

# NON-FINANCIAL REPORT

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# General Information

## — Austrian Post at a Glance

Austrian Post considers the orientation of its activities to the principles of sustainable business management to open up major opportunities for the entire company. The fact that Austrian Post operates in a sustainable manner is confirmed by its inclusion in the A-List of the Carbon Disclosure Projects (CDP) as the only Austrian company in 2017. Moreover, reporting is a key aspect of the sustainability strategy of Austrian Post. The company is a trailblazer in this regard, as demonstrated by the fact that it received the Austrian Sustainability Reporting Award (ASRA) in 2017.

## — Report contents

Since full-scale market liberalisation took effect in Austria, Austrian Post has been a universal services provider, guaranteeing the supply of high quality postal services throughout the country. The parent company Österreichische Post AG (“Austrian Post”) generates about 88 % of Group revenue. For this reason, Austrian Post’s annual sustainability reporting in accordance with GRI standards, which it has carried out since the year 2010, has focused on the parent company. The Sustainability and Diversity Improvement Act (NaDiVeG) entered into force which resulted in new disclosure requirements for Austrian Post. For the first time, Austrian Post is obliged to expand its reporting on key non-financial aspects of its business operations when it comes to observing human rights, combatting corruption and bribery as well as environment, social and employee issues to the entire Austrian Post Group.

The following chapter contains the required information in line with Section 243b Para. 1–3 UGB in connection with Section 267a 1–3 of the UGB and contains non-financial information about Austrian Post as well as its fully consolidated subsidiaries. In order to avoid redundancy, there are references to parts of the Management 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 for Austrian Post are presented in a two-year comparison. In light of the first-time depiction of the situation, indicators used for the subsidiaries only apply to the year 2017.

In order to put together the non-financial report for the Austrian Post Group, an international framework was applied in accordance with Section 243b Para. 5 of the UGB in connection with Section 267a Para. 5 of the UGB. This report is oriented to the GRI Standards of the Global Reporting Initiative (GRI). The report refers to the parent company as well as the fully consolidated subsidiaries in 2017. 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 starting on page 55.

Additional information on individual sustainability issues with project examples will be disclosed in a separate sustainability report. This report will be put together in accordance with the GRI Standards in line with the Core option. The next sustainability report will be published in June 2018.

## — Business model

Austrian Post is the most important logistics and postal services provider in Austria, with about 20,500 employees and annual revenue of EUR 1.9bn. 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 bundles its business activities in two divisions, namely the Mail & Branch Network Division as well as the Parcel & Logistics Division (for a description of the divisions see also page 58).

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Together with its Group subsidiaries, Austrian Post operates in the letter mail, direct mail, branch office and parcel and logistics segments in Austria, Germany, South East and Eastern Europe. This report includes data relating to the subsidiaries in the chart below and thus covers 96% of the revenue and 98% of the employees of the Austrian Post Group.

Subsidiary	Country	Field of activity
feibra GmbH	Austria	Delivery of unaddressed and addressed direct mail items
Medien.Zustell GmbH	Austria	Bundling of unaddressed direct mail items
Post Wertlogistik GmbH	Austria	Transport of valuables and cash
Post Systemlogistik GmbH	Austria	Fulfillment solutions: storage, order picking, returns management
Slovak Parcel Service s.r.o.	Slovakia	Express delivery of parcels
IN TIME s.r.o.	Slovakia	Express delivery of parcels and pallets
City Express d.o.o.	Serbia	Express delivery of parcels
City Express Montenegro d.o.o.	Montenegro	Express delivery of parcels
Weber Escal d.o.o.	Croatia	Delivery of unaddressed and addressed mail items
M&BM Express OOD	Bulgaria	Delivery of unaddressed mail items
Overseas Trade Co Ltd d.o.o.	Croatia	Express delivery of parcels
Express One d.o.o. Sarajevo	Bosnia and Herzegovina	Express delivery of parcels

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More information about the business model and strategy of Austrian Post is available starting on page 04.

