

Non-financial Report 2019

18.4%
of the Vehicle Fleet
is Electric

NON-FINANCIAL REPORT

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General Information

Sustainability is of great importance to Austrian Post. In future Austrian Post will continue to implement a large number of targeted measures to ensure its impact on the economy, employees, the environment and society is positive. As a company, Austrian Post is committed to generating economic success on behalf of its investors. At the same time, it is also very much aware of its corporate social responsibility, its role as an employer and its ecological footprint. Integrating sustainability into the core business is the way to secure a successful future for the company.

Report Contents

Since full-scale market liberalisation took effect in Austria, Österreichische Post AG has been a universal services provider, guaranteeing high-quality postal services throughout the country. Österreichische Post AG generates 88% of Group revenue. For this reason, Austrian Post's annual Sustainability Report published in accordance with GRI standards since 2010 has focused on Österreichische Post AG. The entry into force of the Sustainability and Diversity Improvement Act (NaDiVeG) resulted in new disclosure requirements for Austrian Post. In the 2017 financial year, Austrian Post expanded its reporting to include disclosures on key non-financial aspects of its business operations for the first time. The Annual Report now covers the entire Group and includes information on upholding human rights, combatting corruption and bribery, and environmental, social and labour issues.

The following chapters include the required information in accordance with Section 243b (1-3) of the Austrian Commercial Code (UGB) in conjunction with Section 267a (1-3) of the UGB and contain non-financial information concerning Österreichische Post AG and its consolidated subsidiaries. In order to avoid redundancy, references are provided 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 Austrian Post's diversity plan.

Non-financial indicators are presented in a two-year comparison. The information published in this report

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.

■  See p. 75

Additional information on individual sustainability topics with project examples is disclosed in the separate Sustainability Report prepared in line with GRI standards according to the "Core" option. This Sustainability Report was also audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and published at the same time as the Annual Report.

■  See Sustainability Report 2019

Business Model

With some 20,300 employees and annual revenue of EUR 2bn, Austrian Post is a major logistics and postal services provider in Austria and beyond. The core business of the company encompasses the 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 and the Parcel & Logistics Division.

Through its Group companies, Austrian Post's Mail & Branch Network Division and Parcel & Logistics Division not only operate in Austria but in Germany and in Southeastern and Eastern Europe as well. The following Non-financial Report covers the entire Group.

Österreichische Post AG, the parent company, generates 88% of the total revenue and employs 85% of the employees. The scope of data compiled about the group of companies consolidated was expanded in 2019. For this reason, the non-financial indicators at Group level are not directly comparable with those of the previous year. The company is working on further harmonisation in order to enable

better comparability of these indicators at Group level in future. Changes relating to Österreichische Post AG will therefore be commented upon in each case below.

Further information on the business model as well as the strategy of Österreichische Post AG is provided in the Group and Shareholders section.

See from p. 2f

Subsidiary	Country
ACL advanced commerce labs GmbH	Austria
adverserve Holding GmbH	Austria
bank99 AG (formerly Brüll Kallmus AG)	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

Responsibility for Sustainability

The issue of sustainability is of crucial importance to Austrian Post. For this reason, responsibility for sustainability on an organisational level is directly in the hands of Chief Executive Officer Georg Pölzl in the Corporate Social Responsibility (CSR) & Environmental Management department. The department maintains an ongoing dialogue with the various units of the company and Group.

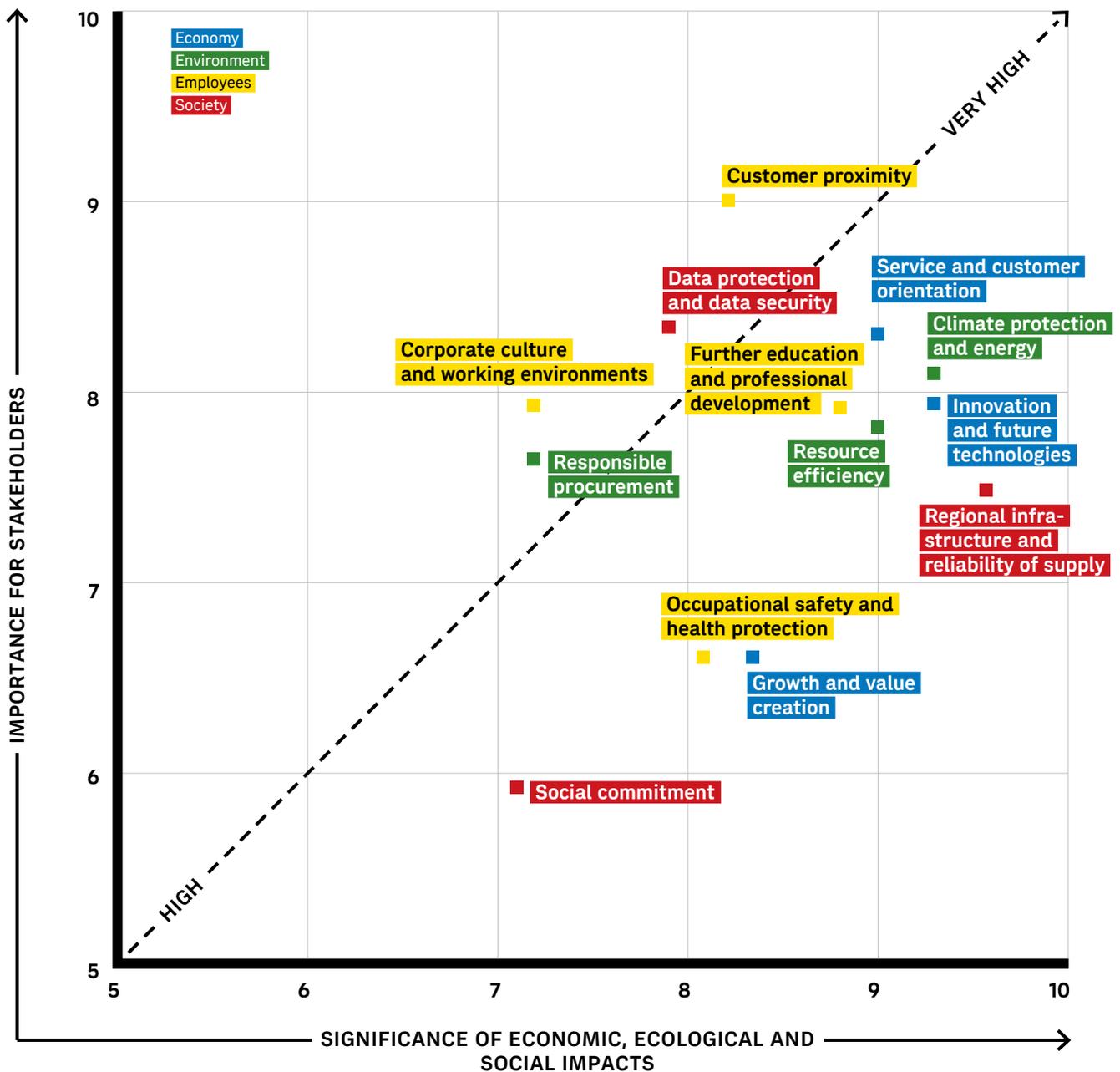
The Management Board integrates sustainability-related issues into the top-level decision-making bodies and processes, for example at Management Board and Supervisory Board meetings, in order to ensure the company's development is focused on sustainability. In its role as the highest supervisory body, the Supervisory Board performs its duties taking into account the company's economic as well as social and ecological responsibility. Important corporate decisions on social and environmental issues are made in accordance with Austrian Post's mission statement and in compliance with the applicable legal regulations.

Material Topics

Austrian Post has defined the material topics in an interactive process involving both external stakeholders and in-house experts. The importance of the material topics as well as their impacts on the economic conditions, environment, employees and the society were defined in conjunction 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 Österreichische Post AG as well as its subsidiaries, and comprise the areas that must be covered by law. However, in its capacity as a universal services provider in Austria, Österreichische Post AG is subject to legal regulations with respect to the reliability of supply and delivery speed which do not apply to the company's subsidiaries. Accordingly, the material topic "Regional infrastructure and reliability of supply" is only relevant for Österreichische Post AG.

G 08 Materiality Matrix of Austrian Post



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

Austrian Post is also committed to the 17 global objectives of the United Nations, the Sustainable Development Goals (SDGs). The way in which Austrian Post implements the SDGs is highlighted with the  symbol in the individual target tables.

The Non-financial Report is divided into six sections in which all the above-mentioned topics, including the associated challenges, concepts and results, due diligence processes as well as material risks and non-financial indicators, are presented.

- Human Rights and Responsible Procurement – We Act Responsibly
- Compliance and Anti-corruption – We Act with Integrity
- Economy – We Do Business Sustainably
- Environment – We Focus on the Future
- Employees and Diversity – We Are All Part of Austrian Post
- Society, Data Protection and Data Security – Everything We Do Revolves Around People

Risk Assessment

The Non-financial Report covers risks faced by Austrian Post arising 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 significant risks with respect to these topics. For the sake of completeness however, this report lists the respective non-financial risks relating to the topics covered here.

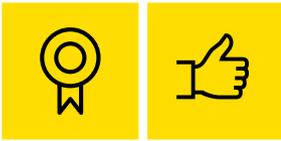
In addition, Austrian Post operates a comprehensive risk management system encompassing risks faced by the company and all business units and Group companies.

Because of the company's sustainability alignment, ecological, social and ethical aspects are also incorporated into its risk management efforts. In 2019 the focus increasingly turned to environmental, social and governance (ESG) risks and climate-related risks pursuant to the TCFD approach (Task Force on Climate-related Financial Disclosures). Because of their special importance, the focus for 2020 will be on further integrating ESG risks into Groupwide risk management activities and expanding the ESG risk management system accordingly. The risks and opportunities of sustainability are monitored by specialists in the respective organisational units, and when materiality limits are exceeded, these incidents are reported to Central Risk Management. Reported sustainability risks are subject to Groupwide risk assessment and analysis and evaluated either qualitatively or quantitatively. If a qualitative assessment reveals a particularly high risk potential, the risk must subsequently be quantified.

