

SUSTAINABILITY REPORT 2018

„ADDRESSED TO THE FUTURE! SUSTAINABILITY IN THE SPIRIT OF TRADITION AND INNOVATION“

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Foreword by the CEO

Sustainability is our common interest and responsibility!



In our globalised world, when we receive daily news on the state of our Earth's environmental and social state, no organisation can ignore sustainability tendencies and challenges, whichever sector it operates in. The most important evidence of commitment are the measures that organisations take to tackle today's challenges. Publishing a Sustainability Report is the best way to present these measures and the approach of the organisation to sustainability.

As a new leader of a big organisation, it is always exciting to get introduced to the approach of the organisation to different issues. For this reason, last year I was filled with anticipation to learn about Magyar Posta's sustainability activities and I was happy to see that there had been reports published in the last two years dealing with sustainability and providing a comprehensive picture of our relevant activities. We are planning to move along this road and extend the range of issues we report on and

also the range of stakeholders we involve into the preparation of the Report. Regarding the stakeholders, we have taken a step forward this year by sending the questionnaire - helping to formulate the content of the Report - to all our employees who have electronic contacts.

This year, we are also proud to report on results that I hope provide a good basis to move along the road of sustainable operation. The two most important areas are the digitisation of postal services and sustainable solutions in transportation.

I hope that this Report will be helpful and readable to our stakeholders. I believe that our continuous commitment serves as a good basis of the partnership-based management of sustainability issues both outside the organisation, along the supply chain and within the company as well, as a result of the common efforts of our workforce.



I would like to say thanks to all colleagues contributing to the preparation of the Report. I believe that our joint efforts will strengthen the idea that our sustainability results are our common success and this area will also need the commitment of the whole organisation in the future as well.

A handwritten signature in black ink, reading "Schamschula".

György Schamschula
Chief Executive Officer

Introduction

Following last year's Sustainability Report, in our new 2018 Report we continue to present how we manage our sustainability challenges, how we turn them into opportunities and what kind of future vision Magyar Posta Zrt. has concerning sustainability issues.

This Report is also based on the principles of the GRI Standards¹, the content of the Report was determined based on the guidelines of the Standards, covering the most important aspects of Magyar Posta's activities.

A continuously extended range of stakeholders has been involved in the report-writing process for the last years. This year, all of Magyar Posta employees with electronic contacts had the opportunity to share their opinions on the important issues they wish to see covered in the Report.

We are proud to present our results in all three areas of sustainability: economic, environmental and social as well. Besides the fact that our continuous growth makes us satisfied, we need to identify the environmental and social challenges that the growth of our activities implies. Apart from our economic sustainability, we also need to manage these.

Our most important sustainability results of 2018 are presented in our Report in detail, we would like to highlight the ones below:

- Digitisation is a two-edged phenomenon for Magyar Posta: on the one hand, it affects Magyar Posta due to the decreased demand for traditional mail services but it also provides new opportunities: we are developing new electronic services responding to our clients' needs.
- The digitisation of the administration of letter-mails is one of the strategic goals of Magyar Posta Zrt. regarding the mail market, together with developing an item tracking system that makes it possible to generate, and store electronic information regarding the life time of the items, the tracking of these items and consequently the decrease in paper-based administration. To reach these goals, the company started the **PAKK-programme ("Postal identified item tracking")** in 2017. Its "Official letter-mail tracking" basic project was partially financed by the Public Administration and Civil Service Development Operative Programme. The developments of the full programme will embrace sev-

eral years. As the results of innovations in 2017, in 2018, the management of Authorisations was integrated into a national, central registration system, so authorisation to collect items may now be submitted at any post offices to any address in Hungary. To prepare the infrastructure of the post offices for the electronic delivery system developed as part of the programme, the necessary mobile delivery devices have arrived to the post offices, the WIFI system has been established at the bigger post offices and the electrical grids have also been upgraded taking the specifics of the buildings into consideration.



¹ GRI: GRI Standards are GRI's (Global Reporting Initiative) standards for sustainability reports. This is the most widely used and most comprehensive framework for preparing credible and internationally recognised sustainability reports. <https://www.globalreporting.org/standards/>.

