to obtain insights for her conversations with customers in the



Birgit

“It makes me a little proud to run  
on behalf of Austrian Post.”

Birgit Schönfelder,

Mail carrier and team leader in Böheimkirchen



branch office. "If I can be there once, I will be able to more effectively answer the questions customers pose. Sometimes they want to know exactly where their parcels are going to go right afterwards."

## Complete confidence in the strength of her team

Birgit Schönfelder is both a mail carrier and team leader at the same time. She plans her own route in Böheimkirchen, but also conducts trainings and serves as the contact person in her team for all postal matters. "I can be reached on my mobile phone at any time when the delivery staff needs advice, a problem arises or someone is absent due to illness", says Schönfelder, describing her understanding of what team leadership means. Her team consists of twelve mail carriers – twelve people who stand up for and support each other. "We know each other, and thus our work is pleasant. Everyone pitches in and works hands-on. In this way we can effectively compensate for an absent team member", Schönfelder says thankfully. Twice a week she takes time to conduct trainings. On Tuesday and Friday mornings the focus is on general issues such as dealing with customer complaints or the peculiarities of delivery times. A broad range of topics is contained in Schönfelder's training courses, and the variety of issues she covers mirrors the everyday work of mail carriers. Schönfelder has already experienced so much in her close to 20 years at Austrian Post and is happy to share her experience with her team colleagues. Service at the counter, management of a branch office, acting as a substitute mail carrier were all positions she held before she was given responsibility for an own delivery rayon in 2005. She also assumed the position of team leader in the fall of 2017. She particularly appreciates two things about her job. "I like working independently and being out and about in the fresh air." These advantages enable her to survive the strenuous days in which her family also

"  
The team  
size  
of twelve  
members  
enables  
us to  
personally  
interact.  
This is  
something  
I like  
very much."  
"

Birgit  
Schönfelder

begins to critically question what she is doing. "Sometimes my children say, 'Why are you doing this to yourself?'" To put things bluntly, it is my dream job to interact with people like this and be outside. Moreover, there are exhausting phases in every job", Schönfelder pragmatically observes.

She wishes to have nothing to do with moaning and groaning. She quickly brushes aside comments like "Everything used to be better in the past" and does not concern herself at all with this. "We are living and working in the here and now. This is what counts, and we have to deal with it." It goes without saying that work has changed, and sometimes there is a scarcity of staff, especially if a colleague is on sick leave for a long time. On the other hand, Schönfelder is also aware of the technical aids which make some types of work easier and save time. Schönfelder prefers to look forward not back, to see the good in what is happening instead of all those things which are not quite as pleasant. In this way, she sees the positive side of the additional work load arising as a result of strong parcel growth. Carriers not only bring letters but parcels as well within the context of joint delivery services. "The parcel volumes at Christmas were really crazy. We have never had as many as we did this time around. Thank God! Because of this our jobs will also be secure in the future."

Schönfelder also looks ahead when she participates in a running event with our Post colleagues. The greatest moment for her is when she crosses the finish line. "The feeling is just so amazing when you reach the finish line and know you have succeeded!" For her, the whole issue of running time is of secondary importance. Although she has a certain performance in mind, it is not the highlight at the end of the race. "It motivates me to simply be there, to be one of the 35,000 people from all over the world participating in the women's race", Schönfelder states. This year she will once again compete in different races on behalf of Austrian Post.

*„An open mind,  
thinking in  
broader terms  
and working  
more closely  
together.“*

Interview with the Management Board

**The Management Board talks about the past financial year and looks ahead: Austrian Post meets current market requirements with up-to-date services strongly oriented to customer needs and strengthened togetherness.**

Let us start off with a question about the entire 2017 financial year.

How satisfied are you with developments over the past year?

**Georg Pölzl:** On balance, we can look back at a very successful financial year. We set ourselves ambitious targets and we achieved our goals. But even more than that, we performed exceptionally well in spite of the intense pressure exerted by numerous competitors. We expanded by 20 % and increased our market share in the dynamic parcel market. Accordingly, our service aspirations have borne fruit. We want to maintain our quality at a top level in order to remain the undisputed number one on the market. That is why everything we do revolves around our customers, and we create solutions offering added value to the sender and enhanced comfort for the recipient.

“Together for Tomorrow” – Why did you select this motto for this annual report?

**Georg Pölzl:** At a time when everything is changing so quickly, the ability to cooperate is necessary for a company to survive. This applies within the organisation but also in its interaction with the environment. Take a simple example from our work within the company. More than 50 % of all parcels are now being delivered by our mail carriers. This proportion has been steadily rising over the last few years. It is obvious that both parts of our organisation have to work well together. There is no room anymore for traditional departmental thinking.

The same applies to how we interact with our environment. No company is an island unto itself, but we are part of a whole. When we set targets and draw up plans, this can only be done on the basis of a prudent and forward-looking alignment with the interests of other stakeholders. This is why we put great emphasis today on active stakeholder management. We can only find the right path with each other. With the catchword “Together for Tomorrow”, we want to clearly put the spotlight on this conviction once again.

What does active stakeholder management mean?

**Georg Pölzl:** To put it simply, we talk with stakeholders about their expectations, gain insights from this and use this information for our business activities. Today we are engaged in a broad-based exchange of views with numerous groups. Naturally, this first and foremost involves our customers and partners, but also political decision makers, municipalities and regulatory bodies.

Can you give some vivid examples about how you identify the expectations of your customers and put them into practice?

**Walter Hitziger:** We consider aligning our service offering to current customer requirements to be a fundamental task. Take our consulting services in the field of interactive dialogue marketing as an example. It is often difficult for an individual company to sufficiently keep track of user behaviour and appropriately tailor the measures they take to this. We support our customers and make our experience and know-how available to them, thus achieving better results for the benefit of customers, and also generating savings by making some small-scale changes.

We strongly orient ourselves to the demands of recipients. The e-Letter is our response to the wish of recipients to be able to quickly and easily but also securely manage important documents with the help of an electronic filing system. Austrian Post enables customers to choose whether they would like to receive the information electronically or in physical form.

from left to right:  
Walter Oblin,  
Georg Pölzl,  
Peter Umundum and  
Walter Hitziger



Last but not least, we are also exercising our responsibilities to society up until now. Close to 890,000 absentee ballots were requested for the last national elections. The possibility to cast votes by mail is becoming increasingly popular. 14 % of voters took advantage of this option to cast postal votes. As an additional service on the Saturday before the election, we also emptied letterboxes, amongst other things.

**If you intend to offer solutions which are even more customer-oriented, how closely are you in contact with the customer?**

**Walter Hitziger:** I think we can say with a good conscience that only very few companies are closer to their customers than we are. Thanks to our delivery staff of 9,000 people, we can directly keep our finger on the pulse of what people want every single day. Irrespective of this, we also get information about customer needs through regular customer surveys. Many of our new services, for example our self-service solutions, are the result of our permanent dialogue with our customers.

**Do you also get feedback initiated by customers themselves?**

**Peter Umundum:** Yes. This is very important, particularly when it comes to delivery quality. Our large-volume senders of parcels in particular monitor their customers very closely and measure their satisfaction. Our large customers pass on these insights to us as direct feedback.

And the feedback is positive. I am sure that our success in the parcel business can be attributed to the high quality of our delivery operations and service. In this regard, our self-service solutions are extremely important. When a package is not directly handed over to the recipient, and this happens in less than 10 % of all cases, there have to be convenient alternatives to deposit the parcels. On the one hand, this is possible at the branch offices or our postal partners. We have installed pick-up stations available 24/7 at an increasing number of branch offices. On the other hand, there are possibilities to deposit parcels, for example the Flexibox or Post Drop-Off Box. We have already installed more than 23,000 of them throughout the country. And a lot more will be added in the future.

**Can you recognise trends from your interaction with customers?**

**What major measures have you implemented as a result?**

**Peter Umundum:** The world has become very complex, both with respect to the sender as well as the recipient. We will have to adjust to this even more in the future. One can see very clearly that the purchasing behaviour of consumers is moving even more towards “online” and “mobile” shopping as a result of increasing digitalisation. We are preparing for this. In order to be able to master the strong growth in parcel volumes in the future, we are expanding our capacities throughout Austria. Our sorting capacity should be more than doubled in the medium term to 100,000 parcels per hour.

**Walter Oblin:** We are investing in capacity expansion to enable us to achieve this goal. Alongside ongoing investments in the core business of about EUR 60–70m annually, additional growth investments in the field of parcel logistics will be made in the coming years. Our objective is to expand existing sorting capacities as quickly as possible and invest at least EUR 50m in these efforts in 2018. We will continue to prudently use the generated cash flow in a targeted manner for future-oriented investments, enabling us to maintain our high quality in handling the increase in parcel volumes.

Peter Umundum in conversation with Walter Hitziger



You are also investing in your digital service portfolio. In 2017, Austrian Post acquired a stake in several companies such as adserve and ACL.

Are other acquisitions planned for 2018?

**Walter Hitziger:** Part of our strategy is to expand our service and product offering through acquisitions or to enter growth markets with them. In the 2017 financial year, we acquired a 49 % stake in the advertising company adserve to strengthen our digital advertising capabilities. We are the leader in physical flyers and want to build upon this success with our new investment and extend our offering for the benefit of customers.

**Peter Umundum:** We are also expanding our offering in the field of IT and logistics services thanks to our strategic investment in the IT service provider ACL. In this case, the retail sector will profit the most. We increased our stake in ACL in 2017 and are resolutely pursuing our strategy of expanding our competencies along the entire logistics value chain. In the future we will also continuously sound out M&A opportunities to complement our current business operations in a meaningful way.

A partnership in the field of financial services is coming to an end.

What is next regarding this issue?

**Walter Hitziger:** We have collaborated successfully with BAWAG P.S.K. in the past. It is also true that, for the most part, we will go separate ways by the end of 2019 at the latest. Now the task ahead of us is to dissolve our partnership as optimally as possible in the interests of everyone concerned i.e. BAWAG P.S.K., Austrian Post and above all in the interests of our customers.

On a medium-term basis, we also plan to continue offering financial services via our branch network. Such services are a meaningful complement to our offering of postal services. We have been holding talks for some time now with both national and international partners about potentially cooperating. We expect to make a concrete decision in the course of 2018. Ensuring an up-to-date offering in a viable and sustainable branch network is important to us. We already boast a nationwide network of branch offices, value the advantages it gives us and want to further exploit its good features.



Georg Pölzl in conversation with Walter Oblin

The capital market continues to have a lot of confidence in Austrian Post.

What are you doing to sustain this?

**Walter Oblin:** Reliability and relationship management are the two keys underlying this high level of confidence. First, our capital market positioning is clear and unambiguous. We are positioned as a reliable stock and have a clear business model, which generates stable cash flows and thus very predictable and very good dividends and dividend yields. We regularly fulfil this promise, as we will do this year, when we propose a higher dividend of EUR 2.05 per share to the Annual General Meeting.