The Group updates all risks semi-annually and subsequently reports them 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.

—  See p. 99

Honours and Awards



Austrian Post operates in a sustainable manner, an approach that has been confirmed by the capital markets and various national and international ratings.

MSCI ESG
RESEARCH LLC



MSCI ESG RESEARCH

In 2019 Austrian Post was once again assigned the best possible rating of AAA in the MSCI Environmental, Social and Governance ratings. As 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. Expansion of the company's fleet of electric vehicles was assessed as especially positive. The company's attractive remuneration systems, continuing education and professional development offerings for employees and good, solid business management structures were also highlighted by MSCI.



ISS ESG

ISS ESG is one of the world's leading rating agencies in the field of sustainable investments. Austrian Post was awarded the prime status rating in the ESG corporate rating 2019 for its sustainability activities. As a result, Austrian Post ranks among the leading transport and logistics companies in terms of sustainability.



CARBON DISCLOSURE PROJECT

In 2019 Austrian Post was assigned the best possible result, an A rating, by the Carbon Disclosure Project (CDP), the world's largest database for corporate environmental and climate information, which is extensively used by capital market participants to evaluate potential investments – making Austrian Post the only ATX company included in the CDP Climate Change A List. This recognition not only underscores Austrian Post's transparent environmental reporting but also serves as evidence of the quality of the climate protection measures initiated.



ECOVADIS

EcoVadis awarded a "Gold Recognition Level" rating to Österreichische Post AG 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.



IPC GOLD AWARD 2019

Austrian Post actively participates in international programmes such as the "Environmental Measurement and Monitoring System" (EMMS) of the International Post Corporation (IPC). It was presented with the IPC Gold Award in 2019.

Human Rights and Responsible Procurement

We Act Responsibly

Österreichische Post AG and its Group companies attach particular importance to proper and appropriate 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 context, 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 has been a member of the UN Global Compact (unglobalcompact.com) since 2007 and orients the implementation of its goals and activities to these principles, including those with respect to human and labour rights. The company categorically opposes any

type of human rights violation as well as child labour and forced labour, and expects its business partners to adhere to these principles.

These values are expressed in the Code of Conduct and Ethics approved by the Management Board in 2011, which is binding throughout the Austrian Post 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 policies and guidelines for conduct are based on and derived from the Code of Conduct and Ethics. 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 advocates for human rights. In addition, human rights are embedded in the constitution of the Republic of Austria and are protected by numerous laws. The European Convention on Human Rights also has constitutional status.

Its commitment to respect human rights enables Austrian Post to fulfil its ethical and moral responsibility, thus avoiding legal proceedings, potential fines and legal costs, damage to its reputation and the related financial losses.

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

T 02 Main Target → Positively Shape the Corporate Culture and Working Environments

Targets in 2019

 5, 8, 10
Promote a humane corporate culture

Achieved in 2019

Measures to promote ethical conduct in compliance with the law and company guidelines

Planned for 2020 and beyond

Further implementation of preventive measures to promote ethical conduct in compliance with the law and company guidelines

Continuation of measures to protect employee rights

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 prejudice and discrimination of any kind. Equal treatment of all employees regardless of their age, gender, sexual orientation or identity, nationality, ethnic origin, disability, religion or ideology is ensured by the terms of collective agreements concerning working conditions and the Groupwide Code of Conduct and Ethics. Executives are familiarised with the leadership guidelines at the Executive Academy, where training specifically focuses on conduct in conformity with the law and company standards. 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. In addition, the Central Works Council of Österreichische Post AG is committed to ensuring adherence to these values, and continuously advocates 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's core activities are receiving, sorting and delivering mail items. In order to fulfil these tasks, Austrian Post requires technical equipment, machinery, supplies, vehicles, IT and other services.

Austrian Post distinguishes between procurement for its core business (particularly infrastructure and logistics) and purchasing on behalf of its administration (IT as well as indirect materials and services). Within the context of its responsible procurement policy, Austrian Post considers environmental and social factors in addition to price, quality and delivery time.

Responsible conduct and integrity are very important – not just in the company's own processes, but in all business relationships. Austrian Post is aware of its role in the supply chain and takes responsibility in this regard along the entire value chain. That is why respecting human rights in procurement is a high priority for the Group.

Österreichische Post AG's Business Relationships

Group Procurement is responsible for an annual order volume of around EUR 0.6bn. Österreichische Post AG places a large number of orders and contributes to creating value in Austria.

The company relies on regional structures in its procurement policy: 97% of the approximately 5,000 suppliers are located in Austria. This means that Austrian companies account for more than 92% of the total purchasing volume.

Corporate Procurement Policy and Local Procurement Policy

The Groupwide and local procurement policies further stipulate that all business relationships must be aligned with ethical principles and adhere to the requirements of fairness. All purchases over EUR 100,000 are subject to the Corporate Procurement Policy. The Local Procurement Policy supplements the Corporate Procurement Policy for purchases valued under EUR 100,000.

The policies also take sustainability into account: a further principle stipulates that procurement must be environmentally and socially responsible and that relationships with suppliers must be in alignment with the sustainability strategy. The rules in the procurement policy relating to procurement excellence (quality standards, reporting and supplier evaluation) and compliance apply to all Group Procurement activities. Some procurement is handled locally by the operating unit. The compliance rules also apply to cases on the exceptions list which are subject to special rules in line with Austrian Post's procurement policy.

Code of Conduct for Suppliers

The Code of Conduct for Suppliers of Austrian Post has been part of the standard documents included in tendering procedures since 2012. Austrian Post suppliers are subject to the Group's own Corporate Procurement Policy and are required to adhere to the minimum social standards stipulated in the Code of Conduct for Suppliers.

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

Vendor Integrity Check

Another tool for ensuring that human rights are upheld in Group Procurement is the vendor integrity check (VIC), which is a compliance verification procedure. Suppliers are subject to a vendor integrity check starting at an annual net purchasing volume of at least EUR 1m, or for high-risk categories starting at a volume of EUR 50,000.

This enables Austrian Post to verify compliance with the Code of Conduct for Suppliers. In addition to compliance-related aspects, this evaluation also encompasses sustainability criteria such as human rights and labour laws, health and safety, sustainability and environmental protection as well as ethics and corporate responsibility. The VIC has been a system-supported process since 2018 and a social monitoring solution was added in 2019. The system-based approach considerably increases the data security and quality of the compiled information. Subsequently, the data is reviewed by the Compliance department and Group Procurement.

If critical issues arise, suppliers are requested to provide an explanation. If a supplier does not meet the criteria of the VIC, appropriate measures are agreed in conjunction with the Compliance department and their

implementation is verified. One such case occurred in 2019. A process for spot checking suppliers in advance with regard to compliance risks was introduced in the interest of continually improving supplier management. Austrian Post is working on expanding the upstream review process.

Group companies, i.e. subsidiaries, also perform services for Austrian Post and are therefore also considered suppliers. However, they do not undergo the VIC because they are integrated into the Austrian Post's compliance management system. Postal companies in other countries with which cooperation agreements have been signed are also exempt from VICs. International partnerships and the conditions underlying cross-border postal traffic are regulated by the Universal Postal Union.

T 03 Main Target → Assume Responsibility in Procurement

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
 12 Continuation of supplier assessments	Supplier assessments were conducted again in 2019. Two on-site audits were performed as a result Introduction of process to spot check suppliers in advance	Further development of supplier risk management activities Expansion of upstream review process

Non-financial Indicators

Indicators	Austrian Post Group		
	2017	2018	2019
Number of supplier assessments (Vendor Integrity Check)	36	81	123

Non-financial 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 as well as facilitate 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.

Compliance and Anti-corruption

We Act with Integrity

Values such as honesty, reliability 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

Austrian Post established a Groupwide compliance management system (CMS) in 2010. The CMS covers capital market and business compliance issues, which includes combatting corruption. The business CMS and capital market CMS conform to ISO standards 37001 (anti-bribery management systems) and 19600 (compliance management systems), respectively. This was examined and certified by TÜV Süd in 2018. The certifications were upheld for Austrian Post in a follow-up audit in 2019.

Austrian Post's CMS 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 into 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 Office is supported by compliance officers in embedding the CMS throughout the entire Group. As part of the CMS, Österreichische Post AG has named compliance officers in the individual departments and in all subsidiaries in which it holds a majority stake. At the time of compiling this report, there are 34 compliance officers in Austria and eight 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 in all units of the company.

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

T 04 Main Target → Ensure Impeccable and Exemplary Behaviour

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 8 Rules for conduct in conformity with the company's values and the law</p> <p>Continuation of the compliance risk analysis: Discussions about risk with international compliance officers including site inspections, specification and implementation of measures, handling incidents</p>	<p>Two Group policies revised and approved</p> <p>20 personal risk discussions with national compliance officers</p> <p>Seven risk discussions with international compliance officers</p>	<p>Continuation of the compliance risk analysis</p>

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 8 Raising awareness: — Information, communication and training regarding these rules and continued operation of the help desk (contact point for compliance issues) — Communication and information provided to external stakeholders about the CMS</p>	<p>Two new e-learning courses developed</p> <p>230 help desk contacts</p> <p>Participation in three Transparency International working groups</p> <p>Three external reports (Annual Report/Non-financial Report, Corporate Governance Report, Sustainability Report) and presentations at industry events</p>	<p>Raising awareness: Information, communication and training, and continued operation of the help desk (contact point for compliance issues)</p> <p>Communication and information provided to external stakeholders about the CMS by means of reports and presentations at industry events</p>
<p>SDG 8 Continuous improvement process: monitoring the implementation and effectiveness of measures and support for pre-defined business activities and assessments</p>	<p>Four partnerships for internal audits</p>	<p>Continuous improvement process: monitoring the implementation and effectiveness of measures and support for pre-defined business activities and assessments</p>

RISK ANALYSIS AS THE BASIS FOR THE COMPLIANCE MANAGEMENT SYSTEM

The primary tool for identifying 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. The personal risk discussions incorporated into the compliance observations encompassed five Austrian and seven international subsidiaries and thus covered around 63% of all Group sites. In 2019 no material compliance risks were identified. The results are reported to the Management Board, which then approves the resulting compliance programme.

