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# Non-financial Report

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# GENERAL INFORMATION

Sustainability is of great importance to Austrian Post. Austrian Post will positively shape its impacts on the economy, employees, the environment and society based on a large number of targeted measures. As a company Austrian Post is committed to generating economic success on behalf of its shareholders. At the same time, it is also very much aware of its corporate social responsibility, its role as an employer and its ecological footprint. The successful future of the company can be secured through the integration of sustainability in its core business.

## Report Contents

Since full-scale market liberalisation took effect in Austria, Austrian Post (AG) has been a universal services provider, guaranteeing the supply of high-quality postal services throughout the country. Austrian Post (AG) generates 88% of Group revenue. For this reason, in its annual Sustainability Report published since 2010 in accordance with GRI Standards, Austrian Post focused on Austrian Post (AG). The Sustainability and Diversity Improvement Act (NaDiVeG) entered into force, which resulted in new disclosure requirements for Austrian Post. In 2017, for the first time, Austrian Post expanded its reporting on key non-financial aspects of its business operations to cover the entire Austrian Post Group, with respect to observing human rights, combatting corruption and bribery as well as environment, social and employee issues.

The following chapter contains the required information in line with Section 243b Para. 1–3 Austrian Commercial Code (UGB) UGB in connection with Section 267a 1–3 of the UGB and contains non-financial information about Austrian Post (AG) as well as its fully consolidated subsidiaries. In order to avoid redundancy, there are references to parts of the Management Report and Corporate Governance Report, which also contain non-financial information. This particularly relates to additional information about the business model, risk management and the diversity concept of Austrian Post.

Non-financial indicators are presented in a two-year comparison.

The published information was audited by an independent third party. A corresponding declaration made by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft can be found at the end of the Non-financial Report.

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 Refer to p. 63f


Additional information on individual sustainability issues with project examples are disclosed in a separate Sustainability Report. This Sustainability Report was also audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and published at the same time as the Financial Report.

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 Refer to Sustainability Report 2018


# Business Model

Austrian Post is an important logistics and postal services provider in and beyond Austria, with about 20,500 employees and annual revenue of EUR 2 bn. The core business of the company encompasses the transport and delivery of letters, direct mail items, print media and parcels as well as various logistics services. Austrian Post concentrates its business activities in two divisions, namely the Mail & Branch Network Division as well as the Parcel & Logistics Division.

 Refer to description of business operations and the organisational structure p. 58

Together with its Group companies, Austrian Post is also active in Germany and Southeast and Eastern Europe in the fields of letter mail, direct mail and branch offices

as well as parcel and logistics. The following Non-financial Report covers the entire Group with the exception of the environmental indicators of the subsidiary Express One Hungary. The parent company Austrian Post (AG) generates 88% of total revenue and employs 85% of the employees. Data compilation in the scope of consolidation of the Group was expanded in 2018. For this reason, the non-financial indicators on a Group level are not directly comparable with the information provided in the previous year. The company is working on ensuring further harmonisation in order to enable improved comparability of indicators on a Group level. For this reason, changes will be commented upon in relation to Austrian Post (AG) only. Further information on the business model as well as the strategy of Austrian Post is provided in chapter Group and Shareholders.

 Refer to p. 04f


Subsidiary	Country
ACL advanced commerce labs GmbH	Austria
EMD – Elektronische- u. Mikrofilm-Dokumentationssysteme Ges.m.b.H.	Austria
feibra GmbH	Austria
Medien.Zustell GmbH	Austria
Post E-Commerce GmbH	Austria
Post Immobilien GmbH	Austria
Post Systemlogistik GmbH	Austria
Post.Wertlogistik GmbH	Austria
Scanpoint GmbH	Austria
sendhybrid ÖPBD GmbH	Austria
AUSTRIAN POST International Deutschland GmbH	Germany
City Express d.o.o.	Serbia
City Express Montenegro d.o.o.	Montenegro
Express One d.o.o., Sarajevo	Bosnia and Herzegovina
Express One Hungary Kft.	Hungary
IN TIME s.r.o.	Slovakia
M&BM Express OOD	Bulgaria
Overseas Trade Co. Ltd. d.o.o.	Croatia
Scanpoint Slovakia s.r.o.	Slovakia
Slovak Parcel Service s.r.o.	Slovakia
Weber Escal d.o.o.	Croatia

# Material Topics

Austrian Post elaborated the most significant issues within the context of an interactive process involving both external stakeholders and internal specialists. The importance of the material topics as well as their impacts on the economic environment, society, employees and the environment were developed in collaboration with external and internal stakeholders. The results were subsequently embedded in a materiality matrix.

These material topics are relevant to the business of the parent company Austrian Post (AG) as well as its subsidiaries and and comprise areas covered by law. However, in its capacity as a universal services provider in Austria, Austrian Post (AG) is subject to legal regulations with respect to the reliability of the postal supply and delivery speed which do not apply to its subsidiaries. Accordingly, the topic "Regional infrastructure and reliability of supply" is only relevant for Austrian Post (AG).

Due to their importance for Austrian Post and its stakeholders, these topics are also included in the integrated corporate and sustainability strategy of Austrian Post and taken into consideration with the help of the defined objectives and measures.

 Refer to p. 42f, 54ff

The Non-financial Report is divided into the following four sections, in which all the above-mentioned topics including challenges, concepts and results as well as significant risks and non-financial indicators are presented.

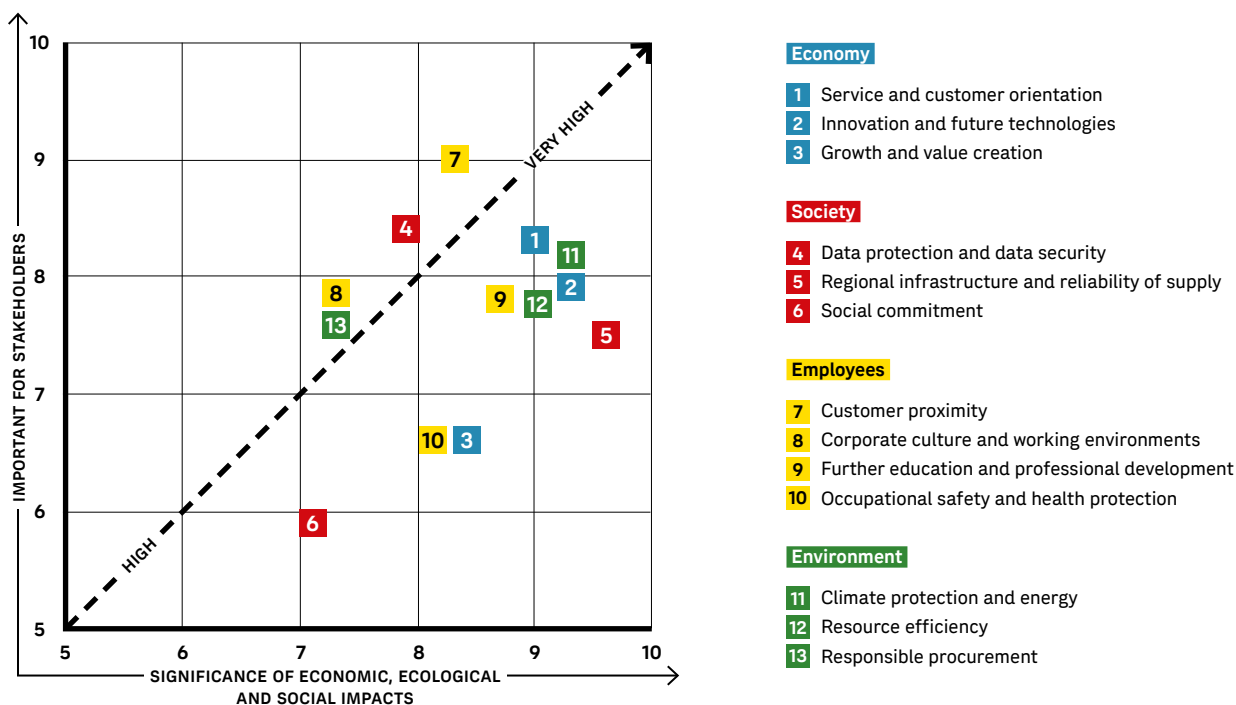
- **Employees and diversity – We are all part of Austrian Post**
- **Society and data security – Everything we do revolves around our customers**
- **Human rights, anti-corruption and bribery – We act responsibly**
- **Environment – We focus on the future**