Second, we very deliberately strive to carry out a regular dialogue with the capital market, inform it in a timely manner and speak openly about developments in the company. We proactively seek contact with our shareholders and fund managers. We use these discussions to clarify questions and delve more deeply into topics which occupy us at a given moment with respect to the further development of our company. We are able to maintain the confidence placed in us by the capital market thanks to this transparency and proactive communications.

If you look ahead to the current year, how do you expect the market environment to develop? What can we expect from Austrian Post?

**Georg Pölzl:** The major trends and pressure on the letter mail segment will continue. At the same time, we anticipate further growth in the parcel business. Quality leadership is and will remain the basis for our market position as the number one provider on the national mail and parcel market. The key to success is to satisfy the specific current needs of customers. For this reason, our business operations will focus even more intensively on customers – so that we will not only be the preferred partner of our customers today but remain this way on a sustainable basis.

What message do you have for your employees for the coming year?

**Georg Pölzl:** First and foremost, I would like to sincerely thank our employees for their great commitment and for devoting themselves to work in the interests of our customers. This is the only reason why we are able to be competitive and successful today. What everyone of us shares at Austrian Post is a great passion for our business. In the coming year this will once again bring us together even more.

In light of the motto of this annual report, I would like to emphasise cooperation. We are working together beyond the boundaries of individual departments or business areas to achieve the major goal of offering the highest quality to our customers. It is important to further open our minds, think in broader terms and work even more closely together. We look forward to what we will achieve together and are optimistic about the future.

PERFORMANCE ASSESSMENT  
OF THE E-LETTER  
E-COMMERCE

*How Austrian Post  
works with its customers  
to find solutions*

ONE  
FOR  
ALL  
| ALL  
FOR  
ONE



**MARKUS FISCHER,**  
**AUSTRIAN POST/BRANCH MANAGER FINANCE**

"TOGETHER WITH THE CUSTOMER WE  
INDIVIDUALLY LOOK FOR A SOLUTION TO MAKE  
THINGS EASIER FOR THE CUSTOMER."

**The questions and wishes customers have when they contact Austrian Post vary greatly. However, regardless of whether they want to successfully advertise, require support in their e-commerce business or are looking for efficient delivery channels, they will find a solution together with Austrian Post – and benefit from the comprehensive service and product portfolio of the postal and logistics company.**

The core business of the country's leading postal and logistics services provider includes the transport and delivery of letters, direct mail, print media and parcels, logistics services such as fulfilment and warehousing as well as customised direct mail solutions. The service portfolio also encompasses innovative physical postal services and digital solutions. To complement all this, the company has built up an extensive online offering and successively expanded it over the years. Austrian Post offers e-commerce services along the value chain in collaboration with specialised partners. It also assumes responsibility for entire business processes depending on customer needs.

Regardless of whether the focus is on parcels, letters or direct mail, the close cooperation with customers is the underlying reason for success, because it makes individual solutions possible in the first place. The customer profits from Austrian Post's full-service offering, including a broad spectrum of solutions. Three practical examples demonstrate the success of projects designed and implemented in cooperation with customers.



**BERNHARD KOLER, HEAD OF MARKETING,  
METRO CASH & CARRY ÖSTERREICH GMBH**  
"THANKS TO AUSTRIAN POST'S EXPERTS  
WE ARE ABLE TO MORE PRECISELY APPEAL  
TO OUR TARGET GROUPS AND MEASURE  
SUCCESS OF EACH MEDIA CHANNEL"

— **Metro: Performance measurement of online and offline media.** The following project not only underlines Austrian Post's competence in the field of multi-channel marketing, but also shows how effective the close inter-linking of online and offline media can be. The customer is the retail group Metro Cash & Carry Österreich GmbH, with which Austrian Post has been setting new delivery quality benchmarks in the field of food service distribution since April 2017. As the logistics partner, Austrian Post and Metro deliver food within three hours in the Vienna metropolitan area on the basis of the delivery service "METRO Express – The Food Deliverers" – and does it securely and in a CO<sub>2</sub> neutral manner.

The focus of the new project was on resolving the issue of which communications channel used by Metro offers the lowest cost per lead (CPL). The CPL depicts the cost per interested party resulting from the mix of various media channels, in this case print media, delivery, reply costs and address acquisition. The occasion of Metro's anniversary sweepstakes provided the perfect opportunity to measure the performance of the different communication channels and convey valuable information on target groups. The interactive marketing experts of Austrian Post made use of a lead management platform, enabling an objective assessment of analogue and digital advertising formats.

#### ORGANISATION OF THE SWEEPSTAKES

The sweepstakes were advertised on all available channels. 50,000 participants registered on a landing page, each of whom received shopping vouchers per email as an instant prize. All media channels – online and offline – were measured and compared using this lead management platform. This served as the basis for precisely determining the number of generated leads per channel in real time!

#### The 24 communication channels included:

- advertisements in four print media,
- radio,
- partially-addressed postcard mailing,
- email newsletter to ten different address lists,
- online banner,
- three flyer platforms,
- ...

#### VALUABLE INFORMATION GENERATED ON BUYERS AND INTERESTED PEOPLE

The sweepstakes provided Metro with exciting insights and information about the target groups and thus comprised an excellent basis for further tests and marketing campaigns. With the help of the lead management platform, precise target group attributes could be added to 76 % of the leads. Moreover, costs and revenue per media channel were determined by means of the coded shopping coupons.

#### Media performance (CPL):

- Email newsletter: € 0.38–€ 17.69
- Print ads: € 5.06–€ 49.86
- Platforms: € 8.44–€ 25.06
- Online banner: € 33.16–€ 55.83
- Direct mailing: € 4.84

The extreme ranges of these costs clearly show how different the performance of the individual media was. However, they also demonstrate how profitable the interplay of Austrian Post's digital and physical solutions can be. The campaign once again underlined the high quality of the addresses marketed by Austrian Post. The email newsletter to these recipients featured a CPL of 38 cents, at an unbeatable cost compared to a CPL of EUR 17.69 for another email newsletter.

In addition, the results show that print media are far from being obsolete in the digital age. The partially addressed postcard generated a response rate of over 4%. 80 % of them used the pre-personalised response card to allow them to take part in the sweepstakes. The best performer was the email newsletter "Das Flugblatt informiert" to Austrian Post addressees, generated net revenue of EUR 120,000 based on an investment of only EUR 2,500!



**MANFRED REINER,  
GENERALI/VERSICHERUNG AG,  
MANAGER CENTRAL SERVICES**

"IN ADDITION TO THE IMMEDIATE COST  
REDUCTION WE WERE MAINLY CONVINCED  
BY THE LOW CONNECTION COSTS."

— **Generali: Reduce costs with the e-Letter.** Generali and Austrian Post have been involved in a longstanding cooperation in the field of mailroom management and transaction printing. The print volume of the insurance company is enormous, amounting to about nine million items annually. Naturally the company has a great desire to reduce its costs. The e-Letter developed by Austrian Post provided Generali with a perfect solution to cut costs and still maintain the high demands placed upon security, confidentiality and reliability.

**THE BEST OF TWO WORLDS**

In 2017, Austrian Post launched the e-Letter, which combines the best of two worlds i. e. the flexibility of an email and the security of a letter. The e-Letter as a means to securely deliver sensitive documents was specially designed to fulfil the requirements stipulated in the EU General Data Protection Regulation (EU GDPR) which takes effect in May 2018. The e-Letter enables companies and organisations to digitally convey confidential information to their customers. This is ensured by selectable security levels.

**THIS IS HOW THE PROCESS WORKS**

The letters are sorted out from Generali's total printing volumes and compared by Austrian Post with the address data of e-Letter users. If a user is identified by means of data matching, the printing and enveloping service provider, in which Austrian Post holds an equity stake, digitally delivers the mail item previously converted into a PDF to the recipient's e-Letterbox. Otherwise the mail item is delivered to the recipient as a physical letter. For Generali, it was important that customers were able to freely choose how they would receive their mail. Addressees of letters should also receive their mail promptly.

**LOW CONNECTION COSTS  
AND IMMEDIATE COST SAVINGS**

"The decisive reason underlying our decision in favour of dual shipment and thus the e-Letter were the immediate cost reduction and the low connection costs", explains Manfred Reiner, Head of the Department of Central Services at Generali Versicherung AG. The guaranteed delivery of documents digitally or physically is convincing. Thanks to the fully transaction-oriented invoicing of the e-Letter,

**THE ADVANTAGES OF THE E-LETTER:**

- Immediate cost savings based on the electronic dispatching of documents, no fixed costs
- One letterbox for all documents
- Simple log-in with selectable security levels
- Enhanced efficiency via immediate electronic delivery of letters
- Quick start-up thanks to simple connection to addressees
- One-stop-shop: everything from data transmission to delivery

cost savings are generated starting with the first electronic dispatch of mail. Postage for the e-Letter is 50 % lower than for conventional letters. In addition Austrian Post does not charge any fees for the comparison with the list of e-Letter subscribers, in contrast to its competitors.

Generali also cooperates with Austrian Post in the field of direct mail. Within the context of a joint research project with the University of Applied Sciences FH Wien, the insurance group and Austrian Post want to find out which marketing strategy and media mix are particularly suited to attract new customers from a young clientele.

**Austrian Post is a partner to its customers – also SMEs**

Several times a year, Austrian Post invites companies to a "business breakfast" within the context of its SME Initiative. At regional hotspots firms have the opportunity to familiarize themselves with the services of Austrian Post and make new contacts. Since 2014 about 2,500 entrepreneurs have attended the events. "In its core, it is about communication between different enterprises discussing target groups and the potential for new customers from within their region", says Thomas Auböck, Head of Marketing and Sales, describing the benefits for the participants. "Inspiring talks over a hearty breakfast facilitate the exchange of recipes for success."



**PHILIPP BLASCHITZ,  
ZOOBLITZ MANAGING DIRECTOR**

"WE WANT TO SCORE POINTS WITH OUR CUSTOMERS ONLINE – RELIABILITY, PROMPT DELIVERY AND SIMPLE PAYMENT OPTIONS ARE ESSENTIAL."

— **Zooblitz: E-commerce services from a single source.** For Zooblitz Internet as a sales channel primarily means strong growth possibilities. In its online business, the pet retailer also relies on shöpping.at, the new online marketplace of Austrian Post, in addition to its own online store. Here retailers can offer their products to Austrian customers. Thanks to the marketplace principle, they can appeal to new target groups and increase their outreach. Shöpping.at not only operates as a professional sales platform, but also covers underlying services, from payment processing and distribution of the goods to a returns service.

### ENSURE PROXIMITY THANKS TO TRANSPARENT AND RELIABLE LOGISTICS

Logistics plays a decisive role, especially in the online business. Thanks to the transparent and reliable logistics provided by Austrian Post, Zooblitz manages to create valuable customer intimacy between the sale and handover of the goods. Individual service-oriented measures give support to the customer journey, from the convenient order and payment processing to an efficient returns service. These services and related processes are rendered by Austrian Post, the IT service provider ACL advanced commerce labs GmbH (ACL) and Post Systemlogistik.