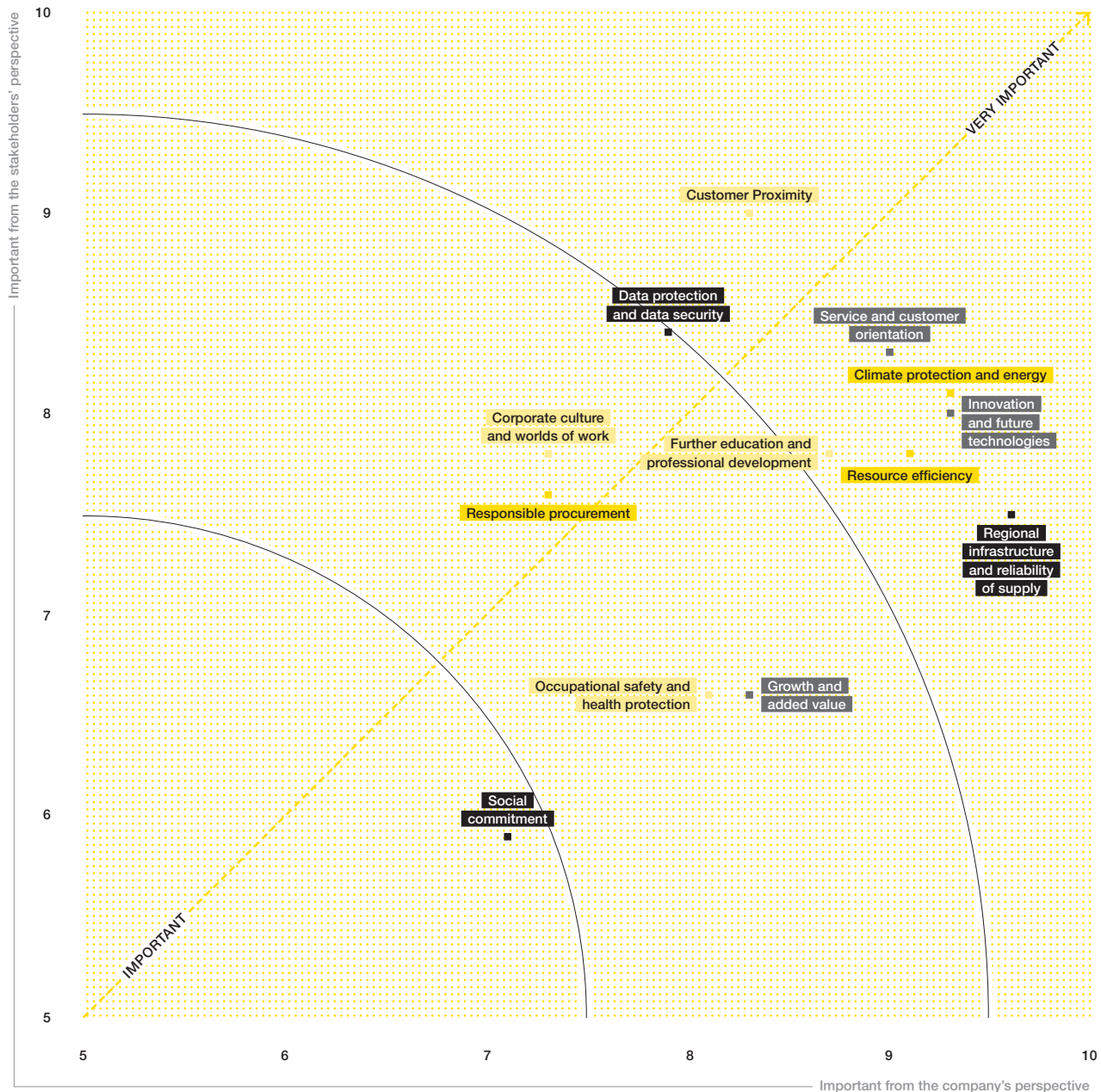
## — Material topics

Sustainability is an ongoing process for Austrian Post. For this reason, in 2017 it revised its materiality matrix from the year 2014. In this connection, the stakeholders of Austrian Post were asked to once again evaluate the significance of the identified material topics. Moreover, they were asked, if necessary, to complement the existing assessment with new topics which had not been previously taken into account.

The most significant topics issues were subsequently evaluated in internal groups of experts with respect to their impact on the economic environment, society, employees and the environment, and the results were integrated into a materiality matrix.

### MATERIALITY MATRIX OF AUSTRIAN POST

- Environment
- Employees
- Society
- Economy



These material topics are relevant to the business of the parent company Austrian Post as well as its subsidiaries and contain those areas stipulated by the law. However, in its capacity as a universal services provider in Austria, Austrian Post 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.

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Due to their importance for Austrian Post and its stakeholders, these topics are also integrated into the “PRO ACTIVE” sustainability strategy of Austrian Post (refer to page 16) and taken into consideration with the help of the defined objectives and implemented measures.

The non-financial report is divided into the following four sections, in which all the above-mentioned concerns 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, data protection 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. Risks and opportunities below the materiality threshold are monitored and managed by experts in the respective organisational units. Sustainability-related risks above this threshold are monitored by the respective departments as well as the CSR and Environmental Management Department and reported to the risk management team. More information about Group-wide risk management can be found starting on page 77.

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# 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 against the backdrop of an environment so strongly impacted by changes and in a state of flux. The services rendered by Austrian Post are aligned to the material topics identified in the dialogues with stakeholders as follows:

CORPORATE CULTURE AND WORLDS OF WORK

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OCCUPATIONAL SAFETY AND HEALTH PROTECTION

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FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

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CUSTOMER PROXIMITY

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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.

TARGETS	ACHIEVED IN 2017	SUBTARGETS FOR 2018
<b>PROMOTE A CORPORATE AND LEADERSHIP CULTURE</b>		
Training for executives (Executive Academy, area and team leaders)	3,129 person-days of training and seminars were carried out for executives	Conducting at least 1,000 person-days of training and seminars for executives
A Day Visiting Customers	More than 370 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	Continuation of the re-audit
Employee survey	The employee survey was carried out in 2017	
<b>PAY ATTENTION TO HEALTH AND SAFETY</b>		
Heart rate variability analyses	320 heart rate variability analyses were carried out at 22 sites	Implementation of heart rate variability analyses and health workshops at a minimum of five sites
Health-related activities	About 1,000 health consultations and 17 Health Days were held	Conducting at least 1,000 health consultations and 15 Health Days
Development and continuation of health projects	"A healthy heart and you", first aid training for executives, healthy lifting and carrying, and healthy nutrition	Austrian Post is on the move – "The right exercise is good for everybody" creation of ten short films and a brochure about correct exercise including training campaign
Evaluation of psychological stress	Development of measures for the branch offices and delivery bases. Data evaluation for distribution centres and delivery bases for Parcel Logistics Austria	Development of measures for Parcel Logistics Austria and distribution centres
Accident prevention		Compulsory wearing of safety helmets for delivery staff on bicycles
Safety and health at the workplace – employee protection	Drawing up of guidelines on "Safety and health at the workplace"	Creation of a brochure including checklists for the individual management levels and areas for the simple handling and implementation of employee protection