## Risk Assessment

The Non-financial Report handles risks which are derived from the material topics mentioned above. These are dealt with in detail in the respective sections of the report. At present, Austrian Post faces no serious risks with respect to these topics.


In addition, Austrian Post operates a comprehensive risk management system encompassing risks faced by the company and all business units and Group subsidiaries. In the interest of sustainability, ecological, social and ethical aspects are taken into consideration in the company's risk management efforts.

Materiality Matrix of Austrian Post

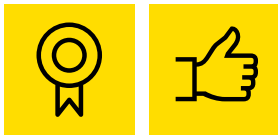


Sustainability is monitored by specialists in respective organisational units, and any cases in which materiality limits are exceeded are reported to Central Risk Management. Reported sustainability risks are subject to Group-wide risk assessment and analysis and evaluated either on a qualitative or quantitative level. If a qualitative assessment reveals a particularly high risk potential, a quantification of risks has to be subsequently carried out.

The Group implements a biannual update of all risks and subsequent reporting to the Management Board. In this case, qualitative as well as quantitative sustainability risks are reported to the Management Board any time an internally-defined risk threshold is exceeded.

 Refer to p.85ff

## Honours and Awards



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

MSCI ESG  
RESEARCH LLC



### MSCI ESG RESEARCH

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



### ISS OEKOM RESEARCH

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



### CARBON DISCLOSURE PROJECT

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



### ECOVADIS

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



### VÖNIX

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



**IPC GOLD AWARD 2018**

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

**ENERGY GLOBE AWARD**

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

**AUSTRIAN SUSTAINABILITY REPORTING AWARD**

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

# EMPLOYEES AND DIVERSITY

## We are all Part of Austrian Post

Human resources management is of particular importance for Austrian Post in its role as a service company. Its measures make a decisive contribution to the company's success and future viability. In this regard, a good working environment, attractive career opportunities, workplace safety and occupational healthcare also play a significant role.

The megatrends impacting the postal business in the focus area of employees are demographic change including the need to maintain employability, increasing complexity of work, pressure to be efficient and automation of processes. All this is also related to minimising accident risks, protecting employees and ensuring a work-life balance to enhance motivation and employee retention.

## Concepts and Their Results

Mutually shared visions and values are important for employees as the basis for acting in a targeted and sustainable manner in an environment strongly influenced by changes and transition. The services rendered by Austrian Post are aligned to the material topics identified in the dialogues with stakeholders as follows

- Corporate culture and working environments
- Occupational safety and health protection
- Further education and professional development
- Customer proximity

Promoting the corporate and leadership culture is of crucial importance to the human resources work of Austrian Post. The company has defined employee-related targets and measures for management and control purposes, regularly evaluates them and adjusts them if necessary. The following table provides an overview of these targets and measures:

### Main Target: Promote a Corporate and Leadership Culture

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

### Main Target: Pay Attention to Health and Safety

Targets in 2018	Achieved in 2018	Planned for 2019
Heart rate variability analyses: Implementation of heart rate variability analyses and health workshops at five sites or more	273 heart rate variability analyses were carried out at 20 sites	Evaluation of the implemented measures



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

## CORPORATE CULTURE AND WORKING ENVIRONMENTS

Austrian Post attaches great importance to establishing an open and modern corporate and leadership culture. Leadership guidelines were developed on the basis of the mission statement in order to create a good working atmosphere and performance-enhancing working conditions. These guidelines are designed to help contribute to an ongoing further development of the corporate and leadership culture.

In addition to standardised leadership guidelines and an open communication culture, the offering of additional social services via the association post.sozial rounds off the motivating and performance-enhancing working conditions at Austrian Post. The non-profit association aims to provide social support to active employees of Austrian Post (AG) and its subsidiaries as well as to retired employees, family members and surviving relatives of employees. Services range from financial support to employees faced with exceptional expenses arising as a result of illness or natural disasters, discounted tickets for cultural and sport events to less expensive holiday deals alongside child care and day care services during vacations.

## OCCUPATIONAL SAFETY AND HEALTH PROTECTION

Preserving and promoting the health and safety of employees as well prevention of accidents and work-related illnesses are matters of great concern to Austrian Post.

Occupational safety is also firmly embedded on an organisational level due to its crucial importance for Austrian Post (AG). At the larger sites, the issue of employee protection is dealt with in occupational safety committees in which safety experts, occupational physicians, safety officers, employee representatives and the

employer are represented. The related standards are specified in the Employee Protection Act.

In addition, Austrian Post aims to preserve and promote the health and well-being of its employees. For this reason, it offers a series of measures and initiatives focusing on health protection, such as heart rate variability analyses, health consultations and Health Days, providing a comprehensive consulting and information offering as well as the promotion of sporting activities.

In addition to our corporate social responsibility, employee protection is also a factor of relevance to our business operations, because accidents and working days lost lead to additional costs. Promoting occupational safety and health also serves as the basis for greater operational efficiency and productivity increases.

## FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

Austrian Post has established target group-oriented and competence-oriented training and further education programmes, which are designed to fully leverage the existing potential of its employees and sustainably guarantee corporate success. These measures encompass specialised instruction, continuing education courses, coaching and training at Austrian Post (AG) and its subsidiaries.

Furthermore, the education of young employees is supported on the basis of a special trainee programme as well as within the context of "apprenticeship with a secondary school diploma".

The investments in further education and professional development enable long-term career paths based on the professional and personal development of employees. We believe this is a relevant factor for employee satisfaction and retention. A low employee attrition rate prevents



knowledge drain and contributes to keeping recruiting and trainings costs for new employees at a low level.

### **CUSTOMER PROXIMITY**

The topic of customer and service orientation is incorporated in the mission statement of Austrian Post and is thus important to all employees. All employee development measures also have a positive impact on customer proximity. In line with the guiding principle "Everything we do revolves around our customers", well-trained employees offer optimal service and thus contribute to increasing customer satisfaction.

In order to respond to the changed life styles and demands of customers, Austrian Post is continuously working on innovative services to expand its product and services. In this regard, customer comfort and service quality are always at the forefront of the company's efforts. The customer orientation and high level of service of employees is reflected by good customer satisfaction ratings of Austrian Post (AG), which are measured by an external institute on a quarterly basis.