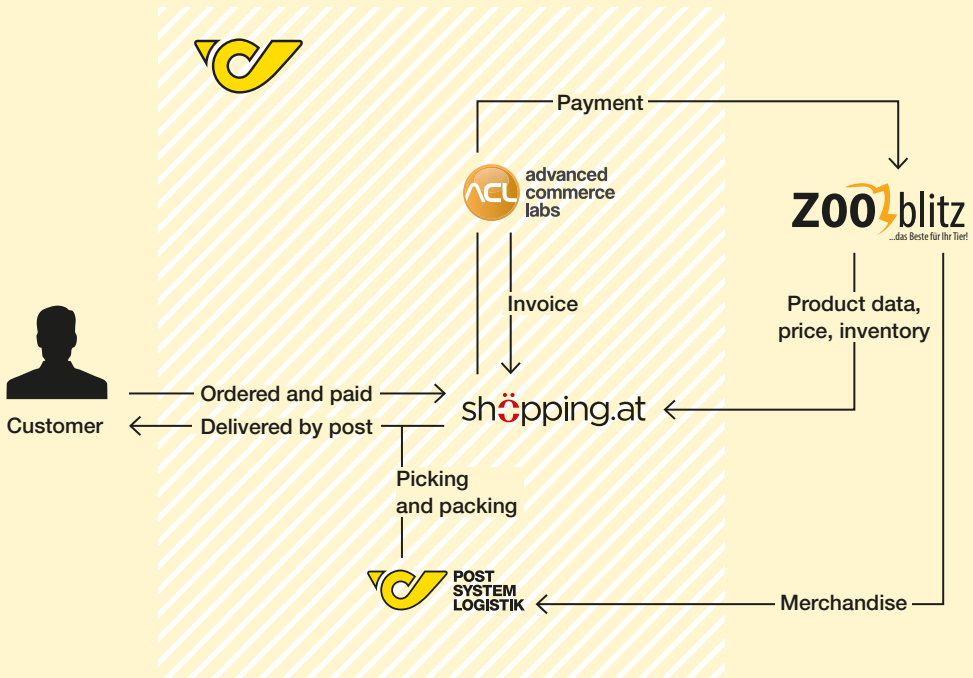
### THIS IS HOW IT WORKS

When a customer orders something from Zooblitz on shopping.at, the order data is retrieved by ACL and shown on a separate order management platform. Then ACL creates a retailer order in the Zooblitz shop. The delivery and billing address is the one provided by the end customer. The IT service provider ACL generates the end user invoice, conveys it to the customer via shopping.at together with the shipping information and coordinates the payment flow. Post Systemlogistik is responsible for order picking and packing and also takes care of sending the goods as a present, including a greeting card. The entire parcel is handed over to Austrian Post, which in turn delivers the parcel to the end customer. ACL informs the customer about dispatching and the shipment number, so that he can trace precisely where the parcel is at a given time. The dense delivery network of Austrian Post ensures the highest quality.

### EFFICIENCY THANKS TO PARTIAL AUTOMATION

Based on its ability to provide solutions from a single source, Austrian Post has partially automated and thus efficiently organised the process. Neither Zooblitz nor shopping.at had to make individual IT or process adjustments, so that the retailer could quickly make use of this additional sales and distribution channel.

## AUSTRIAN POST OFFERS THE ALL-ROUND CAREFREE PACKAGE



# Feel-good branch offices.





**The branch office concept of Austrian Post makes going there a pleasant experience. The lounge area, the play area for kids, free WiFi and room fragrances to enhance the feeling of well-being invite people to stay and relax.**

“A EUR 1,000 stamp please”, the customer orders at the counter. “Where is the letter heading”, asks the member of the branch office staff serving her. “It’s going to America”, the young woman brags. “If this is the case, a EUR 500 stamp is sufficient”, replies the friendly Post employee.

Well, this is how it goes in modern branch offices. At least in those with a miniature post office. There youngsters can play out their own version of day-to-day working life in the postal service – while the adults can devote their attention to taking care of their business at the post office without any stress.

**— The post office as a place one loves to be at**

Maria Zauner is sitting in the lounge-like sofa landscape right next to the mini post office with a cup of coffee in her hand. She drew ticket number 242. At the moment the customer holding the slip with ticket number 234 is being served. This means there is still a little time for a WhatsApp message to her sister in Hallstatt using the WiFi free of charge. Ms. Zauner from Vienna-Simmering was one of the first ones to get to know and appreciate the new branch office concept of Austrian Post in the year 2015. At that time the pilot project of a “feel-good branch office” was launched in her district. Thanks to the customer-friendly ticket concept, there is no need any longer to wait in any bothersome queues. Instead, comfortable seating in the midst of a cosy lounge atmosphere invite people to stay relaxed while waiting. While Ms. Zauner is texting, other customers are strolling through the spacious shopping area, fixing their eyes upon the paper goods, packaging, envelopes, little gift items, souvenirs and greeting cards. You can always find something you need, and if not, at least you had a look to see what is there. Moreover, infoscreens and the Post’s own radio programme provide some entertainment. There is no stress, no hustle and bustle in the feel-good branch office, and waiting times pass by quickly. Last but not least, a carefully conceived room fragrance concept flatters our sense of smell. It could happen that some people unconsciously note to themselves (in line with the German saying) that the post office “smells good” to them (= the two of us get along). And this is how it should be.

**THE COMMANDMENTS  
OF WELL-BEING**

- ✓ Ticket system
- ✓ Lounge area
- ✓ Coffee and water dispenser
- ✓ Children’s corner and post office for kids
- ✓ Free WiFi
- ✓ Radio programme
- ✓ Infoscreens
- ✓ Fragrance concept





## — The zeitgeist: the value of being authentic in the digital age

Spending time in the branch offices is something we can perceive with all our senses. Austrian Post makes the customer's stay there as pleasant as possible. In addition to taking account of the practicality and efficiency of its services, Austrian Post attaches great importance to the experience itself, and to the customers' feeling of being in good hands. It considers all these elements to naturally be part and parcel of the approach needed to literally give customers the space they need. Furthermore, Austrian Post is convinced that concepts focusing on people and personal interaction stand out, especially in this day and age of digitalisation and mass communication. On balance, a total of six branch offices in urban and rural areas have already been redesigned in accordance with the feel-good branch office concept, and one more such branch office is scheduled to be added in 2018.

## — Local and digital – working together for tomorrow

In the modern world of services, customers want to be able to take action anywhere and at any time, which in turn calls for networking, short distances and optimal service. Changing life styles and demands require new technological infrastructures. In addition to the high quality of customer service, Austrian Post relies on innovation and just the right level of customisation. This will enable it to fulfil its obligation to provide nationwide postal services, also at a time when the boundaries between the offerings of physical and online retailers are becoming increasingly blurred. This ensures a consistent service chain – also called the “customer journey” in technical jargon – regardless of whether people are at home or in a branch office.

Online services are seamlessly linked with the feel-good branch offices, starting with the branch office locator and making appointments on the Post App up to the automatic and paperless ticket process. Anyone who wants to purchase a new mobile phone or make use of the Post energy cost calculator in the branch offices can conveniently set up an appointment online from her or his own home. Thanks to the deployment of state-of-the-art technologies, it is possible to view the current customer frequency on the App and online. This way, the customer can avoid peak times. In the meantime, Austrian Post is continuously testing and implementing other innovations along the customer journey. The focus is always on the benefits for the customers.

# I WANT IT ALL -

AND  
I WANT  
IT NOW!



ANDREAS KREUTZER,  
MANAGING PARTNER OF  
BRANCHENRADAR.COM MARKTANALYSE GMBH

**An interview with Andreas Kreutzer, Managing Partner of BRANCHENRADAR.com Marktanalyse GmbH, on the development of online retailing in Austria and its effects on the logistics sector. The company has specialized in market analyses for more than 20 years. The company ranks among the leading providers of multi-client studies in German-speaking Europe thanks to its publication BRANCHEN-RADAR.**

The 2C parcel volume of 116m parcels in 2017 equals an average of 13 parcels per person in Austria each year. How is this volume going to develop in the future?

This figures for 2017 comprise a rise of close to 25% from the prior-year level, or a doubling of parcel volumes over the last five years. We expect a further increase of about 15% to 133 million parcels in 2018. This would correspond to an average of about 15 parcels per capita. The total volume in Austria is likely to climb to at least 150 million parcels p.a. by 2020. The market is continuing to grow, even if this expansion is less dynamic as in previous years. This is due to the fact that, in the meantime, a level has been reached that hardly anyone could have imagined a few years ago.

The underlying reason is the tremendous expansion of 2C online distance selling. What are the factors behind this growth?

In principle, the dominant mentality for decades has been "I want it all, and I want it now." Thanks to the Internet, what used to be a utopian vision has become a living reality. The change in the ordering process has also transformed logistics, in response to the development of a promising market. Physical retail stores are at a disadvantage when it comes to the key purchasing criteria of availability and convenience. That is why consumers are increasingly taking advantage of online shopping. A person looking for a watering can in a DIY hardware store may have five or maybe even ten items to choose from. In contrast, Amazon offers 250 different watering cans to choose from and purchase regardless of a shop's opening hours. In the past the breadth and depth of the product range available in large-scale stores put smaller shops under pressure. Similarly, mail-order companies today are increasingly putting pressure on large-scale retail shops. Anyone who wants to try out clothing without long queues at the checkout and limits on the number of items to be taken into the cramped dressing rooms now prefers buying online and returning what he or she does not like instead of going to H&M during the lunch break.

What product groups will consumers purchase online in the future besides clothing?

At present, clothing and shoes as well as electrical appliances and print products are the three top-selling product groups. Together they generate three quarters of online retail revenue. Holiday travel ranks fourth. We do not expect this to fundamentally change in the future. Much-discussed segments such as food or furniture still face considerable obstacles to achieving comparable growth. The availability of food in Austrian stores is very good, and customers prefer to purchase fresh products when they can see them beforehand. Frozen foods and beverages are more frequently ordered, but the work and costs for logistics companies are also much higher. In the furniture segment, small items of furniture are more suited for online sales. When it comes to a sofa or kitchen, customers want to see and test the materials. Moreover, in this case it is difficult to conveniently solve the issue of returns both from a customer as well as from a logistics perspective.

How would you characterise the Austrian market in an international comparison?

The conditions for online retailing are very good thanks to the topography of the country featuring comparatively few large cities. Brick and mortar businesses do not provide an extensive offering everywhere in all segments, which in turn serves as the most important driving force behind the online business. The market is particularly challenging for logistics providers for the same reasons. The delivery of small volumes over long distances is hard to manage profitably. For logistics companies, it would be ideal if the entire country was like Vienna, but with more parking spaces.

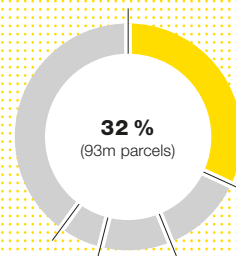
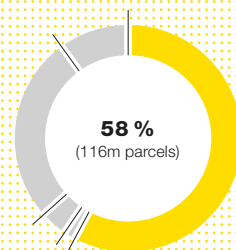
Let us take a look into the future. How will we shop ten years down the road, and what does this mean for logistics providers?