### CORPORATE CULTURE AND WORLDS OF WORK

Leadership guidelines were developed on the basis of the mission statement in order to create a good working atmosphere and performance-enhancing working conditions. These guidelines are designed to help contribute to an ongoing further development of the corporate and leadership culture. Establishing an open and modern corporate and leadership culture as a means of actively integrating and involving employees in transformation processes is of enormous importance to Austrian Post.

The annual "A Day Visiting Customers" is one of the most successful measures implemented to embed and sharpen the understanding of leadership. Within the context of this programme, managers are given the opportunity to spend a whole day gaining insights into the daily work of their colleagues in the letter mail and parcel delivery operations, employees in the branch network or in the customer service centre as well as at the subsidiaries Post Systemlogistik GmbH, Post Wertlogistik GmbH, feibra GmbH and Medien.Zustell GmbH.

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

### **SAFETY AND HEALTH AT THE WORKPLACE**

The health and safety of employees are important to Austrian Post. The objective is to preserve and promote the health and safety of employees as well as to prevent accidents and work-related illnesses. Austrian Post attaches great importance to informing and instructing its employees in the interest of comprehensive approach to employee protection in line with the motto “Employee protection is a top-level priority”. Newly developed guidelines provide an overview of the key principles of employee protection and behavioural rules in order to help achieve these goals and define responsibilities to ensure compliance with these rules.

Occupational safety is firmly embedded on an organisational level due to its crucial importance for Austrian Post. 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.

### **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 safeguard corporate success. These measures encompass specialised instruction, continuing education courses, coaching and training at Austrian Post 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”.

### **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 the topic of 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 cater to the changed life styles and demands of customers, Austrian Post is continuously working on innovative services to expand its product and service portfolio. In this regard, customer comfort and service quality are always at the forefront of the company’s efforts. For example, thanks to Saturday delivery and the option to return parcels via the delivery staff, Austrian Post employees are close to their customers and offer high quality service. This is confirmed by the good customer satisfaction ratings, which are measured by an external institute on a quarterly basis.

### **DIVERSITY**

Equal opportunities at work and equal treatment of employees are a matter of course at Austrian Post and its subsidiaries. Within the context of its diversity management, Austrian Post promotes social diversity and constructively seeks to benefit from this. 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 resolutely opposes any kind of discrimination, bullying and sexual harassment.

In order to make this visible to the outside, and to send out a clear signal in favour of more tolerance and fairness, Austrian Post already signed the Charter of Diversity in 2013.

Reference is made to the Corporate Governance Report starting on page 18 for further information as to which measures are being taken to promote diversity in the company as well as details concerning diversity in the Management and Supervisory Boards.



## — 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

Indicators	Post AG 2016	Post AG 2017	Group 2017 <sup>1</sup>
<b>Total number of employees (FTE<sup>2</sup>)</b>	<b>17,448</b>	<b>17,225</b>	<b>19,956</b>
thereof women	5,068	5,027	5,996
thereof men	12,380	12,198	13,960
<b>Employees (FTE) by age group</b>			
Under 30	2,068	2,317	2,799
30–50	8,241	7,690	9,325
51+	7,139	7,218	7,832
<b>Employees in management positions (FTE)<sup>3</sup></b>	<b>921</b>	<b>887</b>	<b>993</b>
thereof women	213	202	224
thereof men	708	685	769
<b>OCCUPATIONAL SAFETY AND EMPLOYEE PROTECTION</b>			
Employees on sick leave (FTE in %)	8,9	10,1	– <sup>4</sup>
Number of occupational accidents <sup>5, 6, 7</sup>	654	617	676
Fatalities from occupational accidents	0	0	0
<b>FURTHER EDUCATION AND TRAINING</b>			
Number of seminars	1,048	1,066	1,133
Number of participants	5,136	6,092	6,326

<sup>1</sup> These indicators cover 98% of Group employees and 96% of Group revenue. They encompass the parent company Austrian Post and the subsidiaries Medien.Zustell GmbH, feibra GmbH, Post Wertlogistik GmbH, Post Systemlogistik GmbH, Slovak Parcel Service s.r.o., IN TIME s.r.o., City Express d.o.o., City Express Montenegro d.o.o., Weber Escal d.o.o., M&BM Express OOD, Overseas Trade Co Ltd d.o.o. and Express One d.o.o. Sarajevo. For this reason, the indicator "Total number of employees (FTE)" does not correspond to the total number of Austrian Post Group employees indicated in the Management Report.