### **DIVERSITY**

Equal opportunities at work and the equal treatment of employees are a matter of course at Austrian Post (AG) and its subsidiaries. Within the context of its diversity management, Austrian Post promotes social diversity and constructively seeks to benefit from it. Austrian

Post not only aims to tolerate the individual differences among employees, but to particularly highlight them in the spirit of promoting mutual appreciation and respect. This creates a productive overall atmosphere in the company. In order to ensure equal opportunity at work, Austrian Post strongly opposes any kind of discrimination, bullying and sexual harassment and already signed the Charter of Diversity in 2013.

We are convinced that diversity at Austrian Post enhances innovative strength and enables us to fulfil the manifold demands of customers and master future developments in order to secure the company's long-term profitability.

Reference is made to the Corporate Governance Report for further information on measures being taken to promote diversity within the company as well as details concerning diversity in the Management and Supervisory Boards.

 Refer to p. 24f

### **Significant Risks**

In spite of measures designed to prevent accidents and maintain employee health, significant risks related to employees exist on the basis of potential health hazards for employees which can arise due to work-related stress and strain.

## Non-financial Indicators

The total number of employees working at Austrian Post (AG) rose slightly from 17,225 full-time equivalents in 2017 to 17,406 in 2018. This is due to the good capacity utilisation for letter mail items as well as the increasing volume development in the parcel business reflected in a double-digit growth rate of 11.1% in transported parcel volumes in 2018.

A review of diversity at Austrian Post in 2018 showed a continuation of the balanced mix of employees by age groups. The indicator "Women in executive positions" revealed an increase in the proportion of women in executive positions in 2018 as a consequence of

Austrian Post's ongoing measures to promote the career advancement of women.

The turnover statistics showed a trend towards increasing employee turnover, which reflects the current situation on the labour market. The good economic situation generally led to an enhanced willingness on the part of employees to change jobs. Austrian Post (AG) initiated a programme in response to this development as a means of reducing employee turnover and ensure the long-term retention of employees in the company.

Corresponding measures were developed and implemented both with respect to administrative positions as well as in the fields of mail and parcel logistics.

## Employees

	Austrian Post (AG)		Group <sup>1</sup>	
	2017	2018	2017	2018
<b>Total Employees (FTE<sup>2</sup>)</b>	17,225	<b>17,406</b>	19,956	<b>20,545</b>
thereof women	5,027	<b>5,264</b>	5,996	<b>6,481</b>
thereof men	12,198	<b>12,142</b>	13,960	<b>14,064</b>
by age group				
under 30	2,317	<b>2,731</b>	2,799	<b>3,396</b>
30–50 years	7,690	<b>7,535</b>	9,325	<b>9,377</b>
over 51	7,218	<b>7,139</b>	7,832	<b>7,772</b>
<b>Employees in management positions<sup>3</sup> (FTE)</b>	887	<b>778</b>	993	<b>972</b>
thereof women	202	<b>186</b>	224	<b>245</b>
thereof men	685	<b>591</b>	769	<b>727</b>
by age group				
under 30	14	<b>19</b>	n/a <sup>5</sup>	<b>24</b>
30–50 years	438	<b>363</b>	n/a <sup>5</sup>	<b>513</b>
over 51	435	<b>395</b>	n/a <sup>5</sup>	<b>435</b>
<b>Full-time employees (head-count)</b>	15,256	<b>15,324</b>	n/a <sup>5</sup>	<b>18,228</b>
<b>Part-time employees (head-count)</b>	3,474	<b>3,600</b>	n/a <sup>5</sup>	<b>3,951</b>
<b>Employee attrition (total staff departures)<sup>4</sup></b>	2,309	<b>2,548</b>	n/a <sup>5</sup>	<b>3,280</b>
thereof women	885	<b>918</b>	n/a <sup>5</sup>	<b>1,211</b>
thereof men	1,424	<b>1,630</b>	n/a <sup>5</sup>	<b>2,069</b>
by age group				
under 30	651	<b>735</b>	n/a <sup>5</sup>	<b>969</b>
30–50 years	764	<b>789</b>	n/a <sup>5</sup>	<b>1,130</b>
over 51	894	<b>1,024</b>	n/a <sup>5</sup>	<b>1,181</b>

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

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

<sup>2</sup> FTE = Full-time equivalents

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

<sup>4</sup> Persons leaving the permanent staff who have been employed by the company for at least six months. All forms of staff departures are taken into account.

<sup>5</sup> This indicator will be used for the Austrian Post Group for the first time in 2018.

## Employees by Division

	Austrian Post (AG)		Group	
	2017	2018	2017 <sup>1</sup>	2018
<b>Employees (FTE<sup>2</sup>)</b>	17,225	<b>17,406</b>	20,524	<b>20,545</b>
Mail & Branch Network Division	13,690	<b>13,590</b>	14,820	<b>14,270</b>
Parcel & Logistics Division	1,568	<b>1,710</b>	3,695	<b>4,118</b>
Coporate	1,967	<b>2,106</b>	2,009	<b>2,157</b>

<sup>1</sup> The 2017 figures include all subsidiaries and therefore differ from the 2017 figures in the Employees table on page 44.

<sup>2</sup> FTE = Full-time equivalents (annual average)

## Sick Leave and Accidents

A statistically higher number of occupational accidents has been registered since 2018. This is attributable to a modified and improved data compilation and evaluation system. The sick leave ration remained virtually unchanged despite the increase in parcel volumes.

	Austrian Post (AG)		Group <sup>1</sup>	
	2017	2018	2017	2018
<b>Employees on sick leave (FTE in %)</b>	10.1	<b>10.6</b>	n/a <sup>3</sup>	<b>9.7</b>
<b>Number of occupational accidents<sup>2</sup></b>	617	<b>718</b>	676	<b>809</b>
<b>Fatal accidents</b>	0	<b>0</b>	0	<b>3</b>

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

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

<sup>2</sup> Accidents beginning with one working day lost including subsequent sick leave (incl. commuting accidents during work).

<sup>3</sup> This indicator will be used for the Austrian Post Group for the first time in 2018.

## Further Education and Professional Development

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

for 2017 were impacted by special effects such as the discontinuation of participant registration for heart rate variability measurements at the delivery bases.

	Austrian Post (AG)		Group <sup>1</sup>	
	2017	2018	2017	2018
<b>Number of seminars</b>	1,066	<b>1,062</b>	1,133	<b>1,259</b>
<b>Number of participants</b>	6,092	<b>6,473</b>	6,326	<b>6,868</b>
<b>Person hours</b>	131,894	<b>118,415</b>	n/a <sup>2</sup>	<b>123,496</b>

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

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

<sup>2</sup> This indicator will be used for the Austrian Post Group for the first time in 2018.

# SOCIETY AND DATA SECURITY

## Everything We Do Revolves Around Our Customers

As the universal service provider, the parent company Austrian Post (AG) is required to fulfil its obligation to supply high-quality postal services for every household throughout the country at a uniform price and operate a nationwide branch network. For this reason, much of the information in this chapter applies to the parent company Austrian Post (AG) and not to the Austrian Post Group.

As a means of dealing with the major changes impacting the postal business, especially due to social change and digitalisation, Austrian Post closely monitors and analyses these challenges and adjusts its business accordingly.