At present, delivery services comprise the core business of logistics specialists. In the future this will be complemented by pick-up services particularly offered currently in the B2B segment. Besides luxury goods which are frequently being sent via courier-express-parcel (CEP) service providers offering a pick-up option for returns, CEP services which first succeed in effectively implementing such B2B services, also with respect to costs, will be interesting partners to large mail-order companies. Another issue is the time frame for deliveries. In the long term, this will have to be limited to a maximum of 60 minutes, including a

penalty to be paid to customers if this promise guarantee is not upheld. The priority here is to ensure that employees focus on punctual delivery. All in all, this will also be a long-term issue for logistics specialists in light of increasing volumes and quality demands as well as the need to attract and train good staff. Regardless of the extent to which the ordering process and many logistics activities are automated today, people will still be exclusively responsible for handling the last mile of the delivery process to the customers in the long run.

Up until now we have spoken about the 2C market. What is the current situation in the B2B business?

This market segment is developing more slowly and relatively in line with the economy as a whole. We anticipate growth of close to 5 % in 2017, with the increase likely to be at a similar level in the current year. A major online boom in the B2B segment is yet to come. This will certainly take place within the next ten years, not least because producers distributing their goods via wholesalers will increasingly establish their own online shops and thus provide added impetus to the market.

**MARKET SHARE OF POST B2B****MARKET SHARE OF POST X2C**

---

# MORE SERVICE HIGHER PERFORMANCE

**CAPACITY AND QUALITY  
INITIATIVE  
FOR FUTURE  
LOGISTICS.**



**A top priority of Austrian Post's business decisions is to confront future challenges with foresight, and always remain at the technological cutting edge. In turn, this ensures the company's undisputed position as the leading postal and logistics service provider in Austria. Accordingly, capacities will be expanded in the coming years, and the technological development of logistics infrastructures will be pursued.**

---

**Already create  
tomorrow's infra-  
structures today**

E-commerce and the increasing importance of mail-order companies operating throughout Europe pose great challenges to the parcel market. Services and processes have to be continuously and proactively adjusted to the dynamics of changing trading activities, exponentially growing shipping volumes and the increasing demands of customers. In view of the need to create the infrastructures of tomorrow, Austrian Post has initiated a massive expansion of its capacities and launched numerous technological innovations.

## — Parcel market on the upswing

**INTERNET AS A  
"SHOPPING MILE":  
Steep e-commerce  
growth curve**

The online retail business is booming. Its development has continued unabatedly and ranks among the top growth markets. Users are becoming increasingly familiar with exploiting the Internet as a "shopping mile", and the quality of product presentations and user friendliness of websites have improved. 11 % of all retail sales in Austria were already generated online in 2016. E-commerce revenue in Austria rose 6 % from 2016 to 2017, compared to only 1% growth for the brick and mortar retail business in the same period. Customers not only order online but enjoy taking advantage of the possibility to conveniently return items. About 40% of all online buyers sent ordered goods back again in 2016. This general trend is reflected directly in Austrian Post's own performance indicators. Revenue of the Parcel & Logistics Division rose by 17.7%<sup>1</sup> in 2017 to EUR 495.6m, which can be mainly attributed to the substantial increase in private customer parcels. However, additional revenue generated by the new product structure led by the "Packet", a special service offering tailored to the demands of online orders, also contributes to the higher revenue.

**Growth in online  
sales leads to increase  
in private customer  
parcel volumes**

## — Increasing customer demands

**TARGETS:  
stable processes,  
transparency and  
high speed**

"We have to continually upgrade our service offering and work on our high quality standards in order to expand our competitive edge", says Stefan Heiglauer, Head of Parcel Logistics Austria. The competitive intensity and price pressure related to the dynamic parcel market growth will remain high. At the same time, customer demands on quality and delivery speed are rising. Transparent, flexible and free delivery including the possibility to individually choose the place and time of delivery and be supplied with real-time information about the delivery process are at the very top of the list of consumer wishes. This is similar to the senders, who desire modern communication possibilities and individually customizable delivery options in addition to a good returns service and complete tracking and tracing in the shipping process. With respect to speed, the standard in the postal sector is now parcel delivery on the next working day. Austrian Post is increasing capacities and implementing a far-reaching expansion programme in the coming years to give it the means to effectively handle the steep increase in volumes. "In the medium term, sorting capacity at all distribution centres in Austria should be nearly doubled to 100,000 parcels per hour", Stefan Heiglauer promises.

<sup>1</sup> Excl. trans-o-flex

---

## — Clever logistics centres, fast unloading systems

In order to be equipped to deal with developments in the near future, Austrian Post is expanding all its parcel logistics centres in Austria and is in the process of building new ones. A unified construction concept, which will be successively put into practice at all logistics centres, also enables implementation of a unified approach to quality management. Moreover, an innovation developed by PHS Logistiktechnik GmbH in collaboration with Austrian Post ensures the acceleration and simplification of the unloading process from lorries. Together with Austrian Post in its role as a know-how carrier in the logistics industry, Andreas

**Quality management  
and innovation in the  
unloading process**

Wolfschluckner and Matthias Fritz developed a rapid unloading system for the automated unloading of lorries within a period of less than 30 minutes.

## — The rapid unloading system – innovative technology from Graz

The innovative and globally unique rapid unloading system represents a major achievement for the logistics and freight forwarding business. It consists of a belt system for truck containers and a stationary module which can be quickly hooked up to the lorry. The belt is designed to automatically unload the parcels from the container and subsequently transport the parcels on the existing conveyor system. Technical solutions ensure that the parcels are carefully unloaded and are not subject to any unsuitable drop heights. The simple “dock-and-go” solution works quickly, fully automatically and economically, in light of the fact that all types of lorries can be retrofitted in a cost-effective manner. The first unloading systems are already expected to leave the assembly lines in 2018.

**UNIQUE  
WORLDWIDE:  
the new Dock-and-go  
solution of  
Austrian Post**

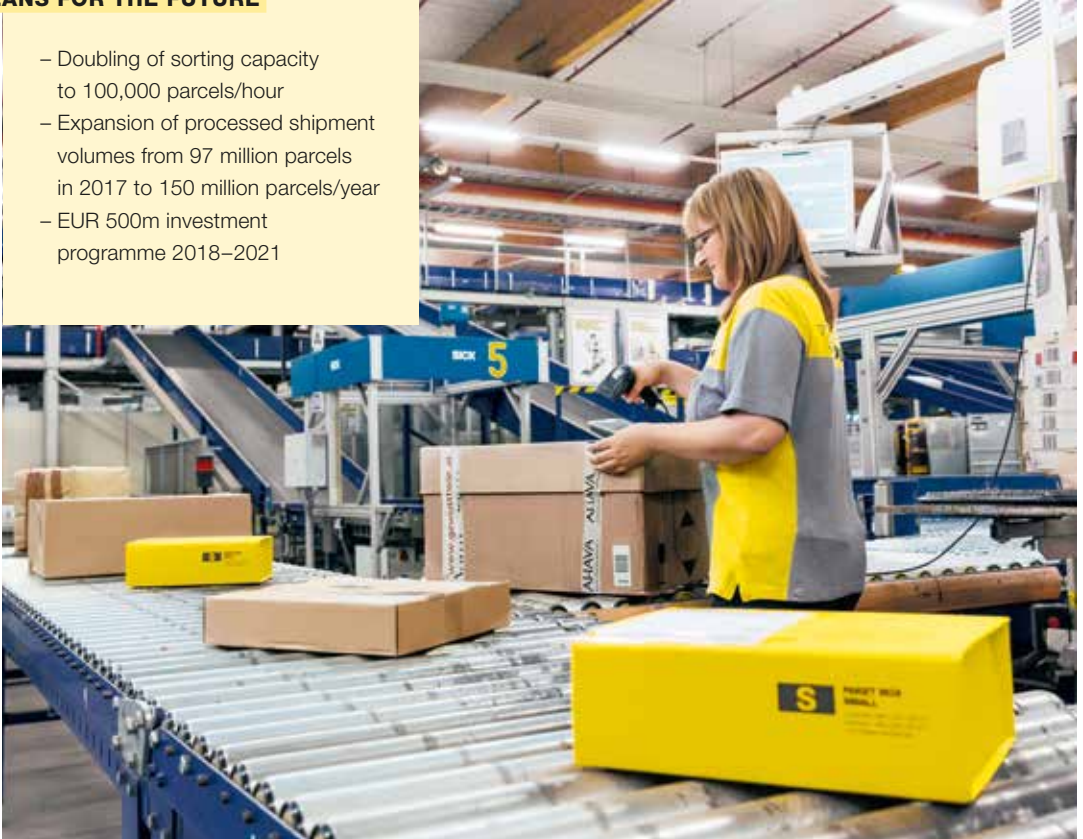
## — Use employee know-how

In a company that is geared to innovation and ensuring its future viability like Austrian Post, no single part functions without taking the whole picture into account. Against this backdrop, it is important to Austrian Post that every single employee is able to get involved in actively shaping the future of the company. Before Austrian Post purchases new operating materials, vehicles or IT equipment or introduces new processes, they have to pass practical tests carried out by employees. For this purpose, six selected delivery bases simultaneously serve as testing centres. These locations are spread out throughout Austria, namely in Vienna, Parndorf, Seewalchen, Leibnitz/Kaindorf, Innsbruck and Wörgl. These extensive tests which were based on the practical know-how and everyday experience of the employees can be used to evaluate the suitability of new operating materials or equipment, but can also lead to changes in entire work processes. Team and area managers at the testing centres as well as representatives of process management, central business units and regional management regularly exchange experiences in order to put new ideas in the company into practice.

**“Nobody can better  
assess whether  
new vehicles, protec-  
tive clothing or  
work processes ful-  
fil the requirements  
in daily use than  
the employees them-  
selves.”**  
(Robert Modliba,  
Head of Mail Logistics)

**PLANS FOR THE FUTURE**

- Doubling of sorting capacity to 100,000 parcels/hour
- Expansion of processed shipment volumes from 97 million parcels in 2017 to 150 million parcels/year
- EUR 500m investment programme 2018–2021



---

## — Beyond the country's borders: everyone pulls in the same direction

Austrian Post targetedly relies on the existing know-how in the company even beyond Austria's borders. One prime example is the department ProLog, which bundles and simultaneously disseminates competencies in the various specialised areas of the Parcel & Logistics Division. The international subsidiaries of Austrian Post also benefit from ProLog. In 2017 ProLog supported the company's subsidiaries in South East and Eastern Europe, for example with new network concepts. As part of a network project, the operating costs and investments along main delivery runs, pick-up and delivery services, distribution and production are being calculated and com-

**PROJECT  
PROLOG:**  
optimally exploit  
know-how  
and experience

pared to each other. The results then serve as the basis for decision-making with respect to the future design of the network. "The aim of the network concept is to optimally establish a network for the future for all logistics centres and delivery bases", explains Matthias Hofmann, Head of ProLog.