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

<sup>3</sup> Management Board members, management team ("direct reports" to the Management Board members), expanded management team ("direct reports" to the management team or executives) and leadership conference (employees of BE 2 to 5 who are responsible for at least three employees) and all other executives who are responsible for at least three employees.

<sup>4</sup> Indicator not available on a Group level.

<sup>5</sup> Reporting in line with the International Post Corporation Standard.

<sup>6</sup> Number of accidents beginning with one working day lost (incl. commuting accidents during work and minor accidents).

<sup>7</sup> Subsequently reported accidents are assigned to the actual year in which the accident took place, thus annual follow-up corrections of previous years are necessary.

# Society, Data Protection and Data Security

## — Everything we do revolves around our customers

As the universal service provider, the parent company Austrian Post is required to fulfil its obligation to supply high-quality postal services for every household throughout the country at a uniform price. The universal service obligation also entails operating a nationwide branch network. For this reason, much of the information in this chapter applies to the parent company Austrian Post 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 these challenges and adjusts its business accordingly as a means of applying a suitable management approach.

The challenges in the field of society primarily relate to demographic change, differentiated life style as well as growing awareness on sustainability and environment.

## — Concepts and their results

Austrian Post'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 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, trouble-free transport and delivery.

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

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REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

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SOCIAL COMMITMENT

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DATA PROTECTION AND DATA SECURITY

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Austrian Post has defined targets which are revised on an annual basis in order to measure its success and progress in its field of attention society as well as to document and manage its achievements on the material topics. The objectives for 2017 and 2018 are as follows:

TARGETS	ACHIEVED IN 2017	SUBTARGETS FOR 2018
<b>ENSURE RELIABLE SUPPLY AND SHAPE UNDERLYING CONDITIONS</b>		
<b>Reliable delivery</b>	95.4% delivery success rate for mail on the first working day after letters were posted	Safeguarding reliable delivery services at all times and exceeding legally stipulated performance targets
<b>Safeguarding a nationwide network of social service points exceeding legal requirements</b>	Austrian Post exceeded legal requirements. The network consisted of 1,802 postal service points at the end of 2017	Safeguarding a nationwide network of postal service points exceeding legal requirements
<b>PROMOTE SOCIAL COMMITMENT</b>		
<b>Support for social projects based on the logistics competence of Austrian Post and its subsidiaries</b>	Austrian Post and its subsidiaries supported various social projects in 2017	Continuing support for social projects based on the logistics competence of Austrian Post and its subsidiaries
<b>ENSURE DATA PROTECTION AND DATA SECURITY</b>		
<b>Fulfilling of all legal data protection regulations</b>	Conception and implementation of a Group-wide data protection organisation  Train-the-trainer training at Austrian Post, feibra GmbH and Post Wertlogistik on the issue of data protection	Continuation and roll-out of implemented data protection organisation
<b>Employee awareness</b>	Nine information events with about 1,000 participants on the topic of IT security	Further measures to raise awareness among employees

### REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

Due to the universal service obligation of Austrian Post, this topic only applies to Austrian Post and not to its subsidiaries in the Austrian Post Group.

Each year Austrian Post brings letters and parcels to every address throughout Austria. In order to safeguard the supply of basic postal services to the Austrian population, Austrian Post offers nationwide services and delivers 5.6 billion mail items annually thanks to its delivery staff of 8,954 people, 443 company-operated branch offices and 1,359 postal partners. With six letter mail and seven parcel logistics centres, Austrian Post fulfils its obligation to provide postal services of an outstanding quality. In 2017, 95.4% of letters were already delivered on the next working day, and about 97.3% of parcels within two work days. Both figures surpass the legally stipulated levels of the Universal Service Obligation. Based on its broad service offering – online and offline – Austrian Post takes account of customer needs and integrates them in its core business via practical, everyday solutions.

### 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, Austrian Post attaches great importance to ensuring that its social involvement is clearly linked to its core business, and that it can meaningfully contribute its core expertise to support socially disadvantaged people. In 2017 Austrian Post once again supported the Ö3 Wundertüte initiative in Austria, Slovak Parcel Service delivered books to schools and City Express supported a project for handicapped people.

### DATA PROTECTION AND DATA SECURITY

Due to technical developments as well as the large volume of data, Austrian Post implements extensive measures to ensure the confidentiality and integrity of customer and company data as well as the integrity and availability of the IT systems operated by Austrian Post.

In compiling, using and processing personal data, Austrian Post strictly adheres to the legal data protection regulations (e.g. Data Protection Act, Telecommunications Act, Trade and Industry Code). After the General Data Protection Regulation (EU-GDPR) was officially approved by the EU, Austrian Post initiated a project to implement the requirements of the EU-GDPR. A target-actual analysis will be carried out within the context of this project in order to determine the need for changes in Austrian Post's existing systems, products and services. At the same time, Austrian Post is developing guidelines on specific data protection issues.

Austrian Post attaches great importance to raising awareness among employees about data protection and data security. In order that data protection is practiced by all employees, Austrian Post established a data protection organisation consisting of data protection managers in all departments at Austrian Post and the data protection officers in the subsidiaries. In 2017 Group Security organised nine information events on the issue of data security.

Moreover, a separate Data Academy for business customers was set up by the Mail Solutions department in 2017. Customers are informed about the legal situation and provided with specific assistance and individual solutions in dealing with their own data.