The challenges in the field of society primarily relate to demographic change, differentiated life styles on the part of customers and the growing awareness of sustainability and environmental issues.

## Concepts and Their Results

Austrian Post (AG)'s top priority is to ensure the supply of top-quality postal services throughout the country. This is because the company plays a decisive role in Austria's communications infrastructure. Furthermore, Austrian Post (AG) supports various social projects directly linked to its core business.

In addition, confidentiality as well as information and data security are extremely important topics for Austrian Post. This is due to the fact that both business customers as well as recipients of mail items put data at the disposal of the company to ensure smooth operation of transport and delivery.

With respect to society, the following topics were identified as material in cooperation with stakeholders:

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

Austrian Post has defined targets which are revised on an annual basis in order to measure its success and progress in its focus area of society as well as to document and manage its performance. The objectives for 2018 and 2019 are as follows:

### Main Target: Ensure a Reliable Supply and Shape Framework Conditions

Targets in 2018	Achieved in 2018	Planned for 2019
Ensuring reliable delivery services at all times and exceeding legal requirements by Austrian Post (AG)	95,8% of letters were successfully delivered on the first working day after letters were posted by Austrian Post (AG)	Ensuring reliable delivery services at all times and exceeding legally stipulated performance targets by Austrian Post (AG)
Ensuring a nationwide network of postal service points exceeding legal requirements by Austrian Post (AG)	Austrian Post (AG) surpassed legal stipulations: the network encompassed 1,791 postal service points at the end of 2018	Ensuring a nationwide network of postal service points exceeding legal requirements by Austrian Post (AG)



## Main Target: Promote Social Commitment

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

### REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

Due to the universal service obligation of Austrian Post (AG), this material topic only applies to Austrian Post (AG) and not to its subsidiaries.

Each year Austrian Post (AG) delivers letters and parcels throughout Austria. In order to safeguard the supply of basic postal services to the Austrian population, Austrian Post (AG) offers nation-wide services and delivers 5.3 billion mail items annually. Austrian Post (AG) fulfils its mandate by providing services of outstanding quality. In 2018, 95.8% of letters were already delivered on the next working day, and 97.3% of parcels to private customers within two working days.

Both figures surpass the legally required levels of the Universal Service Obligation. Based on its broad online and offline service offering, Austrian Post takes account of customer needs and integrates them in its core business via practical, everyday solutions.

The optimisation of facilities and processes ensures efficient logistics and thus customer satisfaction. The reputation of Austrian Post (AG) and the related annual Customer Satisfaction Index are influencing factors for long-term growth of the company.

### COMMITMENT TO SOCIETY

Furthermore, Austrian Post is committed to society beyond the company's boundaries, supporting a range of business-related social projects and activities. In this regard, the company attaches great importance to ensuring that its social involvement is clearly linked to its core business. In 2018, Austrian Post (AG) once again supported the Ö3 Wundertüte initiative and the "Gift parcels for the Christ Child" campaign.

### DATA PROTECTION AND DATA SECURITY

Due to technical developments and the steadily increasing importance of data for the successful development of Austrian Post, the Austrian Post Group implements extensive measures to ensure the confidentiality of customer and company data as well as the integrity and availability of the IT systems operated by Austrian Post.

In 2018 Austrian Post (AG) carried out various measures as a means of meeting the statutory demands contained in the General Data Protection Regulation (EU GDPR). New processes were set up and existing processes were adapted to reflect the new legal situation. Various guidelines were issued on data-specific topics and communicated to all employees.

Raising awareness among employees throughout the Group with regard to the issues of data protection and data security also play a major role. The company established a data protection organisation to ensure that data protection is practiced and lived by all employees and to prevent potential penalties and damage to the company's reputation caused by non-compliance with legal regulations. It consists of data protection managers in all specialised departments at the company and the data protection officers and data protection managers in the subsidiaries. A company-wide e-learning course on the issue of data and information security was rolled out in 2018.

Moreover, information events were held for groups of individuals with special security requirements such as executives and accounting employees.

In compiling, using and processing personal data, Austrian Post strictly adheres to the legal data protection regulations (e.g. Data Protection Act, the EU's General Data Protection Regulation). Austrian Post is moving in new directions and developing innovative products and services in order to design more modern and attractive service offerings for its customers. The legal framework for new, innovative products and services and the related data processing leaves room for interpretation with respect to the data protection regulations applicable since May 2018 and can thus repeatedly become the focal point of discussions and legal proceedings relating to data protection.

## Main Risks

The main risks relating to ensuring the reliability of supply relate to potential interruptions in the supply of postal services in Austria which could arise as a result of operational breakdowns or restrictions, environmental incidents, IT failures, strikes, staff shortages and flu epidemics, and thus have a negative impact on customer satisfaction.

The main risks in the field of data protection and data security involve the potential theft or illegal disclosure of sensitive customer and employee data and the subsequent damage to the company's reputation, increasing customer dissatisfaction and threat of having to pay fines in accordance with the stipulations contained in the General Data Protection Regulation (EU GDPR).

## Non-financial Indicators

Indicators	Austrian Post (AG)		Group	
	2017	2018	2017	2018
Number of postal service points	1,802	<b>1,791</b>	Not applicable <sup>1</sup>	<b>Not applicable<sup>1</sup></b>
Delivery success rate on the first working day after posting	95.4% of letters were delivered on the first working day after posting	<b>95.8% of letters were delivered on the first working day after posting</b>	Not applicable <sup>1</sup>	<b>Not applicable<sup>1</sup></b>
Customer satisfaction (Customer Satisfaction Index value) <sup>2</sup>	The average CSI value was 69 points	<b>The average good CSI value was 70 points</b>	Indicator not available on a Group level	<b>Indicator not available on a Group level</b>
Substantiated complaints with respect to violations of data protection or loss of customer data	There were no serious complaints in 2017 concerning the violation of data protection or loss of customer data	<b>There were no serious complaints and legal cases in 2018 concerning alleged breaches of customer privacy, data theft or loss of customer data</b>	There were no serious complaints in 2017 concerning the violation of data protection or loss of customer data	<b>There were no serious complaints and legal cases in 2018 concerning alleged breaches of customer privacy, data theft or loss of customer data</b>

<sup>1</sup> These indicators are not applicable to the subsidiaries of Austrian Post (AG) in light of the fact that they are not subject to the Universal Service Obligation.

<sup>2</sup> Customer Satisfaction Index (CSI) value on a scale from 0-100, < 50 points: critical, 51-60: moderate, 61-70: good, 71-80: very good, 81-100: excellent.

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# HUMAN RIGHTS, COMPLIANCE AND ANTI-CORRUPTION

## We Act Responsibly – Human Rights

Austrian Post (AG) and its subsidiaries attach particular importance to a correct interaction with employees, business partners and customers as well as public authorities and institutions. For this reason, full compliance with all applicable regulations and laws plays an important role in Austrian Post's business operations. The company wants to be perceived as a trustworthy and responsible business partner, employer and service provider.

### Concepts and Their Results

In this connection, Austrian Post also takes its obligation to respect human rights very seriously. The material topics which reflect this are:

- Corporate culture and working environments
- Responsible procurement

The Austrian Post Group stands up for respecting human rights and recognises the dignity of every individual. Austrian Post (AG) has been a member of the UN Global Compact ([unglobalcompact.com](http://unglobalcompact.com)) since 2007 and orients its goals and activities to these principles with respect to

human and labour rights. The company strongly rejects every form of human rights violation as well as child labour and forced labour. Austrian Post also expects its business partners to adhere to these principles.