COMPLIANCE AND ANTI-CORRUPTION GUIDELINES FOR RESPONSIBLE CONDUCT

Other instruments to promote responsible conduct and integrity are company guidelines. 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 policy is to ensure that Austrian Post acts with integrity on the capital market and to promote understanding of capital market compliance. Its rules focus primarily on the prevention of the improper use of insider information. The policy reflects valid European and Austrian capital market regulations and is binding for all employees of the Group.

In 2018 Austrian Post also issued new anti-corruption guidelines. The Group policy on the "Acceptance and Granting of Gifts, Invitations and Other Benefits" and the Group policy on "Handling Donations and Sponsoring" were merged to create a single Business Compliance Policy. It was also expanded to include the issues of dealing with conflicts of interest and dealing with company resources. This policy was revised in 2019.

RAISING AWARENESS THROUGH TRAINING ACTIVITIES

Raising the awareness of employees concerning the issues of compliance and fighting corruption represents another important activity carried out within the context of the CMS. The company makes use of notice boards, digital information boards, articles in the employee magazine as well as classroom and online training. These various forms of communication and training enable a target group-specific and far-reaching approach to compliance issues. Arrangements were made at the end of 2018 to produce a new compliance training video which was incorporated into an e-learning course on business compliance in 2019. Roll-out of the e-learning course started in 2019 and will continue in 2020.

Business compliance and capital market compliance activities in 2019 concentrated on developing two new e-learning programmes. Moreover, the classroom training programme continued and the employee magazine "Meine Post" also provided information about the most important points relating to business and capital market compliance.

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 2019. Austrian Post also continued to run its Compliance Academy: 18 individuals successfully completed training to become compliance officers and 14 additionally obtained certification.

100% of employees were informed about these issues thanks to the anti-corruption and compliance measures implemented. The entire Management Board, the Supervisory Board and all members of top-level management were trained on anti-corruption and compliance issues.

The Compliance team and a compliance help desk accessible to employees throughout the Austrian Post Group are available in person, by telephone, anonymously on the Intranet or by e-mail to deal with questions, comments and concerns. In 2019 a total of 230 employee inquiries and documents regarding the acceptance and granting of gifts, donations and sponsoring as well as Austrian Post's principles of conduct were processed by the compliance help desk.

MEASURES TAKEN IN RESPONSE TO CASES OF CORRUPTION

No cases of corruption occurred at Austrian Post in 2019. If such a case occurs, steps in line with applicable labour laws as well as disciplinary measures are taken. Measures to prevent corruption were successfully carried

out throughout the Group as part of Austrian Post's compliance management system in 2019.

Non-financial Risks

The compliance risk analysis as well as the risk management system indicate that ongoing anti-corruption activities are still required. However, there is no acute risk of corruption at the present time.

Potential corruption risks are also identified via the Group risk management system and Austrian Post's annual compliance risk analysis. Despite existing sponsoring, donation and anti-corruption guidelines, there is a risk that third parties may attempt bribery (gifts, invitations, other benefits). The ongoing CMS measures aim to minimise these risks.

Non-financial Indicators

Austrian Post Group

Indicators	2017	2018	2019
Non-compliance with laws and regulations governing social and business issues	There were no major lawsuits, sanctions or fines imposed against Austrian Post in 2017 due to violations of laws and regulations governing social and business issues.	In 2018 no lawsuits were filed against Austrian Post and no sanctions or fines were imposed upon the company for anti-competitive behaviour, or for the formation of cartels or monopolies, based on the Federal Act Against Unfair Competition (UMG) and/or the Austrian Cartel Act (KartG). Austrian Post was not the subject of any major lawsuits, sanctions or fines imposed for violations of social welfare laws or regulations in 2018.	In June 2019 a case was brought against Austrian Post before the Cartel Court in connection with the stopping or establishing the abuse of a dominant market position. The charges were related in particular to the alleged discrimination of the claimant through the granting of unfavourable price conditions, obstruction of competition as well as the inadmissibility of the contractually agreed confidentiality provisions and incorrect application of VAT regulations. The case is still pending at the court of first instance. Austrian Post was not the subject of any major lawsuits, sanctions or fines imposed for violations of social welfare laws or regulations in 2019.

We Do Business Sustainably

The long-term economic success of the entire company is a high priority for Austrian Post. Key factors here are defending the company's position as a leader in Austria for the long term and pursuing profitable growth in defined markets. Advancing digitalisation, growing competitive pressure and the internationalisation of markets are resulting in changes in the marketplace and posing challenges for the entire logistics industry. In the interest of ensuring sustained economic success Austrian Post is actively addressing these changes with solutions that are viable for the future and tailored to meet customer needs. Innovation therefore plays an especially important role.

Concepts and Their Results

Austrian Post continually invests in the expansion and modernisation of its infrastructure and operating processes. In addition, it pursues an attractive dividend policy for the benefit of its shareholders. The company also aims to meet the growing needs of all customers by offering tailored products and services as well as leveraging growth potentials. This strategic direction is in line with material topics identified by stakeholders as part of the materiality analysis focusing on business issues:

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

Austrian Post has defined targets the following and measures in order to measure its economic success and progress.

T 05 Main Target → Further Develop the Sustainable Business Model of Austrian Post

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 8 Continued stable Group revenue in 2019 (revenue of EUR 2bn in 2018)</p>	<p>The target of achieving Group revenue of EUR 2bn was achieved in spite of a challenging business environment</p>	<p>Continued stable Group revenue in 2020 (revenue of EUR 2bn in 2019)</p>
<p>SDG 8 Ongoing optimisation of structures and processes to further reduce costs and enhance efficiency</p>	<p>Measures were continuously implemented again in 2019 to optimise structures, increase efficiency and reduce costs. As a result, the Austrian Post Group generated an EBITDA margin of 15.8% in the year under review</p>	<p>Ongoing optimisation of structures and processes to further reduce costs and increase efficiency</p>
<p>SDG 8 Target of generating stable operating earnings (EBIT) at the level of 2018 (2018 EBIT of EUR 210.9m)</p>	<p>At EUR 200.6m the Austrian Post EBIT in 2019 was 4.9% below that of the previous year</p>	<p>Target of generating stable operating earnings (EBIT) at the level of 2019 (2019 EBIT of EUR 200.6m)</p>
<p>SDG 7, 8, 9, 10, 11, 12, 13</p>		<p>Increased focus on sustainable character of product innovations, in particular with regard to social and environmental dimensions</p>

T 06 Main Target → Focus on Customers and Innovations

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
 SDG 8, 11 Promotion of online services such as the Post app and e-letter	Promotion of online services such as the Post app, Postcard app and online parcel stamp	Ongoing promotion of online services such as the Post app and e-letter
 SDG 8, 11		Implementation of various IT projects to increase user-friendliness of different online service offers (homepage, Post app, AllesPost, etc.)
 SDG 8, 11 Medium-term doubling of self-service solutions	45,633 Post pick-up boxes are at the disposal of customers	Expansion of Post pick-up boxes to a total of 50,000 by 2020
	66,464 post office boxes at pick-up stations	Expansion to 78,000 post office boxes at pick-up stations by 2020
	413 self-service zones are at the disposal of customers	Further expansion of self-service zones

GROWTH AND VALUE CREATION

Austrian Post sees significant opportunities for the entire company in the sustainable orientation of its business activities. In 2019 Austrian Post was assigned the best possible rating of A by the Carbon Disclosure Project (CDP). This and other ESG ratings indicate that Austrian Post is already operating in a sustainable manner from the capital market perspective.

Solid revenue development, sustainably high profitability and the continuation of the attractive dividend policy are the declared goals of Austrian Post. As the company sees it, the business can be managed successfully for the long term if both financial and non-financial aspects are taken into account and contribute to value creation. The targets relating to the environment, society and employees have a positive impact on the factors influencing sustainable profitability, such as employee satisfaction and energy efficiency. At the same time, only a successful company can fulfil its responsibility to society and make a meaningful contribution to meeting social and ecological needs.

There is further information on the Austrian Post business model and strategy in the 2019 Annual Report.

 See p. 8

INNOVATION AND FUTURE TECHNOLOGIES

An important factor for sustainable success in changing markets is the development and launch of innovative products and business models as well as the expansion of the existing product portfolio in the core business. In order to meet the expectations placed in it as a service company, Austrian Post is continually expanding or improving its services on the basis of internal innovation and R&D measures. Moreover, Austrian Post consistently works on optimising its processes and procedures.

Innovative solutions are explored and developed either in-house or together with cooperation partners. In many cases, this leads to new market standards for the entire logistics sector.

Innovation at Austrian Post is driven by the interplay between centralised management and decentralised innovation teams in the business areas responsible for the products and services. The newly created central innovation management team underscores the relevance of research and development activities for managing the company. It serves as a partner to the business areas in digital transformation and bases its activities on identifying market needs and future trends in a timely manner as well as ensuring Austrian Post's long-term competitiveness through appropriate initiatives.

In addition to its own development activities, Austrian Post also has longstanding partnerships with reputable Austrian universities, universities of applied sciences and other research facilities. Key partners include the Austrian Research Promotion Agency (FFG), the Climate and Energy Fund and the Vienna Business Agency. The objective of this collaboration is to further intensify the focus on innovation and to be able to rely on sound scientific research findings in the development of products and services.