### — 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 malfunctions, operating 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) amounting to up to 4% of the company's annual revenue in case of violations.

### — Non-financial indicators

Indicator	Austrian Post 2016	Austrian Post 2017	Group 2017
Number of postal service points	1,792	1,802	Not applicable <sup>1</sup>
Delivery rate on the first working day after posting	95.7 % of letters were delivered on the first working day after posting	95.4 % of letters were delivered on the first working day after posting	Not applicable <sup>1</sup>
Customer satisfaction (Customer Satisfaction Index value) <sup>2</sup>	The average CSI value was 68 points	The average CSI value was 69 points	Key figures not available at Group level
Justified complaints with respect to violations of data protection or loss of customer data	There were no serious complaints in 2016 with respect to violations of data protection or loss of customer data	There were no serious complaints in 2017 with respect to violations of data protection or loss of customer data	There were no serious complaints in 2016 with respect to violations of data protection or loss of customer data

<sup>1</sup> These indicators are not applicable to the subsidiaries of Austrian Post 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.

# Human Rights and Anti-corruption

## — We act responsibly – Human Rights

Austrian Post and its subsidiaries attach particular importance to a correct interaction with business partners and customers as well as public authorities and institutions. For this reason, 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.

### — Concepts and their results

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

#### CORPORATE CULTURE AND WORLDS OF WORK

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#### RESPONSIBLE PROCUREMENT

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The Austrian Post Group stands up for human rights and respects the dignity of every individual. Austrian Post has been a member of the UN Global Compact ([www.unglobalcompact.com](http://www.unglobalcompact.com)) since 2007 and orients its goals and activities to these principles with respect to human and labour rights, and categorically rejects every form of disregarding human rights 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 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 has constitutional status.

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

TARGET	ACHIEVED IN 2017	SUBTARGETS IN 2018
<b>POSITIVELY SHAPE THE CORPORATE CULTURE AND WORLDS OF WORK</b>		
Promotion of a humane corporate culture	Measures to promote law-abiding and company-compliant behaviour	Further implementation of preventive measures to promote law-abiding and company-complaint behaviour Further safeguarding of human rights
<b>TAKE RESPONSIBILITY IN PROCUREMENT</b>		
Respect for human rights	Implementation of 36 supplier assessments (28 via vendor integrity checks and eight by means of precautionary advance compliance background checks)	Continuation of supplier assessments and evaluation of improvement potential with respect to supplier assessments

#### **CORPORATE CULTURE AND WORLDS OF WORK**

Respect for human dignity is an important issue, especially when it comes to employees. For this reason, Austrian Post resolutely 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 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**

Not only are internal processes decisive in Austrian Post's efforts to live up to its claim of being a responsible company with a reputation for integrity. Austrian Post also 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. The questionnaire deals with the issues of human rights and labour rights, amongst other focal points. If a vendor takes part in the vendor integrity check and is given a positive assessment, he will be subject to another assessment after three years. The situation is different for vendors who do not fulfil the criteria of the vendor integrity check. Measures are implemented in coordination with the Compliance Department, and the extent to which they are successful in complying is evaluated. In this case, the vendor integrity check is repeated in the following year.

## — Main risks

One main risk in Austrian Post's central risk management system with respect to the issue of human rights is non-compliance with sanctions imposed by the United Nations, which could lead to inadmissible business relationships with third parties. Measures such as the vendor integrity check have been installed on a Group-wide basis to minimise this risk.

Furthermore, the large number of business relationships increases the risk of indirectly contributing to human rights violations. Measures designed to minimise this risk include the Code of Conduct and Ethics and supplier assessments, such as the vendor integrity check.

## — Non-financial indicator

Indicator	Group 2017
Number of supplier assessments	36

## — We act responsibly – Anti-corruption

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

## — 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 main topics identified by Austrian Post:

CORPORATE CULTURE AND WORLDS OF WORK

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RESPONSIBLE PROCUREMENT

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Austrian Post established a Group-wide compliance management system (CMS) in 2010. Within this context, the company also appointed compliance officers in the individual departments and in all subsidiaries in which it holds a majority stake. At present there are 18 compliance officers in Austria and nine compliance officers in foreign subsidiaries. The CMS encompasses the areas of capital market and business compliance, which includes the issue of anti-corruption.

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

TARGETS	ACHIEVED IN 2017	SUBTARGETS IN 2018
<b>ENSURE IMPECCABLE AND EXEMPLARY BEHAVIOUR</b>		
		Rules for lawful behaviour in line with Austrian Post values
	63 trainings with a total of about 650 participants	Information, communication and training regarding these rules
<b>Protection for employees and corporate bodies</b>	Processing of 175 help desk contacts	Help desk (contact point for compliance issues)
		Control of measures implementation and effectiveness
<b>Support in ensuring corporate due diligence</b>	Four partnerships for internal audits	Support with selected business activities and assessments
<b>STRENGTHEN PERCEPTION OF AUSTRIAN POST AS A TRUSTWORTHY PARTNER</b>		
		Continuation of the compliance risk analysis
	18 personal risk discussions with national compliance officers	Expansion of risk discussions with international compliance officers including site visits
	Two risk discussions with international compliance officers	Definition of measures and implementation
<b>Prevention of reputation and liability risks and other legal detriments</b>	36 supplier assessments	Case management
	Participation in two Transparency International working groups	
<b>Strengthening the public positive image of Austrian Post</b>	Three external reports (Annual Report, Corporate Governance Report, Sustainability Report)	Communication and information to external stakeholders via the CMS

The compliance team continually works on intensifying its anti-corruption activities. Nevertheless, a major pillar in recognising corruption risks is the annual compliance risk analysis carried out by the compliance team based on personal discussions with the compliance officers. The results are reported to the Management Board, which then approves the resulting compliance programme. The compliance risk analysis was also carried out in 2017, and the results were integrated into the compliance programme for the year 2018.