This is expressed in the Code of Conduct and Ethics approved by the Management Board in 2011, which is binding throughout the Group. The contents of the Code of Conduct and Ethics reflect the commitment of the Austrian Post Group to the principles contained in the UN Global Compact. All other Group guidelines and behavioural instructions are based on the Code of Conduct and Ethics and are derived from it. The commitment to various conventions of the International Labour Organisation (ILO), a specialised agency of the United Nations which promotes social justice, human rights and labour rights, is a further indication that Austrian Post stands up for human rights. In addition, human rights are embedded in the constitution of the Republic of Austria and are protected in numerous laws. The European Convention on Human Rights also has constitutional status.

Due to its commitment to respect human rights, Austrian Post fulfils its ethical and moral responsibility and thus avoids legal proceedings, fines, damage to its reputation and the related losses.

Austrian Post has defined the following objectives with respect to human rights protection:

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### Main Target: Positively Shape the Corporate Culture and Working Environments

Targets in 2018	Achieved in 2018	Planned for 2019
Promote a humane corporate culture	Measures to promote legally- and company-compliant behaviour.	Further implementation of preventive measures to promote legally- and company-compliant behaviour  Continuation of measures to protect employee rights

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## Main Target: Assume Responsibility in Procurement

Targets in 2018	Achieved in 2018	Planned for 2019
Continuation of supplier assessments and evaluation of improvement potential in supplier assessments	Conversion of the vendor integrity check (part of the supplier assessment) to a system-supported process	Continuation of supplier assessments

### CORPORATE CULTURE AND WORKING ENVIRONMENTS

Respect for human dignity is an important issue, especially when it comes to employees. For this reason, Austrian Post strongly opposes prejudices and any type of discrimination. Equal treatment of all employees regardless of their age, gender, sexual orientation or identity, nationality, ethnic origin, disability, religion or ideology is ensured on the basis of collective agreement regulations concerning working conditions and the Group-wide Code of Conduct and Ethics. Furthermore, Austrian Post proactively promotes a corporate culture which is characterised by respect, openness, trust and appreciation. For example, the issue of bullying is discussed in various training courses. Furthermore, the Central Works Council of Austrian Post (AG) is committed to ensuring adherence to these values, and continuously stands up for fair and equal treatment. The representation of the Central Works Council on the Supervisory Board ensures that employee concerns are also voiced at Supervisory Board meetings and that employees are involved in important management decisions.

### RESPONSIBLE PROCUREMENT

Austrian Post wants to take responsibility along the value chain. For this reason, great importance is also attached to respecting human rights in the company's central procurement activities. Group-wide procurement guidelines stipulate that all business relationships must be oriented to ethical principles and fulfil the intrinsic value of fairness. Moreover, since 2012 the Code of Conduct for

Suppliers of Austrian Post has been part of the standard documentation given to suppliers within the context of tender procedures. Suppliers are obliged to adhere to the minimum social standards and safeguard human rights as laid down in the code. Another instrument to ensure the preservation of human rights in central procurement is the vendor integrity check, which evaluates compliance with the Code of Conduct for Suppliers. Suppliers are subject to a Vendor Integrity Check (VIC) in case of high purchasing volumes or high-risk categories. In 2018 the vendor integrity check was converted from a supplier self-disclosure to a system-supported process. Various issues are reviewed, including human rights and labour rights.

All verified suppliers are included in the system's portfolio, thus launching ongoing monitoring of key company characteristics. For suppliers which do not meet the criteria of the VIC, measures are specified in consultation with the Compliance Department and their subsequent implementation is assessed. Austrian Post is working on implementing an upstream inspection process as part of its continuous improvement of supplier management.

### Main Risks

The main risk involving the non-observance of human rights could arise due to the large number of business relationships. This can lead to inhumane living and working conditions caused by unlawful business ties to third parties. Measures such as the vendor integrity check and the supplier assessment have been implemented throughout the Group in order to minimise this risk.

### Non-financial Indicator

Indicator	Group	
	2017	2018
Number of supplier assessments	36	81

## We Act Responsibly – Compliance & Anti-corruption

Values such as honesty, predictability and transparency comprise key benchmarks of Austrian Post's business dealings. This is complemented by all employees in the Group avoiding any appearance of corruptibility or dishonesty in their business dealings.

### Concepts and Their Results

As a signatory of the UN Global Compact, Austrian Post is committed to compliance with its principles and resolutely rejects unfair business practices, corruption and bribery. Austrian Post also expects adherence to these principles from its business partners.

This is reflected by the following material topics identified by Austrian Post:

- Corporate culture and working environments
- Responsible procurement

Austrian Post established a Group-wide compliance management system (CMS) in 2010. The CMS encompasses the areas of capital market and business compliance, which includes the issue of anti-corruption. It corresponds to the ISO standards 37001 (Anti-bribery management systems) and 19600 (Compliance

management systems) and was examined and certified by TÜV Süd.

The CMS of Austrian Post creates transparency concerning compliance-related circumstances with the help of a risk-oriented prevention strategy. Rules designed to reduce risks are established based on the results of the compliance risk analyses and appropriate measures are integrated in business processes.

A responsible corporate culture is of central importance to the CMS. The basis for this is the mission statement, the Code of Conduct and Ethics, clear rules specifying roles and responsibilities as well as compliance guidelines. All steps are accompanied by comprehensive information and training measures as well as an action-oriented consulting offering.

The Central Compliance Officer is supported by compliance officers in the individual departments and in all subsidiaries in which it holds a majority stake in embedding CMS throughout the entire Group. At present there are 23 compliance officers in Austria and seven compliance officers in foreign subsidiaries. The activities of the central and regional compliance organisation contribute towards ensuring the sustainable, practice-oriented and action-based professionalisation and further development of the compliance management system.

Ethical behaviour is a top priority at Austrian Post. For this reason, the CMS pursues the following goals:

### Main Target: Ensure Impeccable and Exemplary Behaviour

Targets in 2018	Achieved in 2018	Planned for 2019
Rules for impeccable and lawful behaviour	2 Group-wide guidelines were issued	Rules for impeccable and lawful behaviour
Information, communication and training regarding these rules	50 classroom training sessions were held with a total of 735 participants in Austria 125 e-learning training sessions	Information, communication and training regarding these rules
Help desk (contact point for compliance issues)	185 inquiries were processed by the help desk	Help desk (contact point for compliance issues)
Monitoring the implementation of measures	4 partnerships for internal audits	Monitoring the implementation of measures
Support for pre-defined business activities and assessments		Support for pre-defined business activities and assessments

## Main Target: Strengthen Perception as a Trustworthy Partner

Targets in 2018	Achieved in 2018	Planned for 2019
Continuation of the compliance risk analysis	18 personal risk discussions with national compliance officers	Continuation of the compliance risk analysis
Expansion of risk discussions with international compliance officers	6 risk discussions with international compliance officers	Extension of risk discussions with international compliance officers incl. site inspections, specification and implementation of measures
Definition of measures and implementation	81 supplier assessments	Definition of measures and implementation
Case management		Case management
Communication with and information to external stakeholders via the CMS	Participation in 2 Transparency International working groups  3 external reports (Annual Report/Non-financial Indicators, Corporate Governance Report, Sustainability Report)	Communication and information provided to external stakeholders about the CMS

### IDENTIFICATION OF POTENTIAL RISKS AS THE BASIS FOR COMPLIANCE MANAGEMENT SYSTEMS

The major pillar in recognising corruption risks is the annual compliance risk analysis carried out by the compliance team. The risk analysis incorporates information from Group risk management, personal discussions with the compliance officers and compliance observations. No corruption risks were reported to Group risk management in 2018. The personal risk discussions including the compliance observations encompassed all Austrian and six international subsidiaries and thus covered 60% of all Group sites. The results are reported to the Management Board, which then approves the resulting compliance programme.