In terms of products and services, Austrian Post has once again added many different innovative solutions developed in-house to its core business in the 2019 financial year. Whilst a number of projects are initiated and carried out by the product management teams in the divisions, top-quality services are ensured with centralised development of end customer services with the aim of implementing state-of-the-art technologies to improve core services, and to research and create new business models on the end customer side. For instance, Austrian

Post continued to systematically improve its solutions for mobile services ("Post app") and simplifying delivery ("AllesPost") in 2019. The latter is an innovative service customers can use to receive any parcel via Austrian Post's channels and solutions. The online services provided by Austrian Post are characterised by a high level of security, flexibility, efficiency and trustworthiness.

In the Mail & Direct Mail Division, Austrian Post launched an innovation board as a platform for innovation where employees can work on creative projects, areas of interest and new business models across functions. Strategically relevant ideas are put through the rapid prototyping and testing processes.

Mail Solutions and Logistics Solutions are two other major areas in which significant customer-facing innovations have been made.

Mail Solutions is the leading provider of innovative physical mail services and develops digital B2B solutions. These activities are centred around efficient business solutions like intelligent input management, digital document management, dual delivery, data and address management, and digital advertising. The online flyer platform "Aktionsfinder", a digital extension of the physical flyer, the majority stake in Adverserve, which specialises in programmatic advertising, and the successful print medium KUVERT round out the portfolio of solutions offered by Mail Solutions.

With regard to Logistics Solutions, Austrian Post continuously develops tailor-made customer solutions for warehousing and fulfilment as well as various value-added services, such as two-person handling or delivery at specified times (e.g. same-day delivery). Combined with innovative online services, these solutions ensure greater efficiency, flexibility and customer-oriented optimisation of communication and distribution. Due to the stake acquired in ACL advanced commerce labs GmbH, the e-commerce services offered were further expanded, enabling one-stop-shopping solutions for customers from online shops to customer service, from the front end to the back end. We are therefore in the position to provide our customers with tailored solutions from online shops through IT solutions, warehousing, fulfilment and end customer deliveries to cash management solutions.

Resource conservation and energy efficiency in processes and work flows represent one of the key research and development priorities. Starting from 2009 until 2019, Austrian Post had invested some EUR 21m in carbon-neutral, pollution-free deliveries.

Another focal point of the investment programme during the period under review was other equipment, furniture and fittings. In addition to ongoing investments in the vehicle fleet, this mainly involved investments in branch office equipment and furnishings. The section on

the environment provides details on the fleet and the addition of electric vehicles. Another focus was on investments made within the context of the capacity expansion programme. The "City Logistics" programme by Parcel Austria was continued in the Parcel & Logistics Division in 2019 with the launch of the first "City Hub" pilot in Vienna. This involves delivering parcels using electric cargo bikes via centrally located microdistribution sites (city hubs). A sustainable delivery method for urban areas was therefore developed and tested in this pilot project. The project was supported by funds from the Austrian Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMVIT) and, as part of the logistics advancement programme, carried out by Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG mbH). Additional capital was invested in the field of predictive analytics in 2019, in which a statistical model will be developed aimed at predicting daily parcel volumes at logistics centres 90 days in advance on the basis of historical corporate data. This in turn will allow for more efficient personnel planning on each mail distribution shift as well as improve route planning.

Austrian Post is always looking for funding opportunities, both for innovations and investments. The CSR & Environmental Management department advises and supports all the relevant business units here as well as coordinating R&D tax credits. The above-mentioned projects provide a selection, but not an exhaustive list, of research projects.

SERVICE AND CUSTOMER ORIENTATION

Austrian Post focuses on the needs of its customers and steadily works on new products and services which respond to current customer requirements for greater flexibility. Customer convenience and service quality on the basis of flexible delivery concepts and online solutions are emphasised as the answer to changing customer demands and the general shift in the market. These services include the Post app, which can be used to redirect parcels for pick-up in branch offices, or to deliver e-letters. In 2019 and 2020 the company has set itself the goal of integrating current online solutions into a modern IT environment.

Austrian Post always strives to offer its customers all services, be it new ideas and innovative services or standard offerings, in the best quality possible. This approach pays off and is underscored by consistently good satisfaction scores. Customer satisfaction was measured on a quarterly basis during the reporting period by the renowned Institute for Empirical Social Studies (IFES). The "Customer Satisfaction Index" (CSI) encompassing customer satisfaction and customer loyalty is determined by means of a representative survey with a sample size of n = 2,000 per wave.

Measuring customer satisfaction in accordance with the CSI scale considers 50 index points or less to represent a critical level and 51 to 60 points as moderately content, whereas a score of more than 61 points is considered to be good and higher than 70 means very good. An outstanding level of customer satisfaction is from 81 points up to the highest possible score of 100. The average CSI value for Austrian Post this year was 70 points. That is the company's best result since it began measuring customer satisfaction. Austrian Post is very proud of this score. The initial result was 64 points in 2011.

Customer service plays a key role in customer satisfaction. Austrian Post offers all customers the opportunity to get in contact via e-mail, contact form or Facebook. The Austrian Post Customer Service team also answers inquiries regarding the subsidiaries. Several thousand inquiries related to data privacy information were sent to Austrian Post Customer Service in 2019. All of these inquiries were answered in a timely manner.

Financial Risks

The relevant economic risks are listed in the Group Risk Report on p. 99.

Financial Indicators

T 07 Analysis of Value Creation

EUR m	Österreichische Post AG ¹		Austrian Post Group ²	
	2018	2019	2018	2019
ORIGIN				
Revenue and other operating income	1,862.4	1,945.8	2,054.6	2,153.0
less advances	-705.3	-830.3	-822.9	-965.7
thereof materials and purchased services	-361.9	-392.5	-441.2	-473.3
thereof other operating expenses	-274.2	-370.4	-287.1	-374.4
thereof depreciation and amortisation	-69.1	-67.5	-94.5	-118.1
ADDED VALUE	1,157.1	1,115.5	1,231.8	1,187.3
DISTRIBUTION				
to employees (salaries, social contributions)	935.7	912.2	1,011.9	980.1
to shareholders (dividends)	140.5	140.5 ³	140.5	140.5 ³
to the Republic of Austria (taxes)	62.9	57.5	65.1	61.6
to creditors (interest)	2.4	0.2	1.0	4.7
Balance	15.6	5.1	13.2	0.3
ADDED VALUE	1,157.1	1,115.5	1,231.8	1,187.3

¹ Pursuant to Austrian Commercial Code (UGB)

² Pursuant to IFRS

³ Proposal to the Annual General Meeting on 16 April 2020

We Focus on the Future

As a logistics company, Austrian Post bears a huge responsibility, particularly for the environment. In order to fulfil its responsibility, Austrian Post analyses global developments and challenges, and aligns its concepts and measures in view of this context.

Megatrends which pose challenges for Austrian Post are global climate change, local immissions, and the shortage of resources and the resulting energy transition. In particular, globalisation and the continuing increase in international trade are having a major impact on the environment and the climate, especially due to emissions of climate-changing greenhouse gases such as carbon dioxide.

Concepts and Their Results

Austrian Post has been consistently integrating environmental activities into its core business for many years in order to manage its ecological footprint from year to year. The environmental 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 2019 and 2020:

T 08 Main Target → Protect the Climate and Conserve Resources

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 13 Continuation of the CO₂ NEUTRAL DELIVERY initiative and evaluation of expanding it to subsidiaries</p>	<p>The carbon emissions of Österreichische Post AG and their compensation were confirmed by TÜV Austria again in 2019. No expansion will be undertaken until further notice due to strategic decisions</p>	<p>Continuation of the CO₂ NEUTRAL DELIVERY initiative</p> <p>Evaluation of an Austrian Post forest protection or reforestation project</p>
<p>SDG 13 Science-based carbon reduction target: reduction of carbon emissions by 14% by 2025 (base year: 2013) and evaluation of carbon reduction targets for subsidiaries</p>	<p>Carbon emissions of Österreichische Post AG increased by 9.3% due to rising parcel volumes (in particular also due to assumption of volumes from DHL) (base year: 2013). No expansion to subsidiaries will be undertaken until further notice due to strategic decisions</p>	<p>Calculation of a new science-based target for maximum global warming of 1.5 °C</p>
<p>SDG 9, 13 Deployment of 100% electric vehicles for all delivery operations (last mile) by 2030</p>	<p>1,750 electric vehicles were in use at Österreichische Post AG at the end of 2019, or 19.5% of all delivery vehicles</p> <p>100% "green" mail delivery takes place in Eisenstadt. "Green" delivery services apply to more than 90% of letter and direct mail items in Vienna, Wiener Neustadt and St. Pölten. In the other provincial capitals, 60–80% of all mail items are delivered using "green" methods. "Green" mail delivery will be extended successively to rural areas</p>	<p>Deployment of 100% electric vehicles for all delivery operations (last mile) by 2030</p> <p>By 2022 all mail and parcel deliveries in Graz will shift from diesel-powered vehicles to 100% electric vehicles</p>

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 7 Further implementation of energy efficiency measures at Österreichische Post AG and its subsidiaries and performance of a Groupwide energy audit</p>	<p>Implementation of 25 energy efficiency measures in the categories of lighting, room heating, electricity measurement and water heating at Österreichische Post AG and its national subsidiaries</p> <p>Performance of a Groupwide energy audit with a focus on buildings, vehicle fleet and transport logistics</p>	<p>Additional energy efficiency measures at Österreichische Post AG and its subsidiaries based on the energy audit</p>
<p>SDG 9 Continued optimisation and quality assurance projects at Österreichische Post AG in the field of waste and recycling management</p>	<p>Recycling management was reorganised at the Österreichische Post AG Wernberg Logistics Centre. Efficient disposal of recyclables was included during planning for the construction of the Hagenbrunn Logistics Centre</p>	<p>Implementation of optimisation and quality assurance projects in additional logistics centres and delivery bases of Österreichische Post AG</p>
<p>SDG 7 Construction of a photovoltaic power plant on the roof of the new Hagenbrunn Parcel Centre and exploration of other potential sites</p>	<p>The photovoltaic plant on the roof of the new Hagenbrunn Parcel Centre with 499 kWp was erected and commissioned at the end of 2019</p>	<p>Construction of a new photovoltaic plant with 499 kWp on the roof of the new parcel centre in Kalsdorf and planning of four further photovoltaic plants with a capacity of 1,521 kWp</p> <p>Preparation of a life-cycle assessment (LCA) in accordance with ISO 14040 for the Austrian Post advertising medium "Kuvert" to identify environmentally intensive process steps. The value chain is to successively be made more environmentally friendly</p>