## — Project IRIS leads to substantial improvements

More than half of all Austrian Post parcels are being delivered by Austrian Post's mail carriers. Precisely, it is called joint delivery when mail carriers not only deliver mail and direct mail, but also parcels. Especially in rural areas joint delivery is the most efficient way to bring parcels to the intended recipients considering that mail carriers are anyway under way on a daily basis to bring people their mail. They are well-connected and integrated into local structures and are familiar with the habits of their customers. In order to further improve the quality of their daily work, Austrian Post has been working intensively since 2016 on IRIS, an innovative hardware and software solution for parcels and letter mail. The name IRIS goes back to the messenger of the gods in Greek mythology. At Austrian Post, it stands for joint delivery solutions. The modern, intuitively used software is user-friendly and provides support in handling shipments, simplifying accounting and a lot more. For example, with the help of IRIS, notifications ("yellow slips") previously filled out by hand can now be neatly printed using the mobile printers and then left behind for the recipients. A collection receipt is automatically generated for every payment/collection transaction. An integrated navigation tool facilitates delivery in areas which the mail carriers are not familiar with. This considerably simplifies the work of holiday replacements. In short, IRIS will lead to fundamental improvements in the delivery process. Nationwide rollout of the new system is scheduled for 2018.

**IRIS:**  
Innovative hardware  
and software solution  
as foundation for  
the digitalisation of  
Austrian Post

# The virtues of new technical developments



**Flexible, reliable and  
simple solutions provide freedom,  
security and relief.**

The availability of any conceivable product at any time of day is now being taken for granted. The customer has the greatest possible flexibility and is used to the advantages of digital communication. In this time, it is only logical that a service provider and its services develop accordingly. Austrian Post is able to interact with its customers on the basis of new technologies and ensures that a parcel finds the customer. The parcel is adapted to the customer's life. In this regard, the delivery process is only at the very beginning of what will be possible one day. There is still a lot to do. Austrian Post is already working on this.

— HANNA



## Freedom

One of her hands is already on the door knob, and she briefly pauses to think about whether she has taken everything she needs. Keys, money, mobile phone? Hanna G., 24, medical student wants to buy a few things before she goes home with her sister on the weekend. Her grandmother is celebrating a milestone birthday. The parcel with grandma's present has not been delivered yet, but she is sure that the photo book will arrive on time before her departure. After all, there are still two days until she leaves. Of course she is not going to be home a lot, and she has a few important courses to attend. Still, she wastes no thought to the issue of maybe not catching the delivery. She is accustomed to feeling that she is constantly accessible, can change her plans on short notice and is always kept up-to-date. This is the definition of freedom in the year 2018. And Hanna

makes use of the Post App to ensure she enjoys such freedom.

A good one hour later, Hanna stands in the greengrocers with two apples in her hand when she receives the desired message by Austrian Post on her mobile phone. The parcel containing grandma's present will be delivered on the next day. Great! However, she will hardly be at home all morning. But there is a short time slot between her courses and her student job – and Hanna will pass by her post office. **She makes use of the parcel redirection option offered by her Post App and will reroute the parcel to the nearby branch office.** This way, she can pick up the present for her grandmother at the post office on her way to work. Hanna happily pays for the two apples and continues taking care of the things on her "to do" list.

*"I like freely deciding when and where to receive a mail item."*



— JOHANNES

# Security

"Buy" – the last click has been made. Johannes H. decided to purchase the newest accessory for his mobile phone. He chose a gimbal, a handle with a sophisticated suspension for mounting the device. He can use it in the future to make perfect videos. He would like to capture the atmosphere of the colourful markets during his next vacation in Thailand – and film them in high quality thanks to the modern image stabilization. He soon wants to try out the latest features. The promise was made that the goods would already be delivered on the next day. If he had the choice, he would want to immediately hold this technical miracle in his hands. However, it is impossible for him to go to the shops during his working hours. Good for him that there is such a thing as the Internet, not to mention the possibility of express delivery. He should be able to stay patient for one day.

In the early morning the master builder leaves to go to the first construction site. Things will proceed at a rapid pace today.

His schedule is full of appointments and meetings. There would not have been any time at all to go to a post office. **It is good that he has a reliable substitute at home to accept the parcels on his behalf when he is not there i.e. the Post Pick-Up Box.** The box consists of multiple layers of galvanised steel and is firmly mounted onto the wall.

In the afternoon the ringtone of his mobile phone suddenly resounds in the room in the middle of the kick-off meeting for a new project. He recognises the sound. The Post App has a message for him that a parcel was deposited in the Post Pick-Up Box for him. Now he only has to get through a few more hours of work to finally get hold of the device he ordered. Arriving at home, he holds the barcode of the notification over the button of the Post pick-up box. Then the door opens and he can see the coveted parcel behind it. Johannes H. triumphs over his newly acquired possession.



*"The pick-up box provides a feeling of security and joyful anticipation."*

*"The pick-up is comfortable  
and convenient.  
That makes it much  
easier for me."*

— EVA



## Relief

Eva R. looks disappointed when she looks at the household goods she ordered. After serving her for more than 20 years, her vacuum cleaner simply stopped working. Now this retiree realised one of her dreams and purchased a robot vacuum cleaner, following the recommendation of one of her friends. However, her son can only confirm what she herself already concluded. The appliance which was delivered yesterday in its original packaging simply does not work. This means that Eva R. has to repack the robot vacuum cleaner and bring it to the nearest post office. This is an arduous task for a retired person. In addition, what was supposed to make her household chores easier is now giving her hassles and aggravation. Eva R. sighs. In the meantime, her son already spoke to the customer service department of the manufacturer, who apologized and said that a replacement would be sent out promptly. Her caring and thoughtful son immediately booked a time online with Austrian Post for the cumbersome box to be picked up so

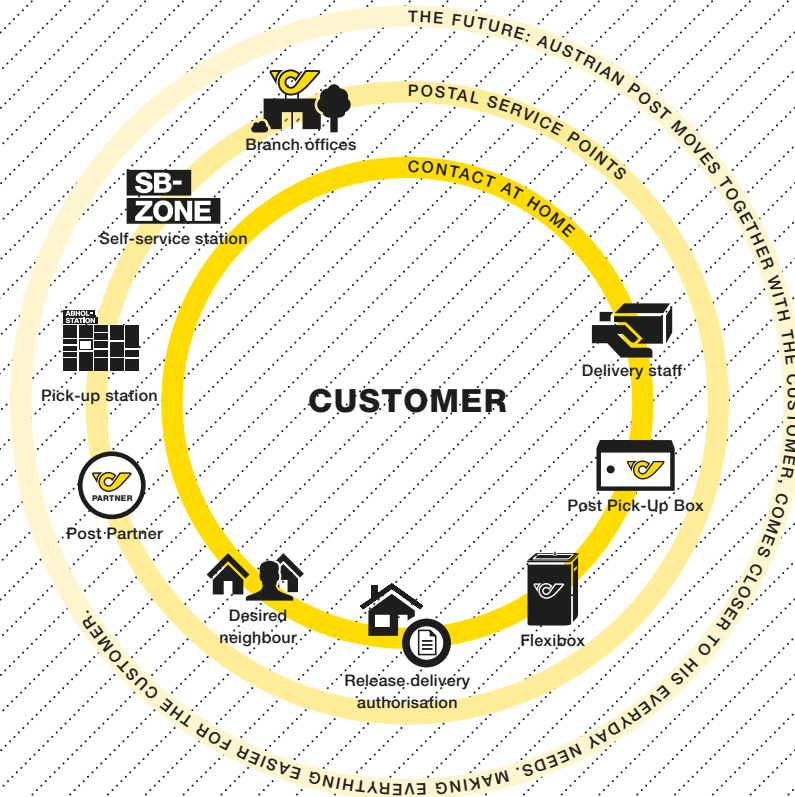
that it would not turn into a trip hazard for his mother. The mail carrier would already come on the next day and take the parcel with him. Her son brings her the good news, hoping it would console his mother. However, Eva R. was focusing on a trip to the branch office. She heard her son speaking almost as if she was in a daze. "Tomorrow the postal carrier is going to come by and pick up the return parcel", she could hear him saying. "Pick up?", she heard herself saying. "Yes of course!", her son answers. "Is tomorrow not good for you? Then we arrange another date for it to be picked up", he mentions, self-evidently for him. He gets up and carries his coffee cup into the kitchen. "Fine, that's fine", Eva R. says, calling out to her son. "Tomorrow would be perfect." Relieved, she knocks on the robot vacuum cleaner which is lying there idly. "It's a pity that you don't want to work", she complains, and promises he will have a good journey back with Austrian Post.



---

**FOCUS ON THE CUSTOMER**


---


**RECEIVING AND SENDING PARCELS  
IS GETTING EASIER AND EASIER**

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

**NEW IN 2018: THE PICK-UP SERVICE**

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

# The New World of Work – Post am Rochus



**New ideas arise when people work together, based on the free exchange of ideas. This is difficult in traditional individual offices or workspaces for small groups because rooms draw boundaries. For this reason, Austrian Post does without having many walls, laying the foundation for a fresh work culture at its Rochusmarkt location right in the middle of Vienna.**

Suspended LED luminaires radiate a pleasant light, and elements covered in fabric ensure insulated room acoustics. Julia Reisenbichler, project manager of “Post am Rochus” presents the spaciouly designed areas in the new Post am Rochus building with a sweeping arm movement. “All office floors are conceived as an open-plan working environment”, she explains. “Here we have created flexible working spaces offering various areas for our multifaceted activities.” These workspaces are just as multi faceted as the tasks performed by the 1,100 Austrian Post employees at the new corporate headquarters. These areas offer a suitable working atmosphere to fulfil every need, a balance between concentration and communication. Focus rooms as well as open cubicles enable undisturbed

work, and conventional desk jobs can be carried out in the workplace groups. Employees looking for spontaneous interaction can visit one of the creative spaces or quiet zones. Separate rooms are designated to host scheduled meetings. The lounges featuring a pleasant atmosphere are designed for people to take breaks or relax in between, inviting people to chat or gather informally.

## **THE PATH TO NEW CORPORATE HEADQUARTERS:**

START OF PLANNING 2012,  
CONSTRUCTION BEGIN 2015,  
MOVE-IN END OF 2017.