### COMPLIANCE AND ANTI-CORRUPTION DIRECTIVE FOR RESPONSIBLE BEHAVIOUR

Other instruments to prevent corruption and bribery are the regulations pertaining to compliance and anti-corruption. These guidelines are derived from the Code of Conduct and Ethics and specifically spell out rules and instructions on the respective issues on the basis of this overall framework.

The objective of the Capital Market Compliance Directive is to ensure that Austrian Post acts with integrity on the capital market and to promote an understanding of compliance issues on the part of all employees in the Austrian Post Group. The essential content of the rules is the prevention of the improper use of insider information. The directive reflects valid European and Austrian capital market regulations as well as the Issuer Compliance Ordinance of the Financial Market Authority and is binding on all employees of the Group.

In 2018 Austrian Post also issued a new directive with rules relating to the topic of anti-corruption. The Group directive on the "Acceptance and Granting of Gifts, Invitations and Other Benefits" as well as the Group directive on "Handling Donations and Sponsoring" were merged to create one Business Compliance Directive. It was also expanded to include the issues of dealing with conflicts of interest and dealing with company resources.

### AWARENESS RAISING BASED ON TRAINING ACTIVITIES

Raising the awareness of employees concerning the issues of compliance and anti-corruption represents another important activity carried out within the context of the CMS. The company makes use of notice boards, articles in the employee magazine, information e-mails as well as classroom and online training. These various forms of communication and training enable a target group-specific and broad focus on compliance issues. Arrangements were made in 2018 to reproduce a compliance training video, which will be rolled out in 2019.

In the field of BUSINESS COMPLIANCE, the focus in 2018 was on classroom training. 50 such training sessions with a total of 731 participants were held in Austria in collaboration with the compliance officers.

With respect to the issue of CAPITAL MARKET COMPLIANCE, the year 2018 was characterised by a continuation of the company's training and information activities. Training contents were conveyed in the form of classroom training and e-learning. Moreover, the employee magazine "Meine Post" also provided information about the most important points relating to capital market compliance.

The focus on ANTI-TRUST COMPLIANCE is very important for a limited number of employees who have direct contact with competitors. For this reason, the Compliance Office, in collaboration with the Legal Department, wrote a manual on dealing with competitors and used it as the training tool for educating employees.

In addition to training for employees, the further education of compliance officers is also a part of training activities. The International Compliance Day took place in April 2018, and an in-house Compliance Officer Course has been started since October 2018. Completion of the study programme is scheduled for June 2019.

100% of all employees were informed about this issue thanks to the measures implemented in the fields of anti-corruption and compliance. Moreover, the entire Management Board and Supervisory Board as well as 82% of employees exposed to risks were trained on anti-corruption and compliance.

The compliance team and a Compliance Help Desk accessible to employees throughout the Austrian Post Group are available personally per telephone, anonymously on the Intranet or per e-mail to deal with questions, comments and concerns. In 2018 a total of 185 employee inquiries and documents were processed by the Compliance Help Desk on the issues of accepting and granting of gifts,

donations and sponsoring as well as Austrian Post's behavioural principles.

## MEASURES TAKEN IN RESPONSE TO CASES OF CORRUPTION

No cases of corruption were reported at Austrian Post in 2018. If such a case occurs, legal steps in line with applicable labour laws as well as disciplinary measures will be taken. Measures to prevent corruption were successfully carried out throughout the Group in the year 2018 within the context of the compliance management system.

## Main Risks

Potential corruption risks are identified via the Group risk management system and the annual compliance risk analysis of Austrian Post. In spite of existing guidelines on sponsoring, donations and anti-corruption, there is a risk that third parties may attempt bribery (gifts, invitations, other benefits).

The compliance risk analysis as well as the risk management system show that ongoing activities with regard to anti-corruption are still required. However, there is no serious problem relating to corruption at the present time.

## Non-financial Indicator

Indicator	Group	
	2017	2018
Non-compliance with social and economic laws and regulations	There were no major lawsuits, sanctions or fines imposed against Austrian Post in 2017 due to violations of social or economic laws or regulations	<p><b>In the year 2018 there were no lawsuits filed against Austrian Post nor sanctions or fines imposed upon the company for anti-competitive behaviour, formation of cartels or monopolistic practices, based on the Federal Act Against Unfair Competition (UMG) or the Austrian Cartel Act (KartG).</b></p> <p><b>In the year 2018 there were no lawsuits filed against Austrian Post nor sanctions or fines imposed upon the company for violations of social laws or regulations</b></p>

# ENVIRONMENT

## We Focus on the Future

As a logistics company, Austrian Post bears a huge responsibility. In order to fulfil its responsibility, Austrian Post analyses developments and challenges, and aligns its concepts and measures in this area.

Megatrends which pose a challenge to Austrian Post are global climate change, local emissions, shortage of natural resources and the resulting energy transition. In particular, globalisation and the ongoing increase in international trade have a major impact on the environment and the climate, especially due to emissions of harmful greenhouse gases such as CO<sub>2</sub>.

## Concepts and Their Results

Austrian Post has been consistently integrating environmental protection activities in its core business for many years in order to decrease its ecological footprint from year to year. The environmental protection measures taken by Austrian Post are tailored to reflect the material topics:

- Climate protection and energy
- Resource efficiency
- Responsible procurement

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

In order to manage and monitor its environmental performance, Austrian Post has defined the following targets and measures for 2018 and 2019:

### Main Target: Protect the Climate and Conserve Resources

Targets in 2018	Achieved in 2018	Planned for 2019
Continuation of the CO <sub>2</sub> NEUTRAL DELIVERY initiative and evaluation of expanding it to subsidiaries	The CO <sub>2</sub> emissions of Austrian Post (AG) and their compensation were confirmed by TÜV Austria again in 2018. The potential expansion of the initiative was assessed but a decision has not yet been made	Continuation of the CO <sub>2</sub> NEUTRAL DELIVERY initiative and evaluation of expanding it to subsidiaries
Science Based Target CO <sub>2</sub> reduction goal: Reduction of CO <sub>2</sub> emissions by 14% by 2025 (base year: 2013) and evaluation of CO <sub>2</sub> reduction targets for subsidiaries	Increase in CO <sub>2</sub> emissions of Austrian Post (AG) by 1.4% due to rising parcel volumes (base year: 2013). An evaluation was carried out but a decision has not yet been made	Reduction of CO <sub>2</sub> emissions by 14% by 2025 (base year: 2013) and evaluation of CO <sub>2</sub> reduction targets for subsidiaries
Steady expansion of the e-vehicle fleet to 1,800 vehicles by the end of 2020	1,592 e-powered vehicles at Austrian Post (AG) were in use at the end of 2018, comprising a share of 17.2%	Deployment of 100% e-powered vehicles for all delivery operations in urban and rural areas by 2030
Expansion of the "Green Vienna" project (delivery of letter mail and direct mail to private customers by foot, bicycle or e-bike) to other provincial capitals and urban areas	100% "green delivery" takes place in Eisenstadt. Green delivery services apply to more than 90% of all mail items in Vienna, Wiener Neustadt and St. Pölten and 60–80% of all items delivered in the other provincial capitals by Austrian Post (AG)	Deployment of 100% e-powered vehicles for all delivery operations in urban and rural areas by 2030
Additional energy efficiency measures at Austrian Post (AG) and its subsidiaries	Implementation of 31 energy efficiency measures in the categories of lighting, room heating, electricity measurement and water heating at Austrian Post (AG) and its subsidiaries	Further implementation of energy efficiency measures at Austrian Post (AG) and its subsidiaries