Also in 2018, the pilot of “delivery at home” was started successfully related to the electronic delivery system and connected developments: delivery men from the participating post offices used their PDAs and mobile printer devices to deliver the registered letters and the letters with advices of delivery, replacing paper-based notices. Delivery men carrying mobile printers left electronically printed notices instead of handwritten ones if items could not be delivered at the address.

- We implemented MRP, the material needs planning system that is a supply support program and is a part of the MM Logistics module of the SAP Integrated Management System. By the help of this program, the availability of necessary products and the planning of needs and logistics processes can be automated and ensured on a higher level of security. By implementing this system, manual orders of commercial envelopes at the post offices have been discontinued as automated orders can be submitted based on supplies and sales. Unnecessary movement of stocks (transportation) connected to supplies can be eliminated as well as unnecessary paper use.
- Since January 2018, workers have been informed about the number of their days off, used and non-used on their electronic payroll which has replaced paper-based time-off notices.
- A new indicator has been developed for monitoring the energy efficiency and climate effects of transportation: the (accumulated) number of standardised mail items collected for 1 l of fuel. A goal has been set to increase this number. Target value: 4.5000 pieces of standardised mail items/1 l.



- Another result connected to social sustainability is the decrease of the number of accidents at work leading to lost working time.
- The Equal Opportunities Plan was also approved.

1. Introduction Magyar Posta Zrt.

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1. Introduction Magyar Posta Zrt.

Magyar Posta Zrt. is one of the most important companies in Hungary – its activities cover the whole territory of the country and it offers fundamental services to the general public, as well as companies and public institutions. Our services form an integral part of the life of the general public as well as corporate clients and the whole national society.

The headquarter of Magyar Posta Zrt. has been located at the office building at Dunavirág utca 2-6., 1138 Budapest, since 2007 with other important premises such as the National Logistics Centre in Budaörs, the Office of Exchange at Liszt Ferenc Airport, the logistics premises/depos in the most significant cities of the country, as well as regional directorates and postal outlets.

Our property management in 2018 can be characterised by the following numbers:

Properties eliminated:

- Sold: 9
- Returned: 26
- Taken out of use: 1
- Demolished: 1

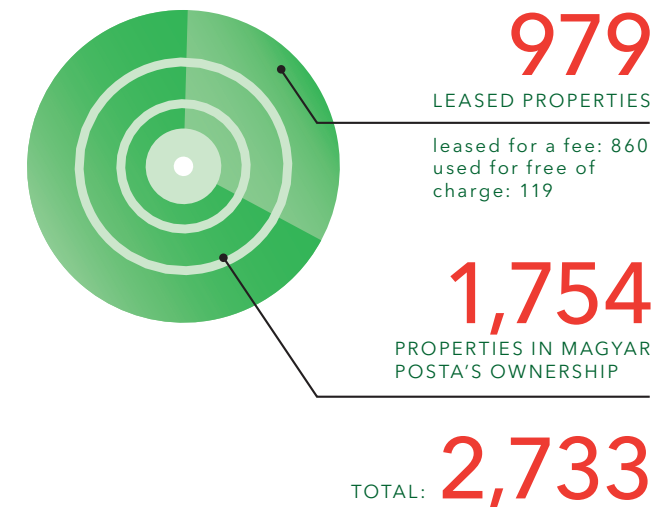
Total: 37

Newly established premises in 2018:

- Purchased: 0
- Leased: 10 (used 7)
- Taken back from partners for further use by Magyar Posta: 7
- Newly constructed: 0

Total: 24

FIGURE 1: BUILDINGS USED BY MAGYAR POSTA ZRT.*



*as of 31 December 2018

1.1 THE ACTIVITIES OF MAGYAR POSTA ZRT.²

- acceptance, transport and delivery of letter-mail items and parcels,
- complex logistics services,
- postal financial intermediation,
- savings and insurance intermediation,
- newspaper distribution,
- retail activities, and
- digital services.

1.2 OUR CLIENTS

- the general public,
- business customers, and
- national public institutions.

² Based on the provisions of Act CLIX. 2012 on Postal Services universal postal services will be provided by Magyar Posta Zrt. until the end of 2020. The services above are primarily provided in Hungary. However, the company also has activities in neighbouring countries (such as Austria, Slovakia, Serbia and Romania) where it transports postal materials with its own vehicles on the road and delivers it to the country's designated postal service providers. Magyar Posta Zrt. does not provide postal services in these countries, except for Romania, where it provides parcel delivery and related supplementary logistics, cash on delivery and information services as well, fully meeting their expectations of business clients, mainly in the e-trade business sector.