The Group-wide guidelines on the "Acceptance and Granting of Gifts, Invitations and Other Benefits" as well as the Group guidelines on handling sponsoring and donations comprise further instruments designed to prevent corruption and bribery. The guidelines are binding for all employees of Austrian Post and are regularly revised due to changing legal regulations or company's experience. Subsequently, they are communicated throughout the Group.



The anti-corruption measures are complemented by ongoing comprehensive risk and target group-oriented training. The focus of the company's training in 2017 was on the Group-wide sensitisation for compliance issues spanning all target groups. Regular communication and information measures contribute to raising awareness among employees. The compliance help desk was set up to handle suggestions, inquiries or concerns. It is accessible for all employees throughout the Austrian Post Group via a separate e-mail letterbox, the intranet and free hotlines. Measures to prevent corruption were successfully carried out throughout the Group in the year 2017 within the context of the compliance management system. No cases of corruption were reported at Austrian Post in 2017. If such a case occurs, Austrian Post will take legal steps in line with applicable labour laws as well as disciplinary measures.

Furthermore, a project was launched in 2017 to further upgrade the compliance management system with respect to anti-corruption to become a CMS complying with the ISO-37001 standard. An essential element for the ongoing improvement of the system is the Group-wide roll-out of a more comprehensive recording of indicators. An external audit is planned for 2018.

## — 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 benefit). 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
Non-compliance with social and economic laws and regulations	There were no major complaints, lawsuits, sanctions or fines imposed against Austrian Post in 2017 due to violations of social or economic laws or regulations

# Environment

## — We focus on the future

As a logistics company, Austrian Post bears a huge responsibility, especially when it comes to protecting the environment. In order to fulfil its responsibility, Austrian Post consistently analyses developments and challenges, and correspondingly tailors its management 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 measures taken by Austrian Post are tailored to reflect the material topics defined within the context of its dialogue with stakeholders.

### CLIMATE PROTECTION AND ENERGY

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### RESOURCE EFFICIENCY

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### RESPONSIBLE PROCUREMENT

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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 2017 and 2018:

TARGETS	ACHIEVED IN 2017	SUBTARGETS 2018
<b>PROTECT THE CLIMATE AND CONSERVE RESOURCES</b>		
CO <sub>2</sub> reduction target: reduction of CO <sub>2</sub> emissions by 14 % by 2025 (base year 2013)	Reduction of CO <sub>2</sub> emissions by 4.7 %	Evaluation and specification of targets for reductions in CO <sub>2</sub> emissions for subsidiaries
CO <sub>2</sub> NEUTRAL DELIVERY	CO <sub>2</sub> emissions and their compensation were once again confirmed by TÜV Austria in 2017	Continuation of the CO <sub>2</sub> NEUTRAL DELIVERY initiative and decision on extending it to subsidiaries
E-mobility	1,423 e-vehicles were deployed by the end of 2017	Further expansion of Austrian Post's e-vehicle fleet
Energy efficiency	Implementation of energy efficiency measures in the fields of lighting, room heating, thermal renovation and water heating at Austrian Post and its subsidiaries	Further implementation of energy efficiency measures at Austrian Post and its subsidiaries
Waste and recycling management	Optimisation and quality assurance projects at Austrian Post, Medien.Zustell GmbH and feibra GmbH	Evaluation of further optimisation and quality assurance potential
<b>STRENGTHEN ENVIRONMENTAL AWARENESS</b>		
		Roll out of environmental management system pursuant to ISO 14001 to other sites of Austrian Post and Medien.Zustell GmbH
Environmental management system	ISO 14001 was implemented at the Medien.Zustell GmbH site	Evaluation of other sites operated by subsidiaries
Employee awareness	Employee awareness campaign on the intranet and in the employee newspaper	New campaign via internet and intranet

### 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 refurbishment of the vehicle fleet.

The second step involves the increasing 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 Austrian Post's entire fleet of electric vehicles, without greenhouse gas emissions. Moreover, Austrian Post procures its entire electricity needs from renewable energy sources in Austria.

All the remaining unavoidable CO<sub>2</sub> emissions are offset in a third step by supporting national and international climate protection projects. These are not empty promises – the CO<sub>2</sub> neutral delivery of all mail items by Austrian Post is confirmed each year by TÜV Austria. In the meantime, more than 130 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 to increase the energy efficiency of buildings. For this reason, building renovation and energy efficiency measures are a key aspect of the strategy pursued by Austrian Post and its subsidiaries. Since 2012 Austrian Post has been exclusively procuring electricity from renewable energy sources. Since 2017 Austrian Post and its Austrian subsidiaries exclusively use renewable energy from Austrian sources.