**SIGNAL FOR UPBEAT OPTIMISM:**  
A NEW ERA BEGINS BUT WE TAKE  
THE OLD TIMES WITH US  
WITH RESPECT AND APPRECIATION.

**FROM PEACE AND QUIET  
TO COMMUNICATION – BUT CARING  
FOR THE NEEDS OF OTHERS**

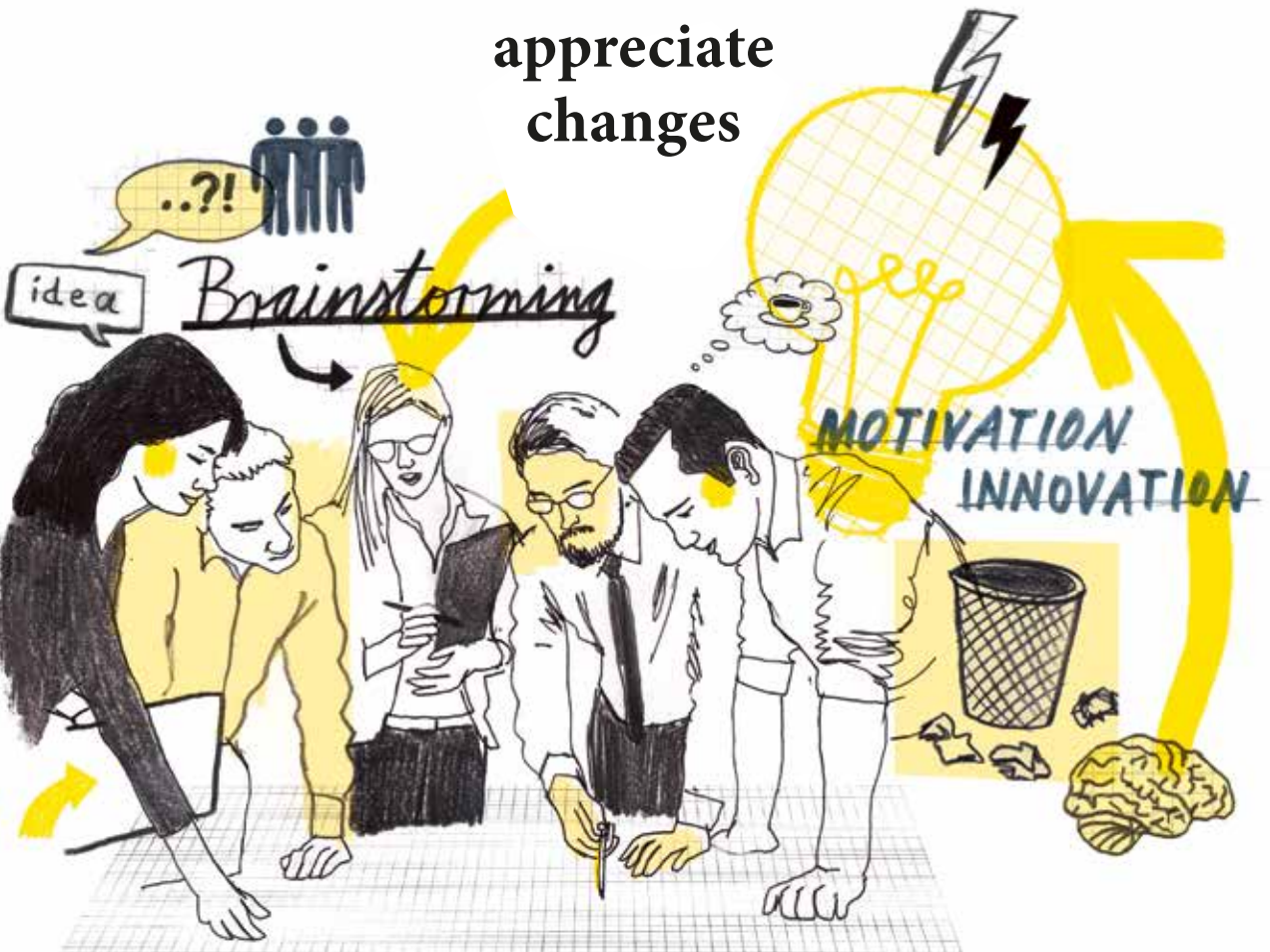
Anyone moving through the office during the course of the day will find places fulfilling her or his need for peace and quiet, concentration or communication at the given moment. The entire office building is designed to enable multiple uses. The employees of Austrian Post move inside in accordance with the principle of “fair use”. This ensures that the underlying concept actually functions in practice. The bottom line is that the workplaces belong to everybody, something people are unaccustomed to in the beginning. Clearly formulated rules keep with the dictates of common sense and help establish order in everyday cooperation. Workplaces must be cleaned up, the focus rooms are to be used for prolonged telephone calls. In light of there being no fixed workplaces in the new Austrian Post building, the way people relate and interact is being realigned. “The open, communicative working environment motivates employees and serves to break down departmental boundaries – both physically and in people’s minds”, states Reisenbichler. “The additional exchange of views and information helps to enhance productivity, solve problems and increase quality.” As a consequence, more is achieved together.

**WORKPLACES CONVEY A MESSAGE**

The new office concept shows what kind of company Austrian Post aims to be in the future. Ultimately, it is all about respect and appreciation. The performance of every single employee is appreciated, and each person should be supported to the best of everyone’s abilities. This is what the message of the new office premises could be. As a national flagship company, Austrian Post wants the design of its new headquarters to comprise yet another milestone in the future-oriented development of the company. A completely new world of work and attractive commercial space is on the inside, whereas a striking office building blends harmoniously with the surrounding area in a timeless and elegant manner on the outside. For this reason, Austrian Post was granted the Office of the Year Award 2017 in the category “Large Companies”. The Austrian Sustainable Building Council (ÖGNI) has recognized Post am Rochus to be a very special business property and awarded a gold certificate to it. The organisation certifies buildings which are constructed in an environmentally-compatible and resource-saving manner, and positively impact the well-being of their users. The heritage-protected art deco facade was linked to a new modern building to create an architecturally appealing building complex.



Think  
outside the box,  
discover the strengths  
of the collective and  
appreciate  
changes



**Whoever wants to be successful in an environment characterised by far-reaching changes cannot simply carry on as before. Whoever wants to be successful in times of change has to rethink what he is accustomed to doing, break down old structures and create space – for direct communication, creativity and innovation. However, what is the best way to ensure the success of such change processes? To do things with one another.**

#### Achieve more in a team

The conventional letter mail business has been in the midst of a downward trend for years. Austrian Post's chosen solution encompasses optimised delivery processes, enhanced employee responsibility and more direct communication based on streamlined team structures enabling it to be well-prepared for market changes. The measures are bundled within the context of the "Teamwork 2018" concept originally designed in 2015 to coordinate the reorganisation of mail distribution and scheduled to be concluded in 2018.

The focus of this realignment is to establish a new leadership structure and downsized teams of ten employees each. Those teams are headed by a "playing captain", who works on the delivery staff himself and is thus very familiar with the day-to-day work of his colleagues. The close proximity of executives to their employees offers advantages for everyone involved. The flattening of hierarchies promotes direct communication between executives and employees, which in turn improves the information flow, increases motivation and strengthens solidarity and the feeling of belonging. The name says it all. 207 delivery bases have already been realigned in line with the "Teamwork" concept, with roll-out at the remaining 37 sites planned by the end of 2018.

**Austrian Post is also aware of this and designs its corporate culture and working environment to motivate employees to develop new ideas and take personal responsibility.**



Habits, like always wearing one's favourite blue sweater or going on vacation to the same place every year, make many people's lives easier and provide a feeling of security. However, habits can also serve as obstacles getting in the way of something new, impeding innovation processes or a creative exchange of ideas. This principle also applies to companies. For this reason, Austrian Post attaches great importance to the diversity of its staff. Instead of clinging to traditional, time-honoured practices, Austrian Post profits day in and day out from different mindsets, perspectives, experiences and assessments arising from the cultural, social and linguistic backgrounds of its employees. In short, diversity at Austrian Post positively impacts the corporate culture and business success.

People from different nations work for Austrian Post. In particular, employees from all over the world work in the logistic centres. It goes without saying that this is not only an important asset but also poses challenges as well. This is the reason why Austrian Post pays particular attention to this issue and implements measures in collaboration with local executives to ensure harmonious and productive cooperation. These initiatives include integration or German-language courses offered by Austrian Post at its parcel logistics centre in Vienna. However, the company's offering goes far beyond a standard course. Participants not only acquire postal know-how and facts about workplace safety but also useful information on typical everyday problems.



### A change of perspective creates understanding

A modern and open leadership culture is the cornerstone of a corporate culture enabling employees to help steer change and contribute their own ideas. The foundation was laid in 2010 by leadership guidelines based on the main pillars of Austrian Post's mission statement such as customer orientation, appreciation and communication. However, to ensure that these executive guidelines are not just empty promises but something tangible which executives can breathe life into, they have to know what their employees are concerned about and what their work involves. A change of perspective can be helpful.

This is made possible by the annual "A Day Visiting Customers". About 400 executives spend a day accompanying one of their colleagues engaged in mail or parcel delivery, in the branch offices, customer service, or working at Austrian Post subsidiaries feibra, Medien.Zustell GmbH, Wertlogistik, Scanpoint or Post Systemlogistik. There



they learn about the everyday work of their colleagues in direct contact to customers and can see for themselves what they accomplish. This measure promotes an open exchange of views between employees and executives as well as understanding for one another, and ultimately contributes to everyone pulling in the same direction and doing their share to further develop the company.

#### Working together for the future

All these approaches intensify employee interaction and promote cooperation. In turn, this is important for future success. Thanks to the way in which they work together across individual business areas, employees develop an understanding for other areas of work and thus come up with new ideas which help to improve their performance. In other words, the strong bonding and cohesion among employees stands for the advancement of Austrian Post.



An expression of  
a new day and age



The new uniform for Austrian Post employees is made to be functional and visually in tune with the times and also something people like to wear. It strengthens the feeling of belonging and provides a likeable orientation for customers. The new Austrian Post uniform was created by the Austrian star designer Marina Hoermanseder.

The garments are currently undergoing testing by more than 50 employees to make sure they stand the test of everyday postal operations. Starting in 2019, about 12,000 employees in the delivery staff, freight transport and the branch network will be given their new work uniforms.

# FOR ONE ANOTHER BECAUSE WE CAN COUNT ON EACH AND EVERY ONE, WE ASK: WHAT COUNTS FOR YOU?

**People are productive when the working environment enables them to unfold their potential. A respectful way of dealing with one another is necessary. Creating such conditions is a complex task. However, the effort pays off, because one thing is clear: ensuring that employees like to come to work is decisive for the long-term success of a company.**

## *Respectful interaction*

### **EMPLOYEE PROTECTION IS A TOP MANAGEMENT PRIORITY**

Accordingly, executives serve as role models with regard to health and safety. Every executive is trained to be a first aider.

“There are a broad range of tasks people perform at Austrian Post e.g. in delivery operations, branch offices, logistics centres and offices which are closely linked to each other. In this regard, we ensure the supply of basic services to the population, most of which are provided by people. For this reason, the health of our employees is the top priority for us”, says Ursula Bachmair, emphasising the value of health promotion and occupational safety for a service provider like Austrian Post. Bachmair is in

charge of Austrian Post’s health management and also serves as the ombudswoman at the company.

Satisfied and healthy employees comprise a key success factor and are important for the further development of the company. For this reason, Austrian Post places great emphasis on creating a safe and appreciative working environment. On the one hand, this is designed to protect employees from risks and dangers in carrying out their assigned tasks. On the other hand, Austrian Post wants to preserve and promote the health and well-being of its employees. “People’s attitudes are crucial, regardless of whether it involves health promotion or occupational safety. That is why this issue was declared to be a top management priority. In this way, it becomes part and parcel of our corporate culture and we can reap the full benefits”, Bachmair explains.