Targets in 2018	Achieved in 2018	Planned for 2019
Evaluation of further optimisation and quality assurance potential	Waste and recycling management was reorganised at six logistics centres of Austrian Post (AG) and in the subsidiary feibra	Continuation of optimisation and quality assurance projects at Austrian Post (AG) in the field of waste and recycling management
		Construction of a photovoltaic plant on the roof of the new Hagenbrunn Parcel Centre and exploration of other potential sites

## Main Target: Strengthen Environmental Awareness

Targets in 2018	Achieved in 2018	Planned for 2019
Roll-out of the environmental management system pursuant to ISO 14001:2015 to other sites of Austrian Post (AG) and Medien.Zustell GmbH	The Wernberg Parcel Centre and two other sites of the subsidiary Medien.Zustell GmbH were successfully certified pursuant to ISO 14001	Preparation for ISO 14001 certification of two other sites (the Hagenbrunn Logistics Centre and the corporate headquarters Post am Rochus)
Evaluation of other sites	The evaluation of other sites was completed and targets were subsequently defined for the coming years	
Employee awareness with the help of a new campaign on the Internet and Intranet	<p>Publication of the "Fact Book" on sustainability</p> <p>Introduction of the issue of sustainability at the Welcome Day for new employees</p> <p>Creation of a new recruiting homepage</p> <p>Implementation of a waste management campaign at corporate headquarters</p> <p>Promotion of participation in the "Bike to Work" initiative via the Intranet</p> <p>Training on waste separation for all employees of the subsidiary Medien.Zustell GmbH</p>	<p>Roll-out of the internal quality seal "CSR INSIDE" to certify projects and employees on the issue of sustainability</p> <p>Internal promotion and Austria-wide participation in the "Austria Goes Biking" initiative to enhance environmental awareness and promote health</p>
		Project to recycle working clothes which are no longer in use
	Development of a handbook for sustainable events	Application of the handbook for sustainable events at Austrian Post events

## CLIMATE PROTECTION AND ENERGY

The reduction of CO<sub>2</sub> emissions, and thus the CO<sub>2</sub> NEUTRAL DELIVERY initiative, plays a key role in the company's efforts in the field of climate protection and energy. All mail items within Austria are delivered in a CO<sub>2</sub> neutral manner. Within the context of this initiative, the first step is taking measures to ensure greater efficiency in core processes, for example the energy optimisation of buildings and lighting, and the continuous renewal of the vehicle fleet.

The second step involves the increased use of alternative technologies. Austrian Post operates three photovoltaic facilities and operates the largest e-vehicle fleet in Austria. The energy generated by the photovoltaic plants supplies sufficient electricity to power the entire fleet of electric vehicles, without greenhouse gas emissions.

All the remaining unavoidable CO<sub>2</sub> emissions are offset in a third step by supporting national and international climate protection projects. In order to enhance credibility, the CO<sub>2</sub> neutral delivery of all mail items by Austrian Post (AG) is confirmed each year by TÜV Austria. In the meantime, more than 150 customers use the logo in their communications, in light of the fact that the CO<sub>2</sub> neutral delivery of their mail items also improves the CO<sub>2</sub> scorecard of Austrian Post's customers.

An important factor in reducing CO<sub>2</sub> emissions is raising energy efficiency of buildings. For this reason, building renovation and energy efficiency measures are a key aspect of the strategy pursued by Austrian Post (AG) and its subsidiaries. Since 2012, Austrian Post has already been exclusively procuring electricity from renewable energy sources. Since 2018, Austrian Post (AG) and all its Austrian subsidiaries exclusively use renewable energy from Austrian sources.

Moreover, Austrian Post deploys new technologies. Austrian Post (AG) operates the country's largest e-vehicle fleet featuring 1,592 electric-powered vehicles. It supplies two large logistics centres and one office building with electricity generated by its photovoltaic facilities and uses LED lighting in its buildings.

In 2016, Austrian Post defined a scientifically sound climate target, i.e. the Science Based Targets, stipulating a further 14% reduction in emissions by the year 2025 compared to the base year of 2013. Nevertheless, in spite of many measures designed to reduce emissions, the level of emissions rose by 1.4% compared to the base year. Strong parcel volume growth (+54% in the period 2013–2018) led to an increase in the number of kilometres driven. In turn, this resulted in higher energy consumption by the vehicle fleet and thus a rise in CO<sub>2</sub> emissions.

Austrian Post compiles all relevant indicators required to calculate CO<sub>2</sub> emissions on a Group level and on the basis of ISO 14064 Part 1. All indicators and calculations are checked by an external audit. Austrian Post (AG) data is also certified according to ISO 14064. This process ensures that the necessary due diligence will be exercised in compiling key figures for the material topic of climate protection.

### RESOURCE EFFICIENCY

When it comes to resource efficiency, the focus is on the conscious use of natural resources. This requires an analysis of the materials used by the Group and subsequent proactive management. A key instrument in increasing resource efficiency is the environmental management system in accordance with the ISO 14001 standard applied by Austrian Post since 2016. A more conscious use of materials is possible with aware employees. In the meantime, the Vienna Letter Mail Centre, the company's largest logistics centre, along with the Wernberg Parcel Centre and the entire subsidiary Medien.Zustell GmbH are certified pursuant to ISO 14001.

Responsible waste and recycling management also plays an important role with respect to the issue of energy efficiency. In the spirit of ensuring sustainable waste management, measures are taken to keep the waste produced by Austrian Post (AG) and its domestic subsidiaries at a minimum. If waste cannot be avoided, it will be disposed of in an environmentally compatible manner. Waste materials are separated by category.

### RESPONSIBLE PROCUREMENT

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

Austrian Post is aware of its role in the supply chain and the implications of its purchasing decisions. For this reason, it consistently demands compliance with environmental and social standards within the context of its Code of Conduct for Suppliers (refer to page 51).

### Main Risks

The main risk related to Austrian Post's energy-intensive business operations as a logistic company is its contribution to climate change. In order to minimise this risk, Austrian Post has implemented numerous measures listed in the section on concepts and results on page 55f.

The primary risks relating to the environment which Austrian Post faces are natural effects occurring directly or indirectly as a result of climate change. Normative changes in the area of climate policy and economic influences such as certificate trading can also affect the company's activities.