T 09 Main Target → Strengthen Environmental Awareness

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 7, 9, 13 Preparation for ISO 14001 certification of two other sites (the Hagenbrunn Logistics Centre and the corporate headquarters Post am Rochus)</p>	<p>The Hagenbrunn Parcel Centre was successfully certified in accordance with ISO 14001. A concept was developed for the certification of the corporate headquarters Post am Rochus</p>	<p>ISO 14001 certification of the corporate headquarters Post am Rochus</p>
<p>SDG 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 16 Roll-out of the internal quality seal "CSR INSIDE" to certify projects and employees on the issue of sustainability</p>	<p>The CSR INSIDE concept will be incorporated in 2020 into an integrative and Groupwide process to revise the sustainability strategy</p> <p>Conduct of an employee survey on the topic of sustainability</p>	<p>Integrative and Groupwide process to revise the sustainability strategy</p>
<p>SDG 3, 13 Internal promotion and nationwide participation in the "Austria Goes Biking" initiative to enhance environmental awareness and promote health</p>	<p>With more than 240 participants in the "Austria Goes Biking" initiative, Austrian Post took second place in the "Absolute number of participants" category</p>	<p>Continuation of the participation in the "Austria Goes Biking" initiative to enhance environmental awareness and promote health</p>
<p>SDG 9, 11 Project to recycle working clothes which are no longer in use</p>	<p>A project concept to recycle working clothes which are no longer in use was developed</p>	<p>The project to recycle working clothes which are no longer in use will take place in February or March 2020</p>
<p>SDG 10, 11, 13 Application of the manual for sustainable events at Austrian Post events</p>	<p>In 2019, one customer and one employee event each were carried out and certified as Green Events. The manual was applied for smaller events</p>	<p>All major events (annual kick-off, Christmas party, Austrian Post Brochure Award, Annual General Meeting) are carried out and certified as Green Events and the manual is applied for smaller events</p>
<p>SDG 9 Pilot project for settling bee colonies in the logistics centre at Vienna Inzersdorf</p>	<p>During the course of the project, eight bee colonies were settled on the green areas of the mail centre at Vienna and the first Austrian Post organic bee honey was harvested</p>	<p>Evaluation of expansion of the project to other sites</p>

CLIMATE PROTECTION AND ENERGY

The reduction of carbon emissions, and thus the CO₂ 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 by Austrian Post in a carbon neutral manner. The first step of this initiative consists of 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 four photovoltaic facilities and is the largest operator of e-vehicle fleets in Austria. The energy generated by the photovoltaic plants supplies nearly sufficient electricity to power the entire Österreichische Post AG electric vehicle fleet without greenhouse gas emissions.

All the remaining unavoidable carbon emissions are offset in a third step by supporting national and international climate protection projects.

In order to enhance credibility, the carbon neutral delivery of all mail items by Österreichische 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 carbon neutral delivery of their mail items also improves the carbon footprint of Austrian Post's customers.

An important factor in reducing carbon emissions is improving 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. Österreichische Post AG has been procuring all the electricity it needs solely from renewable energy sources since 2012. In 2018 Österreichische Post AG and all its Austrian subsidiaries began exclusively using green electricity from Austrian sources.

Moreover, Austrian Post deploys new technologies. Österreichische Post AG operates the country's largest electric vehicle fleet featuring 1,750 electric-powered vehicles. It supplies two large logistics centres and one office building with electricity generated by its photovoltaic systems and uses LED lighting in its buildings.

In 2016 Österreichische Post AG defined a scientifically sound climate target, referred to as a science-based target, stipulating a further 14% reduction in emissions by the year 2025 compared to the base year of 2013. Since the calculation of the first science-based target in 2016, the assumptions for calculating growth in the parcel business and the framework conditions have changed significantly. A new science-based target is therefore being calculated in 2020, which should also contribute to a maximum global warming of 1.5°C. Emissions also climbed by 9.3% in 2019 in comparison to the base year. The strong growth in the

parcel segment (+82.5% in the period from 2013 to 2019) and the larger parcel volumes resulting from the acquisition of DHL increased the kilometres driven by Austrian Post. This led to higher energy consumption by the vehicle fleet and thus to more carbon emissions.

Austrian Post compiles all relevant indicators required to calculate carbon emissions at Group level and in accordance with ISO 14064 Part 1. All indicators and calculations are verified by external audits. Österreichische Post AG's 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 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 enabled by employees with increased awareness. In the meantime, the Vienna Letter Mail Centre, Österreichische Post AG's largest logistics centre, along with the Wernberg Parcel Centre and the entire subsidiary Medien.Zustell GmbH are certified according to ISO 14001.

Responsible waste and recycling management also play an important role with respect to the issue of resource efficiency. In the spirit of ensuring sustainable waste management, measures are taken to keep the waste produced by the Group's parent company and its domestic subsidiaries to a minimum. If waste cannot be avoided, it is disposed of properly.

RESPONSIBLE PROCUREMENT

In view of its high sustainability standards, minimising the environmental impacts of its own activities is not Austrian Post's only goal. Paper consumption is particularly important in the context of material use. That is why Österreichische Post AG pays attention to purchasing paper from responsible sources, such as those featuring the FSC or PEFC seals. 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 standards as well as social standards as described on p. 46. These requirements are set out in the Code of Conduct for Suppliers.

Non-financial Risks

The most relevant risk to the environment related to Austrian Post's energy-intensive business operations as a logistics 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 Their Results on p. 56.

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

Non-financial Indicators

Austrian Post compiles key energy indicators relating to its property holdings and vehicle fleet for Österreichische Post AG and all consolidated Austrian and international subsidiaries. The figures are compiled according to special operating procedures. All indicators and calculations are verified in external audits. This

process ensures that the necessary due diligence is exercised in compiling key indicators for the material topic of energy.

Environmental Indicators

Fundamentally speaking, all indicators are based on both actual data and extrapolations. These extrapolations are necessary due to the fact that the availability of actual data is limited at the time of data collection. The approach used in making extrapolations is continually evaluated and improved.

The strong growth in the parcel business has resulted in increases in most indicators compared to the previous year.

Furthermore, data compilation in the scope of consolidation of the Group was expanded compared to the previous year. The entire Group is now included. A direct comparison at Group level with the previous year is thus not possible.

Moreover, trends in the respective indicators are only explained for Österreichische Post AG.

Energy Overview

Total energy consumption for Österreichische Post AG properties and vehicle fleet increased year-on-year by 6% to some 376m kWh. Energy consumption in the properties area rose by 1% to about 122m kWh. In the vehicle fleet area, energy consumption grew by 9% to approximately 254m kWh. The main driver in both cases is the strong growth in parcel volumes (+18%) brought about by Austrian Post's partnership with Deutsche Post DHL. Austrian Post added the delivery of Deutsche Post parcels

to private individuals in Austria to its own existing logistics network in August 2019. This integration and increase in volume required extended capacity in the logistics centres as well as in transport and vehicles. On the whole, the discontinuation of DHL's own delivery network effects an increase in efficiency in delivery throughout Austria and thus an improvement in the energy and environmental balance.

	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018 ²	2019	2018 ²	2019
ENERGY CONSUMPTION					
BUILDINGS AND VEHICLE FLEET	m kWh	354.0	375.9	433.1	486.3
Energy consumption buildings (total) ³	m kWh	121.6	122.3	139.8	145.5
Energy consumption vehicle fleet (total) ⁴	m kWh	232.4	253.6	293.3	340.8

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² The 2018 indicators for the vehicle fleet and property and buildings were revised downwards in the course of the audit, as the original calculation was corrected.

³ The 2019 energy indicators for property and buildings include all Austrian Post space (offices, delivery bases, logistics centres, branch offices). The Österreichische Post AG indicators are based on actual data available up to the 14 January 2020 deadline. The remaining indicators are based on extrapolations. Indicators for the subsidiaries are based on data provided up to the 24 January 2020 deadline. Extrapolations were made in some cases.

⁴ The 2019 energy indicators for the vehicle fleet include all motorised vehicles of Austrian Post. The indicators for Österreichische Post AG are actual data. The indicators for the subsidiaries are based on actual data provided up to the 24 January 2020 deadline. Extrapolations were made in some cases.

Energy – Property and Buildings

Österreichische Post AG manages over 1 million m² of building space. The total area in square metres rose by 5% compared to 2018. Total energy consumption in the property and buildings area increased by just 1% to about 122m kWh.

Viewing specific carbon emissions in tonnes per square metre, there was a 2.6% reduction compared to the previous year.

	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018	2019	2018 ²	2019
BUILDING SPACE (m²)	m ²	1,055,669	1,112,936	1,209,874	1,319,093
TOTAL ENERGY CONSUMPTION BUILDING³	m kWh	121.6	122.3	139.8	145.5
Natural gas	m kWh	32.7	32.0	38.9	41.3
Heating oil	m kWh	2.0	2.4	2.1	2.5
District heat	m kWh	30.3	31.1	33.0	33.0
Electricity (total)	m kWh	56.6	56.8	65.8	68.7
thereof electricity from renewable energy sources	m kWh	55.4	55.4	59.0	59.2
thereof electricity from own photovoltaic plants	m kWh	1.4	1.3	1.6	1.3
thereof grey electricity	m kWh	1.2	1.4	6.8	9.4
ENERGY CONSUMPTION BUILDINGS PER m²	kWh/m ²	115	110	116	110

¹ **Austrian Post Group 2018:** the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² The 2018 indicators for the vehicle fleet and property and buildings were revised downwards and one value (building space) revised upwards in the course of the audit, as the original calculation was corrected.