Moreover, Austrian Post deploys new technologies. Austrian Post operates about 1,420 electric-powered vehicles, giving it the largest e-vehicle fleet in the country. It supplies two large logistics centres and one office building with electricity generated by its photovoltaic facilities, and uses LED lighting in its buildings.

The resolute implementation of ongoing measures contributing to the greening of transport and energy efficiency have resulted in a significant drop in emissions. In 2015 Austrian Post reached its first CO<sub>2</sub> emission reduction target by cutting its CO<sub>2</sub> emissions by 21 % between 2010 and 2015. And this was achieved although, to give one example, Austrian Post had the pleasant challenge of dealing with the steady growth of its parcel business. For this reason, Austrian Post submitted a scientific emissions target in 2017 on the basis of the Science Based Targets Initiative and with the support of the World Wildlife Fund. Accordingly, Austrian Post aims to reduce emissions generated by the parent company by 14 % (base year 2013) by the year 2025.

### 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 subsequently proactive management. In this regard an effective instrument is the environmental management system in accordance with the ISO 14001 standard applied by Austrian Post since 2016. The largest logistics centre operated by Austrian Post and one site of its Austrian subsidiary Medien.Zustell GmbH are already certified according to ISO 14001. It is planned to extend this certification to other logistics centres operated by Austrian Post and selected subsidiaries in the year 2018.

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 and its subsidiaries in Austria at a minimum. If waste cannot be avoided, it will be disposed of in an environmentally compatible manner. Waste materials are separated by category, helping Austrian Post to reduce the amount of residual waste. Optimisation and quality assurance projects are being carried out at Austrian Post and its Austrian subsidiaries to ensure smooth, trouble-free waste management within the company.

### 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 repercussions of its purchasing decisions. For this reason, it consistently demands compliance with environmental and social standards within the context of its Code of Conduct for Suppliers as well as the vendor integrity check (refer to page 45).

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## — 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 50.

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.

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## — Non-financial indicators

### ENERGY INDICATORS<sup>1</sup>

Indicator	Unit	Austrian Post 2016	Austrian Post 2017	Group 2017 <sup>2</sup>
<b>Total energy consumption (all buildings incl. leased space)</b>	<b>kWh m</b>	<b>125.2</b>	<b>125.5</b>	<b>147.7</b>
Natural gas	kWh m	33.2	32.3	42.3
Heating oil	kWh m	3.1	3.1	3.3
District heating	kWh m	32.6	34.5	36.9
Electricity (total)	kWh m	56.3	55.6	65.3
thereof from renewable energy sources	kWh m	52.8	52.4	55.4
thereof from unknown sources	kWh m	3.5	3.1	9.9
<b>Building space</b>	<b>m<sup>2</sup></b>	<b>1,053,200</b>	<b>1,048,295</b>	<b>1,185,294</b>
<b>Specific energy consumption<sup>3</sup></b>	<b>kWh/m<sup>2</sup></b>	<b>118.9</b>	<b>119.7</b>	<b>124.6</b>
<b>Total fuel consumption: petrol, super grade, diesel, natural gas</b>	<b>L m</b>	<b>22.5</b>	<b>21.9</b>	<b>28.0</b>
<b>Kilometres driven</b>	<b>km m</b>	<b>160.2</b>	<b>162.2</b>	<b>218.5</b>
<b>Specific energy consumption<sup>3</sup></b>	<b>L/100km</b>	<b>14.0</b>	<b>13.5</b>	<b>12.8</b>

<sup>1</sup> Energy consumption figures for buildings for the year 2017 are based on real data as at the reporting date of January 31, 2018. The remaining share is based on projected figures.

<sup>2</sup> These indicators cover 98% of Group employees and 96% of Group revenue. They encompass the parent company Austrian Post 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.

<sup>3</sup> Mean values are used for specific Group-wide energy consumption.

### EMISSIONS

Indicator	Unit	Austrian Post 2016	Austrian Post 2017 <sup>1</sup>	Group 2017 <sup>2</sup>
<b>CO<sub>2</sub> emissions (Scope 1–3)</b>	<b>t CO<sub>2</sub></b>	<b>67,491</b>	<b>67,069</b>	<b>87,253</b>
CO <sub>2</sub> Scope 1 – Road transport (own operations)	t CO <sub>2</sub>	35,154	35,713	42,804
CO <sub>2</sub> Scope 1 – Buildings <sup>3</sup>	t CO <sub>2</sub>	7,473	7,312	9,343
Natural gas	t CO <sub>2</sub>	6,630	6,462	8,455
Heating oil	t CO <sub>2</sub>	843	850	888
CO <sub>2</sub> Scope 2 – Buildings <sup>4</sup>	t CO <sub>2</sub>	5,234	6,337	9,598
District heating	t CO <sub>2</sub>	5,003	5,401	5,858
Electricity	t CO <sub>2</sub>	231	936	3,740
CO <sub>2</sub> Scope 3 – Partner companies	t CO <sub>2</sub>	19,630	17,707	25,508

<sup>1</sup> The calculation of Scope 2 emissions (electricity and district heat) is carried out in line with the market-based method. This means supplier-specific emission factors are used if available.