## Non-financial Indicators

Austrian Post compiles energy indicators relating to its property holdings and vehicle fleet for Austrian Post (AG) and all national and international subsidiaries. The compilation of figures is regulated by special work instructions. All indicators and calculations are checked by an external audit. This process ensures that the necessary due diligence will be exercised in compiling key figures for the material topic of energy.

## Energy Overview

The entire energy consumption of Austrian Post (AG) for its commercial properties and vehicle fleet increased by 3% year-on-year to about 402m kWh. However, energy consumption of its property holdings fell by 3% to about 122m kWh. Energy consumption of the vehicle fleet rose by 6%. The main influencing factor in this regard was parcel volume growth of 11.1%. This required a spatial extension of logistics processes and a conversion to larger and more powerful vehicles.

	Unit	Austrian Post (AG)		Group <sup>1</sup>	
		2017 <sup>2</sup>	2018	2017	2018
<b>Energy consumption buildings and vehicle fleet</b>	m kWh	389.0	<b>401.7</b>	469.7	<b>484.4</b>
Energy consumption buildings (total) <sup>3</sup>	m kWh	125.5	<b>121.6</b>	147.7	<b>143.5</b>
Energy consumption vehicle fleet (total) <sup>4</sup>	m kWh	263.5	<b>280.0</b>	322.0	<b>340.9</b>

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

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

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

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

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



## Energy – Property and Buildings

Austrian Post (AG) manages more than one million square metres of building space. The total area in m<sup>2</sup> rose slightly by 1% in 2018 compared to the previous year. The entire amount of energy consumed by property holdings fell by 3% to about 122m kWh due to adjustments carried

out in the data collection and evaluation system combined with energy efficiency measures. Specific CO<sub>2</sub> emissions in tonnes per thousand m<sup>2</sup> declined even more strongly and was down by 10%.

	Unit	Austrian Post (AG)		Group <sup>1</sup>	
		2017	2018	2017	2018
<b>Building space (m<sup>2</sup>)</b>	m <sup>2</sup>	1,048,295	<b>1,055,669</b>	1,185,294	<b>1,208,212</b>
<b>Total energy consumption in buildings<sup>2</sup></b>	m kWh	125.5	<b>121.6</b>	147.7	<b>143.5</b>
Natural gas	m kWh	32.3	<b>32.7</b>	42.3	<b>42.5</b>
Heating oil	m kWh	3.1	<b>2.0</b>	3.3	<b>2.1</b>
District heat	m kWh	34.5	<b>30.3</b>	36.9	<b>33.0</b>
Electricity (total)	m kWh	55.6	<b>56.6</b>	65.3	<b>65.8</b>
thereof electricity from renewable energy sources	m kWh	52.4	<b>55.4</b>	55.4	<b>59.0</b>
thereof electricity from own photovoltaic plants	m kWh	1.5	<b>1.4</b>	1.5	<b>1.6</b>
thereof grey electricity	m kWh	3.1	<b>1.2</b>	9.9	<b>6.8</b>

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

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

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

## Energy – Vehicle Fleet

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

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

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

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

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

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

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

## Emissions

CO<sub>2</sub>e emissions (Scope 1–3) of Austrian Post (AG) increased by 3% to 71,389 tonnes compared to the previous year. Strong parcel growth was the main factor responsible for this rise in emissions. The CO<sub>2</sub>e emissions in property and buildings (Scope 1 and Scope 2) was up 9%

to 12,365 tonnes. The 7% increase in CO<sub>2</sub>e emissions (Scope 1 and Scope 3) in the vehicle fleet to 59,024 tonnes offset the drop in emissions in the company's property and buildings.

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

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

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

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

<sup>3</sup> The calculation of Scope 2 emissions (electricity and district heat) for Austrian Post (AG) is carried out in line with the market-based method. This means supplier-specific emission factors are used if available. When Scope 2 emissions are calculated using the location-based method (no supplier-specific emission factors, no green electricity), CO<sub>2</sub> emissions for the year 2018 are at 19,8399 tonnes. This shows the impact of procuring electricity from renewable energy sources. The calculation of Scope 2 emissions (electricity and district heat) for the national subsidiaries is carried out in line with the market-based method. This means supplier-specific emission factors are used if available. The calculation of Scope 2 emissions (electricity and district heat) for international subsidiaries is carried out in line with the location-based method.

## Relative Emissions

Due to the changes in the mail and parcel businesses, it makes sense to compare CO<sub>2</sub>e emissions to the respective reference value. CO<sub>2</sub>e emissions in property and buildings fell by 10% to 11.7 tonnes per thousand m<sup>2</sup>, a more pronounced decrease than for absolute emissions.

CO<sub>2</sub>e emissions of the vehicle fleet climbed by 2% to about 347 tonnes of CO<sub>2</sub>e per million kilometres, less than the comparable increase for absolute CO<sub>2</sub>e emissions.

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

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

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

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

## Vehicles

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

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

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

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

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

## Paper

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

	Unit	Austrian Post (AG)		Group <sup>1</sup>	
		2017	2018	2017	2018
<b>Total paper consumption</b>	t	5,539	<b>5,469</b>	5,755	<b>5,697</b>
thereof sustainably produced paper (PEFC and FSC paper)	t	5,372	<b>5,195</b>	5,415	<b>5,243</b>

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

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

Vienna, February 22, 2019

### The Management Board



**GEORG PÖLZL**  
Chairman of the Management Board  
Chief Executive Officer



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



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

# INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING FOR THE FINANCIAL YEAR

To the Board of Directors of Österreichische Post AG.

We have performed an independent assurance on the consolidated Non-financial Report ("NFI Report") for the financial year 2018 of Österreichische Post AG, Vienna ("the Company").

This report is a translation of the original report in German, which is solely valid.

## Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI Report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) as reporting criteria.

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

## Auditors' Responsibility and Scope of the Engagement

Our responsibility is to state whether, based on our procedures performed, anything has come to our attention that causes us to believe that the NFI Report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE

3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

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

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

- Inquiries of personnel on corporate level, which are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;
- Conduct of a media analysis on relevant information concerning the sustainability performance of the Company in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the disclosures on environmental, social- and employee matters, respect for human rights and anti-corruption and bribery, including the consolidation of the data;


- Inquiries of personnel on corporate level responsible for providing and consolidating and for carrying out internal control procedures concerning the disclosures on concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Inquiry of employees as part of a site visit of a subsidiary in Austria (feibra GmbH) to assess local data collection and reporting processes and the reliability of the reported data;
- Analytical evaluation of the data and trend explanations of quantitative disclosures, submitted by all sites for consolidation at corporate level;
- Evaluation of the consistency of the for the Company applicable requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) with disclosures and indicators of the NFI Report;
- Evaluation of the overall presentation of the disclosures by critical reading of the NFI Report.

The procedures that we performed do not constitute an audit or a review in accordance with Austrian professional guidelines, International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE). Our engagement did not focus on revealing and

clarifying of illegal acts such as fraud, nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures, figures from previous periods and statements from external information sources and expert opinions. Disclosures which were audited within the scope of the Annual Financial Statement were assessed for correct presentation (no substantial testing).

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

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 The respective latest version of the AAB is accessible at [kpmg.at/aab](http://kpmg.at/aab)

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFI Report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) in all material respects.

Vienna, 22 February 2019



**KPMG Austria GmbH**  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

**Mag. Peter Ertl e. h.**  
Wirtschaftsprüfer