³ The 2019 energy indicators for property and buildings include all Austrian Post space (offices, delivery bases, logistics centres, branch offices). The Österreichische Post AG indicators are based on actual data available up to the 14 January 2020 deadline. The remaining indicators are based on extrapolations. Indicators for the subsidiaries are based on data provided by them up to the 24 January 2020 deadline. Extrapolations were made in some cases.

Energy – Vehicle Fleet

In 2019 Österreichische Post AG drove a total of 186 million km to render its services. The number of kilometres driven rose by 9% compared to the previous year due to the increase in volumes in the parcel business. The main driver is the strong volume growth in the parcel business (+18%) supported by Austrian Post's partnership with Deutsche Post DHL. Fuel consumption thus increased by 9% to 254m kWh. Specifically speaking (per km), fuel consumption fell by 0.4%.

Austrian Post added the delivery of Deutsche Post DHL parcels to private individuals in Austria to its own existing logistics network in August 2019. This

integration and the increase in volume required expansion of transport and vehicle capacity. On the whole, the discontinuation of DHL's own delivery network effects an increase in efficiency in delivery throughout Austria and thus an improvement in the energy and environmental balance.

Österreichische Post AG relies on many measures in its own vehicle fleet for continued improvement of its environmental performance (expansion of e-mobility, modern and energy-efficient vehicle fleet). It is not possible to directly influence the energy consumption of the external vehicle fleet.

	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018 ²	2019	2018 ²	2019
KILOMETRES DRIVEN³	m km	170.1	185.8	229.4	266.8
TOTAL FUEL CONSUMPTION VEHICLE FLEET³	m kWh	232.4	253.6	293.3	340.8
thereof own vehicle fleet	m kWh	146.5	151.0	178.6	207.0
thereof electricity consumption e-mobility	m kWh	1.2	1.5	1.2	1.5
thereof external vehicle fleet	m kWh	85.9	102.6	114.7	133.8
ENERGY CONSUMPTION VEHICLE FLEET PER KM	kWh/100 km	136.6	136.5	127.9	127.7

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² The 2018 indicators for the vehicle fleet and property were revised downwards in the course of the audit, as the original calculation was corrected.

³ The 2019 indicators for the vehicle fleet include all motorised vehicles of Austrian Post. The indicators for Österreichische Post AG are actual data. The indicators for the Group companies are based on data provided by them up to the 24 January 2020 deadline. Extrapolations were made in some cases.

Emissions

Österreichische Post AG's carbon emissions (Scope 1–3) rose by 8% to 76,946 tonnes compared to the previous year. Carbon emissions for the Österreichische Post AG property and buildings area (Scope 1 and Scope 2) increased by 3% to 12,701 tonnes. The rise in carbon emissions (Scope 1 and Scope 3) for the vehicle fleet is 9% (to 64,245 tonnes).

The main driver in both cases is the strong volume growth in the parcel business (+18%) supported by Austrian Post's partnership with Deutsche Post DHL.

Austrian Post added the delivery of Deutsche Post parcels to private individuals in Austria to its own existing logistics network in August 2019. This integration and the increase in volume required expansion of capacity in the logistics centres as well as in transport and vehicles. On the whole, the discontinuation of DHL's own delivery network effects an increase in efficiency in delivery throughout Austria and thus an improvement in the energy and environmental balance.

	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018	2019	2018 ²	2019
TOTAL CO₂e EMISSIONS (SCOPE 1–3)³					
ACCORDING TO THE GREENHOUSE GAS PROTOCOL	t CO ₂ e	71,389	76,946	92,361	105,546
CO₂e EMISSIONS BUILDINGS	t CO ₂ e	12,365	12,701	17,575	19,155
CO ₂ e Scope 1 – buildings	t CO ₂ e	7,078	7,238	8,819	9,122
Natural gas	t CO ₂ e	6,541	6,400	8,251	8,265
Liquid gas	t CO ₂ e	0	179	0	179
Heating oil	t CO ₂ e	537	659	567	678
CO ₂ e Scope 2 – buildings ⁴	t CO ₂ e	5,287	5,462	8,756	10,033
District heat	t CO ₂ e	4,991	5,105	5,543	5,500
Electricity	t CO ₂ e	296	358	3,213	4,533
CO₂e EMISSIONS VEHICLE FLEET	t CO ₂ e	59,024	64,245	74,786	86,391
CO ₂ e Scope 1 – own vehicle fleet	t CO ₂ e	37,065	38,063	45,213	52,285
CO ₂ e Scope 3 – partner companies	t CO ₂ e	21,959	26,182	29,573	34,106
TOTAL CO₂e EMISSION PER KM	t CO ₂ e/m km	419.7	414.1	402.6	395.6

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² Carbon emissions were revised downwards in the audit due to changes in energy consumption.

³ All climate relevant gases are taken into account when calculating Scope 1, Scope 2 and Scope 3 emissions. The carbon emission factors for Österreichische Post AG and the national Group companies are from the Environment Agency Austria database. All emission factors are CO₂ equivalents. District heat emissions for Vienna, Graz and Hall are the exception here. Österreichische Post AG's carbon emissions for the base year 2013 are listed as follows: CO₂e Scope 1 – road transport (own transport): 35,199t; CO₂e Scope 1 – buildings: 8,887t; CO₂e Scope 2 – buildings: 6,346t; CO₂e Scope 3 – partner companies: 19,951t. These figures refer exclusively to Österreichische Post AG. The difference to previously published carbon emissions for the year 2013 arises from not taking account of Post Wertlogistik GmbH.

⁴ The calculation of Scope 2 emissions (electricity and district heat) for Österreichische Post AG is carried out in line with the market-based method. This means supplier-specific emission factors are used if possible. When Scope 2 emissions are calculated using the location-based method (no supplier-specific emission factors, no green electricity), carbon emissions for the year 2019 are at 20,625 tonnes. This demonstrates the impact of procuring renewable energy. The calculation of Scope 2 emissions (electricity, 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) of the international subsidiaries is carried out in line with the location-based method.

Relative Emissions

Due to the changes in volume in the mail and parcel business, it makes sense to list the relative carbon emissions for different reference values. Total carbon emissions relating to total kilometres driven and to revenue are disclosed for the first time.

The relative carbon emissions for property and buildings fell by 2.6% to 11.4 tonnes per thousand m² compared to the previous year.

The relative carbon emissions for the vehicle fleet decreased by 0.4% to 345.7 tonnes per million km compared to the previous year.

In relation to revenue, the relative carbon emissions increased by 4.6% to 41.4 tonnes per EUR million compared to the previous year.

In relation to the total number of driven kilometres, the relative carbon emissions fell by 1.3% to 414.1 tonnes per million km compared to the previous year.

Relative Indicators	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018	2019	2018	2019
CO₂e EMISSIONS REVENUE TO REVENUE	t CO ₂ e/m EUR	39.6	41.4	47.2	52.2
TOTAL CO₂e EMISSIONS TOTAL PER KM	t CO ₂ e/m km	419.7	414.1	402.6	395.6
CO₂e EMISSIONS BUILDINGS PER m² t	t CO ₂ e/1,000 m ²	11.7	11.4	14.5	14.5
CO₂e EMISSIONS VEHICLE FLEET PER KM	t CO ₂ e/m km	347.0	345.7	326.0	323.8

¹ **Austrian Post Group 2018:** the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.
Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

Vehicles

The number of e-vehicles in the Österreichische Post AG fleet in 2019 was up by 10% to 1,750. The total number of vehicles increased by 3% to 9,510 compared to the previous year.

	Österreichische Post AG		Austrian Post Group ¹	
	2018	2019	2018	2019
TOTAL VEHICLES	9,257	9,510	10,473	11,239
Bicycles	719	734	758	773
thereof electric bicycles	620	649	621	650
Mopeds	921	977	970	1,025
thereof electric mopeds	416	428	417	428
Vehicles up to 3.5 t	7,467	7,636	8,529	9,168
thereof natural gas-driven vehicles up to 3.5 t	0	0	2	1
thereof e-vehicles up to 3.5 t	556	673	560	684
Vehicles over 3.5 t	150	163	216	273

¹ **Austrian Post Group 2018:** the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.
Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

Paper

Paper consumption fell by 424 tonnes due to various measures (printer settings, awareness initiatives, etc.). The share of paper from sustainable resources (FSC and PEFC) is around 85%.

	Unit	Österreichische Post AG		Austrian Post Group ¹	
		2018	2019	2018	2019
TOTAL PAPER CONSUMPTION	t	5,469	5,045	5,697	5,374
thereof sustainably produced paper (PEFC and FSC paper)	t	5,195	4,324	5,243	4,384

¹ **Austrian Post Group 2018:** the indicators apply to the entire Austrian Post Group with the exception of the subsidiary Express One Hungary.
Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

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

Concepts and Their Results

Clear shared visions and values are important to enable employees to focus their actions on sustainability 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:

- 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:

T 10 Main Target → Promote a Corporate and Leadership Culture

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 4, 5, 8, 10 Development, communication and introduction of a new competency model for executives</p>	<p>Development, communication and introduction of a new competency model for executives as part of the process to relaunch 360-degree feedback</p>	<p>Expansion of development programmes with regard to leadership guidelines and leadership competencies; additional comprehensive communication and roll-out of e-learning as a competency model</p>
<p>SDG 5, 10 Relaunch of the 360-degree feedback process</p>	<p>Relaunch of the 360-degree feedback process for Österreichische Post AG with the involvement of executives; implementation of 360-degree feedback for executives; strong focus on individual support and development through targeted Executive Academy programmes, individual coaching dialogues and team debriefings</p>	<p>Implementation of 360-degree Feedback 2020</p>
<p>SDG 4, 5, 8, 10 Executive Academy</p>	<p>New concept for the Executive Academy with strategic link between the professional development programmes and the leadership guidelines; individual development based on executive feedback (360-degree); compulsory and optional modules for different target groups</p>	<p>Roll-out of the NEW Executive Academy including new formats such as the keynote lecture series, Leadership COMPACT as a two-day course for all executives new to the role</p>