Austrian Post’s offering to its employees is multifaceted and takes their different requirements into account. “We want to offer more than just a single programme. The bottom line is that we want to reach as many employees as possible. Engaging in a dialogue with them is particularly important”, Bachmair states, adding: “In order to take their various needs into consideration, we also have to be aware of them. The question we pose to each employee is, ‘What do you need to be able to make the best possible contribution to the company?’” The employer’s interest in the well-being of the work force is rewarded by the tremendous willingness on the part of employees

**ENTHUSIASTIC ABOUT THE SAME THING**

Running keeps people fit and is a good way for employees to balance the demands of their everyday work. Austrian Post financially supports the athletic commitment of its employees and also provides specially designed Austrian Post running wear.

"Running frees my mind", says Patrizia Lüftenegger in putting her passion for this endurance sport in a nutshell. The area of the brain responsible for memory and learning is not used as much while running and is thus able to recover. In contrast, greater demands are placed on the motor area of the brain responsible for physical activity. In this way, running helps create room for something new.

Lüftenegger is particularly pleased with the sense of community arising from the commitment of his employer. "When we go the starting line in our Austrian Post shirts, we all become part of the whole and the joy we experience in reaching goals doubles when we share it". A total of 4,002 employees took part in 17 running events in 2017, more than ever before.



**ACHIEVEMENTS  
OF  
POST.SOZIAL  
SINCE ITS  
ESTABLISHMENT  
(2005–2017)**

**679,368**  
overnight stays

**EUR 59.9m**  
in food coupons

**EUR 9.8m**  
paid in  
financial support

**1,613**  
booked holiday  
camps for children

**212,789**  
discounted  
admission tickets  
sold

to take responsibility. Preventive measures implemented by Austrian Post to maintain employee health find great approval. Austrian Post has developed a range of services in collaboration with occupational physicians and external experts which every employee can take advantage of in accordance with her or his specific needs. The offering depends on the particular size of the site or department in which an employee works, and ranges from blood glucose and cholesterol monitoring to determining body fat and muscle mass and water content as well as flu vaccinations on request. On the Austrian Post Health Days, health advisors provide information on nutrition and recreation and carry out hearing and pulmonary function tests. These health activities induce great interest on the part of employees. On balance, employees used the different health-related services about 3,300 times in 2017.

### *Beyond everyday working life*

Employees display their commitment to their employer above and beyond their everyday working life when participating in different running events. Similarly, Austrian Post is actively involved in promoting the well-being of its employees beyond the company boundaries. In addition to its dedication to sports, Austrian Post also supports cultural institutions and events. In 2017, the company invited the art enthusiasts among its employees to visit the Museum of Fine Arts in Vienna and to attend the Ars Electronica.

All this is made possible by the non-profit association post.sozial. It arranges discounted admission tickets and offers holiday camps for the children of Austrian Post employees. It reflects the social responsibility of Austrian Post to its employees on the basis of additional social services above and beyond legal stipulations. Financial assistance is given to employees in emergency situations such as illness. Since it was founded in 2005, post.sozial has made more than EUR 9.8m available for the benefit of Austrian Post employees.

# E-Mobility.

**THE VEHICLE FLEET OF TODAY PROTECTS  
THE ENVIRONMENT FOR TOMORROW.  
AND THE DAY AFTER TOMORROW.  
AND EVEN FURTHER DOWN THE ROAD ...**



Sustainability is at the heart of everything Austrian Post does. E-vehicles and autonomous mobility characterize the vehicle fleet of the future. Austrian Post is a green logistics trailblazer and number one in the country thanks to the numerous measures it implements.

**Upward trend:  
E-vehicle fleet  
expansion.  
Downward trend:  
CO<sub>2</sub> emissions**

Back in 2011 Austrian Post already launched the “CO<sub>2</sub> NEUTRAL DELIVERY” initiative designed to successively reduce its carbon footprint. Since then, all mail items within Austria have been delivered in a CO<sub>2</sub>-neutral manner. The calculation of emissions and compensation for them are subject to annual monitoring by TÜV Austria. At the same time, Austrian Post’s entire energy and fuel consumption is being reduced step by step. In the meantime, the company’s CO<sub>2</sub> emissions have been cut by one third, of nearly 100,000 in 2009 to less than 70,000 tonnes at present. This downward trend is still continuing. The massive expansion of Austrian Post’s own e-vehicle fleet is making an increasing contribution to this. Last but not least, Austrian Post is increasingly and proactively investing in renewable energies.



## — Renewable, sustainable, quiet with less annoying humming

### **Austrian Post has Austria's largest e-vehicle fleet**

With about 1,450 electric vehicles, Austrian Post has long boasted by far the largest e-vehicle fleet in Austria, featuring 613 electric bicycles, 370 e-mopeds, six e-powered cars and 441 e-transporters. And the company's fleet of electric-powered vehicles continues to grow. The goal? "That only e-vehicles or vehicles with other alternative drive systems will be in use in the medium term", says Horst Ulrich Mooshandl, Head of Group Procurement and Vehicle Fleet. The main areas of operation at present are populated areas, especially Vienna as well as provincial and district capitals. 98 % of letter and direct mail deliveries to private customers in the Austrian capital city are "green". This not only reduces local air pollution and noise levels but improves the quality of life of many city dwellers. Electric vehicles already take care of all mail deliveries in Eisenstadt today. Nine out of ten private mail items are delivered in an eco-friendly manner in St. Pölten, Innsbruck and Wiener Neustadt, and all the other provincial capitals are well on track towards offering exclusively green delivery services.

## — Electricity production is climbing (up on to the roof!)

**Green refuelling:  
vehicle fleet runs  
on self-generated  
electricity**

Austrian Post generates about 1.4 million kWh of clean energy itself each year thanks to its operating two photovoltaic power plants on the roofs of the Allhaming and Inzersdorf logistics centres. This supplies sufficient electricity to power the entire e-vehicle fleet. The company covers the rest of its electricity requirements by procuring green electricity from Austria – generated from the sun, wind, water, biomass or geothermal energy. The roofs of the Austrian Post not only supply electricity but also offer a natural home for many animals. 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.

## — The outstanding, award-winning e-mobility commitment of Austrian Post

**Energy Globe Award for  
emission-free delivery**

Austrian Post has won awards for its commitment to environmental protection. Recently the project for delivering letter mail with e-vehicles was given the renowned “Energy Globe Vienna” environmental award. Moreover, Austrian Post also climbed on the podium as the winner of the “Energy Globe Austria 2017” award in the category “Air”. At the beginning of 2018, Austrian Post received the internationally prestigious “Energy Globe World Award” at a globally broadcasted TV gala for its electromobility concept. The Energy Globe Award is bestowed annually in recognition of outstanding projects with a focus on resource conservation, energy efficiency and the use of renewable energies. By joining the “Science Based Targets” initiative in 2016, Austrian Post deliberately set even more binding targets. Accordingly, the company is committed to contributing towards the global climate goals of the Paris Agreement and further reducing CO<sub>2</sub> emissions by 14 % up until the year 2025 compared to the level of 2013.

## — Autonomous e-vehicles: the future has begun

**Service & Innovation:  
post robots on wheels**

Science or fiction? It is both and even goes a step farther. The future has long arrived at Austrian Post, and the vision of autonomous driving has become today's reality. “As one of the innovation leaders in the field of logistics, we are also pressing ahead with research and development in the field of autonomous transport logistics”, states Marc Sarmiento, Head of “Projects & Innovation”. Letters and direct mail items are already being delivered now to selected locations in the Graz city centre using the “unmanned” Jetflyer e-vehicle. Work was simultaneously carried out on a follow-up project – “E-Post Robots on Wheels” – in collaboration with the Graz University of Technology, the utility company Energie Steiermark and i-Tec Styria. The project focused on autonomous parcel delivery with a self-propelled Jetflyer. The prototype was presented to the public in the Graz pedestrian zone for the first time in the fall of 2017. This “e-mobile” navigated its way autonomously to different destinations. Recipients were informed via text and could take their parcel from the mounted box upon arrival of the unmanned electric vehicle. “Test projects such as the prototype of the fully autonomous Jetflyer are extremely important in practice. In this way we can optimally explore possibilities for the future”, Sarmiento adds.



## — Airmail 4.0: Drones

### Autonomous e-delivery by land and in the air

It goes without saying that autonomous navigation poses a major challenge. Austrian Post brought outstanding cooperation partners on board to further develop the concept with the context of a jointly implemented research and testing process i. e. the Graz University of Technology and SFL Technologies. Austrian Post carried out initial tests based on the relevant systems developed at the Graz University of Technology and thus continues to adhere to its role as a trailblazer for mobility and innovation. The drones took off and landed autonomously on ELI, the first electric commercial vehicle which was completely developed and produced in Austria. The Graz University of Technology provided the basis for the intelligence of the drones, so that they could not only navigate via GPS but also “see” by means of cameras and thus find their way around. A lot remains unresolved, but one thing is clear: future mobility will become more intelligent, interconnected and environmentally compatible, and Austrian Post will be at the forefront of these efforts.

**Interview: Reducing investment risks –  
The attractiveness of sustainability**

“  
**There is an  
increasing need  
for sustainability  
ratings**  
”

Daniel Sailer of the analysis and ratings agency MSCI ESG Research explains why sustainable investments are in vogue and more and more investors are paying attention to the ecological and social impacts of their activities.

Mr. Sailer, what constitutes a sustainable investment and why is this gaining in importance?

The term sustainability has a long history. Hans Carl von Carlowitz, a chief mining official in Germany, formulated the concept of sustainability in the year 1713 in his work “Sylvicultura oeconomica” due to an impending raw material crisis. For him, sustainability at that time meant that one had only to cut down as much wood as would be replenished or grow back. This principle of long-term, resource-efficient business management can also be applied to the world of finance. An investor making sustainable investments also takes account of the ecological and social consequences. Business models and risks are being transformed by the limited supply of resources, climate change and digitalisation which characterise our day and age. For this reason, there is a steadily increasing demand for sustainability ratings.

**What do you consider to be the biggest difference between conventional and sustainable investments?**

The two can no longer be distinguished from each other. Sustainability is playing an increasingly important role for many of the 1,100 customers making use of our ESG research. The abbreviation “ESG” in our company name stands for environment, social and governance. A good example is the financial services and insurance company Allianz. In 2016, CEO Oliver Bäte announced the company would assess insurance assets of more than EUR 630 billion on the basis of our ESG analyses. In this case, Allianz had all its investments evaluated on the basis of sustainability. Allianz aims to generate high and stable yields in the long term, but at the same time it makes investments in a climate-friendly economy. Economic stability and climate protection are not incompatible. In reality, they go hand in hand. Moreover, sustainability also positively affects the return on investment, as studies have shown.