<sup>2</sup> These indicators cover 98% of Group employees and 96% of Group revenue. They encompass the parent company Austrian Post 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.

<sup>3</sup> For the calculation of Scope 1 emissions from buildings outside of Austria, the same emission factors are used as for Austrian Post.

<sup>4</sup> For the calculation of Group-wide Scope 2 emissions from buildings outside of Austria, an EU-27 mix is used for electricity.

**VEHICLES**

Indicator	Austrian Post 2016	Austrian Post 2017	Group 2017 <sup>1</sup>
<b>Total number of vehicles</b>	<b>8,735</b>	<b>8,680</b>	<b>9,952</b>
Bicycles	807	714	715
thereof electric bicycles	683	613	613
Mopeds	882	809	944
thereof electric mopeds	370	369	370
Vehicles up to 3.5 t	7,005	6,996	8,066
thereof electric-powered vehicles	334	441	443
Vehicles over 3.5 t	161	161	227

<sup>1</sup> These indicators cover 98% of Group employees and 96% of Group revenue. They encompass the parent company Austrian Post 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.

**PAPER CONSUMPTION**

Indicator	Unit	Austrian Post 2016	Austrian Post 2017	Group 2017 <sup>1</sup>
Papier consumption	t	6,302	5,539	5,755
thereof PEFC and FSC paper	t	5,443	5,372	5,415

<sup>1</sup> These indicators cover 98% of Group employees and 96% of Group revenue. They encompass the parent company Austrian Post 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.

<sup>2</sup> Mean values are used for specific Group-wide energy consumption.

Vienna, February 27, 2018

The Management Board



**Georg Pölzl**  
Chairman of the Management Board  
Chief Executive Officer



**Walter Oblin**  
Member of the Management Board  
Chief Financial Officer



**Walter Hitziger**  
Member of the Management Board  
Mail & Branch Network Division



**Peter Umundum**  
Member of the Management Board  
Parcel & Logistics Division

# Audit Report

## — Report on the limited assurance audit by the independent practitioner regarding the integrated consolidated non-financial report for the 2017 financial year

We have carried out an audit of the integrated consolidated non-financial report (hereafter: “NFI Report” for the 2017 financial year of

Österreichische Post AG, Vienna,

(hereafter the “Company”).

### MANAGEMENT’S RESPONSIBILITY

The legal representatives of the Company are responsible for the preparation of the NFI Report in accordance with reporting criteria. The Company applies the legal regulations contained in the Sustainability and Diversity Improvement Act (Sections 243b and 267a Austrian Commercial Code) as the reporting criteria.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the sustainability reporting and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of sustainability reporting in a way that is free of intended or unintended material misstatements.

### INDEPENDENT PRACTITIONER’S RESPONSIBILITY

Our responsibility is to express a conclusion based on the procedures performed whether anything has come to our attention that would cause us to believe that the NFI Report of the Company has not, in all material respects, been prepared in accordance with the legal requirements contained in the Sustainability and Diversity Improvement Act (Sections 243b and 267a Austrian Commercial Code).

We carried out our audit in conformity with Austrian standards for independent assurance engagements (KFS/PG 13) and in accordance 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 the principle of materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance (“limited assurance engagement”), the audit procedures are substantially less comprehensive in scope than a reasonable assurance engagement with the purpose of expressing a conclusion with reasonable assurance. Accordingly, less assurance is obtained than in a reasonable assurance engagement.

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

- Inquiries of the staff on a Group level responsible for the materiality analysis in order to gain an understanding of the approach to identifying material sustainability issues and related report parameters;
- Risk assessment, including a media analysis, on relevant disclosures pertaining to the sustainability performance of the Company during the reporting period;
- Assessment of the concept and implementation of systems and processes for determining, processing and monitoring information on environmental, social and employee issues, respect for human rights and the fight against corruption and bribery, including the consolidation of the data;
- Inquiries of the staff on a Group level responsible for the specification and the implementation of internal control activities with respect to disclosures on concepts, risks, due diligence processes, results and performance indicators and consolidation of the disclosures;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is substantiated by sufficient evidence and is presented in an accurate and balanced manner;

- Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on a Group level;
- Assessment of the consistency of the applicable requirements of the Sustainability and Diversity Improvement Act (Sections 243b and 267a Austrian Commercial Code) with the information and indicators included in the report;
- Assessment of the overall presentation of the disclosures.

The procedures that we performed do not constitute an audit or a review of consolidated financial statements. Our engagement did not focus on revealing and clarifying illegal acts such as fraud or other breaches of trust and misdemeanours nor did it focus on assessing the efficiency and profitability of the management. Moreover, the assessment of forward-looking statements as well as disclosures from external sources of documentation and expert opinions also did not comprise part of our engagement.

We issue this report on the basis of the engagement agreed upon with the Company. With respect to our responsibility and liability to the Company and to third parties, Section 8 of the General Conditions of Contract for the Public Accounting Professions (AAB) applies. The currently valid version of the AAB can be downloaded at <http://www.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 prepared, in all material respects, in accordance with the Sustainability and Diversity Improvement Act (Sections 243b and 267a Austrian Commercial Code).

Vienna, February 27, 2018



**KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

**Peter Ertl m. p.**

Certified Public Accountant