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 4, 5, 8, 10 Training for executives: implementation of at least 1,000 person-days of training and seminars for executives</p>	Training and seminars for executives amounting to 1,750 person-days were carried out	Carrying out training and seminars for executives amounting to at least 1,000 person-days
<p>SDG 8, 11 "A Day Visiting Customers": participation of at least 250 executives in the programme</p>	264 executives took part in the "A Day Visiting Customers" programme	Participation of at least 250 executives in the programme "A Day Visiting Customers"
<p>SDG 5, 8, 10 "Career and family" audit: continuation of the re-audit and ongoing implementation of the planned measures</p>	Measures planned as part of the re-audit were continued or implemented on an ongoing basis and included in the Annual Report as the targeted goals	Continue the planned measures or implement them on an ongoing basis
<p>SDG 5, 8, 10 Onboarding process for corporate headquarters</p>	Concept for an onboarding process for new employees at corporate headquarters including an accompanying e-learning module	

T 11 Main Target → Attention to Health and Safety

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 3 1,000 health consultations and 15 Health Days</p>	About 850 health consultations and 7 Health Days have been held	Carrying out 950 health consultations and 12 Health Days
<p>SDG 3 Production of a brochure and posters on proper exercise including a training initiative</p>	The training initiative was implemented by the occupational physicians and the posters were created for the Delivery and Distribution departments. The videos were uploaded to a separate channel online to make them more usable. The corresponding brochure is to be produced in 2020	Measures focusing on lifting and carrying, such as a brochure
<p>SDG 3 Implementation of the "Fit2Work" project at the Vienna Letter Mail Centre</p>	The "Fit2Work" project was launched. Following an employee survey, measures were defined which are to be implemented starting in 2020	Implementation of measures as part of the "Fit2Work" project at the Vienna Letter Mail Centre
<p>SDG 3, 5, 8, 10 Evaluation of psychological stress at corporate headquarters</p>	The evaluation at corporate headquarters was prepared and planned, and launched in Q4 2019	Completion of the evaluation of psychological stress at corporate headquarters and in Austrian Post customer service
<p>SDG 3 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</p>	Implementation of traffic safety training for moped drivers in selected delivery bases	Visibility of employee protection at all major sites; development of measures to deal with the most frequent causes of accidents in 2019, creation of posters on the subject of falling
<p>SDG 3 Development of checklists for individual areas for easy use and implementation of employee protection measures. Training and instruction campaign for executives</p>	Development of checklists for individual areas for easy use and implementation of employee protection measures. Training and instruction initiative for executives	Continuation of the training initiative for executives
<p>SDG 3 Heart rate variability analyses: evaluation of implemented measures</p>	The measures implemented so far have been evaluated and will be continued in 2020	Implementation of heart rate variability analyses and health workshops at five sites or more

CORPORATE CULTURE AND WORKING ENVIRONMENTS

Austrian Post attaches great importance to establishing an open and contemporary 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 ongoing further refinement of the corporate and leadership culture.

In addition to standardised leadership guidelines and a culture of open communication, offering additional social services via the post.sozial association supplements the motivating and performance-enhancing working conditions at Austrian Post. This non-profit association aims to provide social support to active employees of Österreichische Post AG and its Austrian 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 cost-effective 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 and preventing accidents and work-related illnesses are matters of great concern to Austrian Post.

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

In 2019, 23 regional Austrian Post occupational safety committees met for sites that have more than 100 employees or are exposed to specific risks.

The related standards are specified in Sections 88 and 88a of the Employee Protection Act (ASchG). Suggestions for improving individual safety and health-related topics are developed and the implementation of relevant measures is discussed. Notwithstanding this, consultations in accordance with the legal provisions are held by the occupational safety organisation at all sites. In this way, the entire workforce at Österreichische Post AG is supported in terms of occupational safety – by safety officers and occupational physicians.

In addition to the legal provisions on the topic of occupational safety and accident prevention, there are internal organisational rules, operating instructions and leaflets. Posters for different work processes that

involve lifting and carrying were also created in addition to training and ongoing instructions in order to minimise the work-related exposure to risk. The trade union and Works Council are involved in material aspects of occupational safety and accident prevention. These are also represented in the occupational safety committees.

In addition, Austrian Post aims to preserve and promote the health and well-being of its employees. For this reason, Österreichische Post AG offers a series of measures and initiatives focusing on health protection, such as health consultations and Health Days providing a comprehensive range of advice and information, 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 lost working days 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- and skills-oriented further education and professional development programmes which are designed to fully leverage the existing potential of its employees and sustainably guarantee corporate success. These include specialised instruction, further education courses, coaching and training at Österreichische Post AG and its subsidiaries.

Furthermore, young employees are trained in a special trainee programme as well as in apprenticeships combined with a secondary school diploma ("Lehre mit Matura").

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 training costs for new employees down.

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 efforts 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.

Austrian Post is continuously working on innovations to supplement its range of products and services

in response to changes in the lifestyles and demands of customers. In this regard, customer comfort and service quality are always at the forefront of the company's efforts. Customer orientation and the high level of service provided by our employees are reflected in Österreichische Post AG's positive customer satisfaction ratings, which are measured quarterly by an outside institute.

Next two paras repetition satisfaction was measured on a quarterly basis during the reporting period by the renowned Institute for Empirical Social Studies (IFES). The "Customer Satisfaction Index" (CSI) encompassing customer satisfaction and customer loyalty is determined by means of a representative survey with a sample size of $n = 2,000$ per wave.

Measuring customer satisfaction in accordance with the CSI scale considers 50 index points or less to represent a critical level and 51 to 60 points as moderately content, whereas a score of more than 61 points is considered to be good and higher than 70 means very good. An outstanding level of customer satisfaction is from 81 points up to the highest possible score of 100. The average CSI value for Austrian Post this year was 70 points. That is the company's best result since it began measuring customer satisfaction. Austrian Post is very proud of this score. Its initial result was 64 points in 2011.

Customer service is crucial for customer satisfaction. Austrian Post offers all customers the opportunity to get in contact via e-mail, contact form or Facebook. The Austrian Post Customer Service team also answers inquiries regarding the subsidiaries. Several thousand inquiries related to data privacy information were sent to Austrian Post Customer Service in 2019. All of these inquiries were answered in a timely manner.

DIVERSITY

Equal opportunity at work and equal treatment of employees are a matter of course at Österreichische Post AG and its subsidiaries. Diversity management activities at Austrian Post promote social diversity and leverage it constructively. 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 and all types of discrimination, bullying and sexual harassment and, in a clear indication of its commitment, signed the Charter of Diversity in 2013.

It is our belief that diversity at Austrian Post enhances our innovative capabilities, and enables us to fulfil the multi-faceted demands of customers and master future developments in order to secure the company's long-term profitability.

For additional information on measures being taken to promote diversity within the company as well as details concerning diversity in the Management Board and Supervisory Board, please see the Corporate Governance Report.

Non-financial Risks

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

Non-financial Indicators

The Austrian Post Group employed an average of 20,338 employees in 2019 (annual average; full-time equivalents) and thus reports a slight decrease compared to the previous year.

The "Women in executive positions" indicator revealed a slight increase to 25.6% in the proportion of women in executive positions in 2019 as a consequence of Austrian Post's ongoing measures to promote the career advancement of women amongst others.

Employee turnover at Austrian Post Group was 16.6% in 2019. The rising trend reflects the situation on the labour market on the one hand, but also has to do with the specific employee structure at Austrian Post on the other. The structural change – steady departure of civil servants and hiring of employees under the new collective agreement – causes increased turnover.

Employees

	Österreichische Post AG		Austrian Post Group ¹	
	2018	2019	2018	2019
TOTAL EMPLOYEES (FTE²)	17,406	17,205	20,545	20,338
thereof women	5,264	5,347	6,481	6,517
thereof men	12,142	11,859	14,064	13,821
By age group				
under 30	2,731	2,956	3,396	3,667
30–50 years	7,535	7,437	9,377	9,247
over 51	7,139	6,813	7,772	7,424
EMPLOYEES IN MANAGEMENT POSITIONS (FTE)³	778	725	972	916
thereof women	186	178	245	234
thereof men	591	546	727	682
By age group				
under 30	19	20	24	33
30–50 years	363	341	513	490
over 51	395	364	435	393
FULL-TIME EMPLOYEES (HEADCOUNT)	15,324	15,139	18,228	18,029
PART-TIME EMPLOYEES (HEADCOUNT)	3,600	3,615	3,951	3,934
EMPLOYEE ATTRITION (TOTAL STAFF DEPARTURES)⁴	2,548	2,910	3,280	3,652
thereof women	918	1,081	1,211	1,320
thereof men	1,630	1,829	2,069	2,332
By age group				
under 30	735	855	969	1,123
30–50 years	789	922	1,130	1,317
over 51	1,024	1,133	1,181	1,212

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents

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

⁴ 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.

Employees by Division

	Österreichische Post AG		Austrian Post Group ¹	
	2018	2019	2018	2019
TOTAL EMPLOYEES (FTE²)	17,406	17,205	20,545	20,338
Mail & Branch Network Division	13,590	13,436	14,270	14,115
Parcel & Logistics Division	1,710	1,879	4,118	4,280
Corporate	2,106	1,891	2,156	1,942

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents (annual average)

Sick Leave and Accidents

Despite an increase in the number of parcels handled, sick leave numbers have fallen. The number of occupational accidents rose from 2018 to 2019. A total

of 784 occupational accidents were reported in 2019 for Österreichische Post AG. Falls, traffic accidents and the operation of equipment are the main causes of accidents.