**What role do ideals and values play in sustainable investments?**

We put a research kit at the disposal of insurance companies, pension funds and other institutional investors which enables them to take the wishes of their customers into account. In this way, an asset manager can work in line with the specific guidelines or targets of a customer, for example a church pension fund, and thus exclude specified sectors from the investments.

**The analyses of your company go far beyond conventional financial analyses.**

**What indicators are decisive for your work, and what do they tell us?**

Our analysis model is based on more than 1,000 pieces of information relating to the environment, society, social considerations and business management. 170 ESG analysts at 20 sites across the globe analyse more than 6,500 companies in 170 industries on the basis of industry-specific criteria such as water consumption, interaction with employees and risks in the supply chain. Thanks to these analyses, we are able to identify the opportunities and risks of the companies which every investor should keep an eye on.



**DANIEL SAILER,**  
MSCI ESG RESEARCH

**How does the logistics sector deal with the issue of ESG?**

ESG-related risks in the logistics sector are particularly high. However, many companies are already sensitised. Take the example of CO<sub>2</sub> emissions. A reduction in fuel consumption results in a corresponding decrease in operating expenses, enhances profitability and comprises an important contribution to climate protection. Companies which succeed in minimising their emissions will also have a competitive edge in case CO<sub>2</sub> is taxed.

**Is Austrian Post sustainably positioned, and do your analysts have a favourable view of the company?**

Our ESG ratings are based on a scale between the best mark of AAA down to CCC. We follow a best-in-class approach i.e. we compare companies within a specified sector. The AAA rating identifies the leading companies with respect to how they manage ESG issues. Austrian Post was granted the best possible rating of AAA. The company is successfully reducing its CO<sub>2</sub> emissions, with a focus on expanding its fleet of electric vehicles which has increased from 862 in 2014 to 1,450 at present. Moreover, Austrian Post offers an attractive remuneration system as well as continuing education and training programmes for its employees. An important element in our ratings is the assessment of a firm's management. In this regard, Austrian Post is characterised by good and solid management structures.



STAMPS WITH A  
SWAROVSKI CRYSTAL



LASER-ENGRAVED STAMPS  
MADE OF OAK WOOD



DISPENSER STAMPS WITH ILLUSTRATIONS

# A Format to Tell Stories

**Image after image is posted on Instagram in the same format, each with short messages. We use these pictures to talk about our lives. The series of pictures and videos on Instagram tell stories. The same thing has been happening for centuries in the smallest of spaces. Each postage stamp also tells a story.**

**Austrian Post regularly issues unique stamps which tell a story. Each year about 50 new stamps are released. There was a sparkling one at Christmas in 2017, after the autumn season yielded a truly natural motif.**

## — Swarovski Christmas ornaments

A Swarovski crystal sparkles once again on a postage stamp. On an ice blue backdrop resplendent stars are seen, one of which is decorated with a shiny stone. This commemorative stamp for Christmas was crafted by hand. The crystal is correspondingly positioned using a template and mounted with a special adhesive. The stamp can be processed normally by the sorting machines despite the large crystal.

## — Artful wooden stamp

A postage stamp in the form of an oak tree and made of domestic oak wood was issued on the occasion of the 20th anniversary of the Austrian Federal Forestry Office. The laser-cut stamp made of thin veneer is flexible and pliable. Every single stamp is unique and is given its individual look thanks to the natural wood grain.

## — Stronger presence for the postage stamp

Postage stamps for the most popular postal rate categories have been recently glued onto the letters brought to the counters of Austrian Post's branch offices instead of the purely functional black and white adhesive strips. The so-called dispenser stamps are designed to more closely integrate stamps in people's everyday lives. The attractive works of art show illustrations depicting national customers, landscapes, sights and buildings, and are available at the counter when posting letters or by subscription.

## — Did you know ...?

### BEFORE STAMPS WERE CREATED

The introduction of stamps revolutionised the postal sector, especially as a result of the new uniform and binding delivery fees. Previously postage rates were calculated on an individual basis. Shipping items could be outrageously expensive, depending on the number of sheets of paper and the distance between the sender and the recipient.

### THE VERY FIRST STAMP COLLECTORS

On the day the first postage stamps in the world were released, namely May 6, 1840, many of them were only bought with the intention of keeping and not using them. The world's first stamp shop for collectors opened in Brussels in the year 1852, and the first public stamp catalogues were published in England and Belgium in 1862.

### ROYAL SIGNIFICANCE

The most expensive postage stamp in the world is the "British Guiana 1c magenta" issued in 1856. It was sold for EUR 7m in 2014 and is the only important stamp missing from the private collection of the British Royal Family.

### THE MOST BEAUTIFUL STAMPS IN THE EUROPEAN UNION

Each year 35 people in the fields of philately and art select the most beautiful stamps in the European Union. The "Christmas" block of stamps from Austrian Post won the second-place prize in the category "Best Stamps for Youth" within the context of the "Grand Prix de la Philatélie Européenne".





AUSTRIAN POST

In the centre  
of life, number one  
in Austria

Communications and logistics are considered to be the most important growth drivers of the economy. Structures are required as the basis for a smooth flow of information and goods. Austrian Post offers a nationwide network, thus ensuring the supply of postal services to the Austrian population and business community.



AN IMPRESSIVE  
PERFORMANCE WHICH  
SPEAKS FOR ITSELF

**95 %**  
of letters delivered on the  
next working day

**93 %**  
of parcels successfully  
delivered on the first attempt

TRANSPORTED EACH YEAR

**97**  
million parcels

**1.7**  
billion addressed  
direct mail items

**3.8**  
billion unaddressed  
direct mail items



#### DEDICATED PEOPLE WHO ARE INDISPENSABLE

**20,524**  
employees

thereof  
**18,134**  
in Austria

thereof  
**8,954**  
mail and parcel carriers

#### AN INVESTMENT BASED ON A SOLID PERFORMANCE

Reliable income:  
**EUR 1.9m**  
Revenue

Convincing results:  
**EUR 207.8m**  
EBIT

**204 %**  
Total Shareholder Return  
since the IPO

#### AN INFRASTRUCTURE WHICH CANNOT BE OVERLOOKED

**15,166**  
letterboxes

**6**  
mail centres and

**7**  
parcel logistics centres

**1,802**  
postal service points

**3,500**  
service points

**351**  
self-service zones with  
24/7 service

**23,662**  
Post pick-up boxes

**840,000**  
Downloads of the Post App

**8,680**  
vehicles, of which  
**1,423**  
are e-powered



"When I put a letter through  
the letter slot it is gone.  
From there somebody picks it up."

Nico, age 5



## WHAT DOES AUSTRIAN POST STAND FOR?

# Having the last word



"I don't get as much mail as Mama,  
but I am always very happy when  
I am allowed to open something."

Marlene, age 5

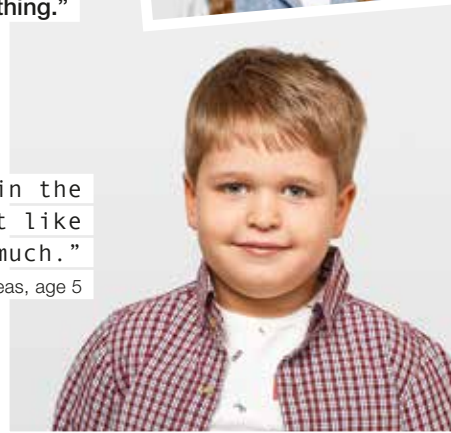


"You can put drawings and pictures  
or whatever you want in an  
envelope, and the Post takes it  
wherever you want."

Sofia, age 5

"Bills often come in the  
mail. My parents don't like  
those as much."

Andreas, age 5



"Sometimes when Papa  
posts a letter,  
I get to lick the stamp."

Maks, age 4



"Mama is really delighted  
when she orders shoes and they  
arrive so quickly."

Mia, age 5

## — Contact and Imprint

### Österreichische Post AG

Headquarters  
Rochusplatz 1  
1030 Wien  
T: +43 (0) 577 67 0  
E: [info@post.at](mailto:info@post.at)  
I: [www.post.at](http://www.post.at)

### Investor Relations

Harald Hagenauer  
T: +43 (0) 577 67 30401  
F: +43 (0) 140 02 20906  
E: [investor@post.at](mailto:investor@post.at)  
I: [www.post.at/ir](http://www.post.at/ir)

### Corporate Communications

Manuela Bruck  
T: +43 (0) 577 67 21897  
E: [info@post.at](mailto:info@post.at)  
I: [www.post.at/pr](http://www.post.at/pr)

### CSR – Sustainability

Daniel-Sebastian Mühlbach  
E: [co2neutral@post.at](mailto:co2neutral@post.at)  
I: [www.post.at/co2neutral](http://www.post.at/co2neutral)

### Compliance

Judith Pilles  
T: 0800 202 224<sup>1</sup>  
E: [compliance.helpdesk@post.at](mailto:compliance.helpdesk@post.at)

### Private customers

Post customer service  
T: 0800 010 100<sup>1</sup>

### Business customers

T: 0800 212 212<sup>1</sup>

### Stamp collector's service

T: 0800 100 197<sup>1</sup>  
I: [www.philatelie.at](http://www.philatelie.at)

### Austrian Post

#### Online Annual Report 2017

I: [www.post.at/gb2017/en](http://www.post.at/gb2017/en)

If you want to know more about Austrian Post (annual reports, quarterly reports etc.), we would be happy to put you on our distribution list.

Please contact:

T: +43 (0) 577 67 30401  
E: [investor@post.at](mailto:investor@post.at)  
I: [www.post.at/ir](http://www.post.at/ir)

<sup>1</sup> For Austria

### Media owner and publisher:

Österreichische Post AG, Rochusplatz 1, 1030 Wien, Österreich,  
T: +43 (0) 57767-0, E: [info@post.at](mailto:info@post.at), I: [www.post.at](http://www.post.at), FN: 180219d,  
Commercial Court of Vienna

**Concept and design:** Berichtsmanufaktur GmbH, Hamburg

**Project management, lectorate:** Berichtsmanufaktur GmbH, Hamburg;  
Austrian Post, Investor Relations

**Photos:** Ian Ehm (cover, p. 2–09, 13–16, 60), Werner Streitfelder (p. 26–28, 35, 38: Branch office, 39: Post Pick-Up Box, 50/51, 58: left photo), Christian Stemper (p. 29, 40: mail carrier, 42–43, p. 59), Carolin Bohn (p. 53: right photo), Xandra Linsin (p. 47), Warda Network (p. 53: left photos) for Austrian Post;  
Markus Fischer (p. 19), PicturePeople GmbH & Co. KG. (p. 20), Manfred Reiner (p. 22), Klaus Peinhaupt (p. 24), Christian Husar (p. 49), iStockphoto (p. 38: portrait, cell phone, p. 39: Porträt, p. 40: portrait and tablet)

**Illustration:** Julian Rentzsch (p. 1, 30, 55), Michael Szyszka (p. 44–47)

**Printing:** AV+Astoria Druckzentrum, Vienna

**Editorial deadline:** March 14, 2018

For the sake of readability and the natural flow of the text, this annual report does without specific gender references. All references to people refer to both men and women.