	Österreichische Post AG		Austrian Post Group ¹	
	2018	2019	2018	2019
EMPLOYEES ON SICK LEAVE (FTE² IN %)	10.6	9.0	9.7	8.5
NUMBER OF OCCUPATIONAL ACCIDENTS³	718	784	809	851
FATAL ACCIDENTS	0	0	3	0

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² FTE = Full-time equivalents

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

Further Education and Professional Development

Well-trained employees contribute decisively to ensuring that the company remains successful. For this reason, Austrian Post offers its employees the opportunity to develop themselves professionally but also personally,

and relies on target-group and skills-oriented training and further education measures. The number of seminars, seminar participants and the number of person hours increased compared to the previous year.

	Österreichische Post AG		Austrian Post Group ¹	
	2018	2019	2018	2019
NUMBER OF SEMINARS²	1,062	1,142	1,259	1,296
NUMBER OF PARTICIPANTS	6,473	6,713	6,868	7,379
PERSON HOURS	118,415	135,340	123,496	142,708

¹ Austrian Post Group 2018: the indicators apply to the entire Austrian Post Group.

Austrian Post Group 2019: the indicators apply to the entire Austrian Post Group.

² E-learning not included.

Society, Data Protection and Data Security

Everything We Do Revolves Around People

The parent company Österreichische Post AG is required to fulfil its obligation to supply high-quality universal postal services daily to every household across Austria at a uniform price and to operate a nationwide branch network. For this reason, much of the information in this chapter applies to Österreichische Post AG only.

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

Societal challenges primarily relate to demographic change, various customer lifestyles and the growing awareness of sustainability and environmental issues.

Concepts and Their Results

Österreichische Post AG's top priority is to ensure the supply of postal services throughout the country. This is because the company also bears responsibility for

Austria's communications infrastructure. Furthermore, Österreichische Post AG supports various social projects directly linked to its core business.

In addition, confidentiality as well as information security 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 make data available to the company to ensure smooth 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 on societal issues as well as to document and manage its performance. The objectives for 2019 and 2020 are as follows:

T 12 Main Target → Ensure a Reliable Supply and Shape Framework Conditions

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p> SDG 11, 16 Ensuring reliable delivery at all times and exceeding legal requirements by Österreichische Post AG</p>	<p>95.4% of letters were successfully delivered by Österreichische Post AG on the first working day after letters were posted</p>	<p>Ensuring reliable delivery at all times and exceeding legal requirements by Österreichische Post AG</p>
<p> SDG 11, 16 Ensuring a nationwide network of postal service points that exceeds legal requirements by Österreichische Post AG</p>	<p>Österreichische Post AG exceeds the targets: the network of postal service points comprised a total of 1,770 locations at the end of 2019</p>	<p>Ensuring a nationwide network of postal service points that exceeds legal requirements</p>

T 13 Main Target → Promote Social Commitment

Targets in 2019	Achieved in 2019	Planned for 2020 and beyond
<p>SDG 11, 16 Continuation of support for social projects on the basis of Austrian Post's logistics competence</p>	<p>412,000 mobile phones collected for the Ö3-Wundertüte campaign. 9,500 children received gift parcels from #TeamChristkind and 3,200 school boxes were sent all over the country by Österreichische Post AG</p>	<p>Continuation of support for social projects on the basis of Austrian Post's logistics competence</p>

REGIONAL INFRASTRUCTURE AND RELIABILITY OF SUPPLY

Due to Österreichische Post AG's obligation to provide universal service, this material topic only applies to Österreichische Post AG and not to its subsidiaries.

Every day Österreichische Post AG delivers letters and parcels throughout Austria. In order to safeguard the supply of basic postal services to the Austrian population, Österreichische Post AG offers nationwide services and delivers 4.6bn mail items annually. Österreichische Post AG fulfils its mandate in outstanding quality: in 2019, 95.4% of all letters were delivered on the next working day, and 96.3% of parcels to private individuals were delivered within two working days.

Both levels are higher than what is legally stipulated in the context of the universal service obligation. Thanks to a broad range of online and offline services, Austrian Post takes into account customer needs and integrates them into its core business via everyday solutions.

The optimisation of facilities and processes ensures efficient logistics and thus customer satisfaction. Österreichische Post AG's reputation and, as a result, the annual Customer Satisfaction Index are factors that influence the long-term growth of the company.

SOCIAL COMMITMENT

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 highly prioritises ensuring that its social involvement is clearly linked to its core business. In 2019, Österreichische Post AG once again supported the Ö3-Wundertüte initiative in Austria and the #TeamChristkind campaign.

DATA PROTECTION AND DATA SECURITY

Due to technical developments and the steadily increasing importance of data for the successful performance 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.

Österreichische Post AG has carried out a variety of measures in recent years as a means of implementing the requirements arising from the EU General Data Protection Regulation (EU GDPR), which has been in effect throughout Europe since 25 May 2018. New processes were set up and existing processes were adapted to reflect the new legal situation. Various guidelines were issued on data protection-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 plays a major role. A data protection organisation has been established as well. It consists of data protection managers in specialised departments at Österreichische Post AG, and the data protection officers and data protection managers in the subsidiaries.

Despite the implementation of internal data protection processes and precautions, in 2019 the Austrian Data Protection Authority found the processing of marketing classifications based on preferences for certain political parties calculated using statistical methods to be unlawful and imposed an administrative fine of EUR 18m. This penalty is not yet legally binding. According to the authorities, Austrian Post is violating the General Data Protection Regulation by processing marketing classifications.

Austrian Post has a different legal opinion, however. The company does not view marketing classifications as personal data because these are purely statistical probabilities calculated using marketing analysis techniques and bear no relation to the actual conduct of the person in question. The question of whether or not probability statistics constitute personal data has not yet been conclusively legally determined. Currently the issue

of whether marketing classifications are personal data or not is still in dispute.

For years now, Austrian Post has used data and address management to make its services more attractive to customers. This guarantees that advertising is as accurate for and focused on particular customers as possible. In doing so, Austrian Post relies on its long-standing experience as a mailing list provider and direct marketing company in accordance with the Trade Act, which explicitly permits statistical methods to be used to determine target groups for advertising and certain natural persons to be assigned to these.

Austrian Post will continue expanding and developing its data protection organisation in future as well. The company plans to automate as many data protection processes as possible in order to ensure rapid, high-quality data processing.

Non-financial Risks

Risks with regard to ensuring the reliability of supply relate to potential breaks in the supply of postal services in Austria which could arise as a result of business interruptions or restrictions, environmental incidents, IT failure, strikes, staff shortages and flu epidemics, and thus have a negative impact on customer satisfaction.

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 the threat of having to pay fines in accordance with the General Data Protection Regulation (EU GDPR).

Non-financial Indicators

Indicators	Österreichische Post AG		Austrian Post Group	
	2018	2019	2018	2019
Number of postal service points	1,791	1,770	Not applicable ¹	Not applicable ¹
Delivery success rate on the first working day after posting	95.8% of mail items were delivered on the first working day after posting	95.4% of mail items were delivered on the first working day after posting	Not applicable ¹	Not applicable ¹
Customer satisfaction (Customer Satisfaction Index value) ²	The average good CSI value was 70 points	The average good CSI value was 70 points	Indicator not available at Group level	Indicator not available at Group level
Substantiated complaints with respect to violations of data protection or loss of customer data	There were no serious complaints or cases of alleged breaches of customer privacy, data theft or loss of customer data in 2018.	In 2019 an officially initiated investigation, three proceedings on individual complaints and an administrative prosecution with regard to the statistical calculation of party preference, among other things, were held and were decided by the Data Protection Authority, but are not legally binding. In addition, an investigation was conducted into offline retargeting, which was discontinued by the authorities. Moreover, the Data Protection Authority ruled against Austrian Post, which has appealed the decision, in the case of an abandoned post bag. In proceedings in which Austrian Post was not itself a party, Austrian Post failed to provide information about mailings to the Authority, basing its stance on postal secrecy, and was therefore issued an administrative penalty of EUR 600. Austrian Post paid this fine.	There were no serious complaints or cases of alleged breaches of customer privacy, data theft or loss of customer data in 2018.	In 2019 an officially initiated investigation, three proceedings on individual complaints and an administrative prosecution with regard to the statistical calculation of party preference, among other things, were held and were decided by the Data Protection Authority, but are not legally binding. In addition, an investigation was conducted into offline retargeting, which was discontinued by the authorities. Moreover, the Data Protection Authority ruled against Austrian Post, which has appealed the decision, in the case of an abandoned post bag. In proceedings in which Austrian Post was not itself a party, Austrian Post failed to provide information about mailings to the Authority, basing its stance on postal secrecy, and was therefore issued an administrative penalty of EUR 600. Austrian Post paid this fine.

¹ These indicators are not applicable to the subsidiaries of Österreichische Post AG in light of the fact that they are not subject to the universal service obligation.

² 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.

Vienna, 21 February 2020

The Management Board



GEORG PÖLZL
CEO
Chairman of the
Management Board



WALTER OBLIN
Deputy CEO
Mail & Finance



PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics

Independent Assurance Report on the Non-financial Reporting

To the Board of Directors of Österreichische Post AG.

We have performed an independent limited assurance engagement on the consolidated non-financial report ("NF Report") for the financial year 2019 of Österreichische Post AG, Vienna, ("the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the NF 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 NF 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, who 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;
- A risk assessment, including 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;
- Assessment of local data collection and reporting processes and reliability of reported data via a virtual sampling survey at an international subsidiary (City Express d.o.o.);
- 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 NF Report;
- Evaluation of the overall presentation of the disclosures by critical reading of the NF Report.

The procedures that we performed do not constitute an audit or a review in accordance with Austrian professional guidelines, International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE). Our engagement did not focus on revealing and clarifying illegal acts such as fraud, nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures, figures from previous periods, statements from external information sources and expert opinions and references to additional external reporting sources of the Company. Disclosures which were audited within the scope of the Annual Financial Statements were assessed for correct presentation (no substantial testing).

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

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

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NF 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, 28 February 2020



KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Peter Ertl m.p.

Certified Public Accountant

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