1.3 OWNERSHIP STRUCTURE

Shareholders on 31 December 2018:

- The Hungarian State, 75% + 1 share, 10,603,271 shares of 1,000 HUF nominal value (ownership rights are exercised by the Minister without portfolio in charge of National Assets)
- Integration Organisation of Cooperative Credit Institutions, 25% - 1 share, 3,534,422 shares of 1,000 HUF nominal value
- Bank of Hungarian Savings Co. Ltd. 1 share of 100 HUF nominal value

1.4 OUR EMPLOYEES

We play an important role beyond our activities based on the nature of our services: we provide employment for approximately 30,000 workers throughout the country. The average statistical staff on 31 December 2018 (including employees below 60 hours employment, 189.7 statistical staff) was 30,161.0.

All statistical staff presented in the Repot covers employees below 60 hours employment.

FIGURE 2: BREAKDOWN OF CONTRACT TYPES FOR STATISTICAL STAFF AS OF 31 DECEMBER 2018

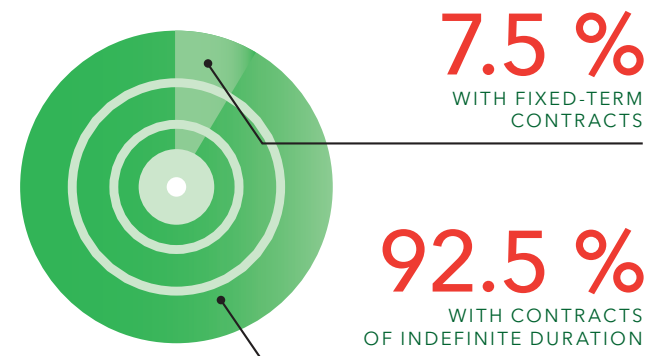
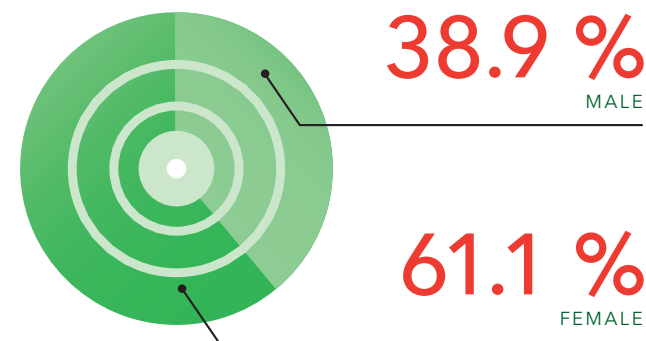


FIGURE 3: BREAKDOWN OF GENDERS FOR STATISTICAL STAFF AS OF 31 DECEMBER 2018



The earlier tendency continued: the number of interim staff increased (by approximately 10% compared to 2017) due to the extensive labour shortage: The yearly average statistical number of interim staff was 223.3 (see also Table 1 on the next page).

TABLE 1: AVERAGE STATISTICAL NUMBER OF INTERIM STAFF IN 2018

Value	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total for 2018
Hour	58,439.5	44,278.3	42,593.2	37,064.2	29,393.0	25,481.0	24,422.8	24,494.4	23,930.8	33,231.0	48,536.5	48,389.5	440,254.2
Average statis. number	344.8	290.7	277.8	233.1	179.8	156.3	144.7	137.6	147.3	192.8	283.2	291.9	223.3

TABLE 2: BREAKDOWN OF EMPLOYEES IN COUNTIES OF HUNGARY

County	Headcount in 2018 (persons)
Bács-Kiskun	1,291
Baranya	1,344
Békés	867
Borsod-Abaúj-Zemplén	1,971
Budapest	6,861
Csongrád	1,108
Fejér	1,103
Győr-Moson-Sopron	1,411
Hajdú-Bihar	1,526
Heves	845
Jász-Nagykun-Szolnok	949
Komárom-Esztergom	760
Nógrád	493
Pest	3,833
Somogy	1,011
Szabolcs-Szatmár-Bereg	1,358
Tolna	614
Vas	672
Veszprém	1,085
Zala	734
Total statistical staff as of 31 December 2018	29,836

1.5 OUR SUPPLIERS

The supply chain of our organisation is primarily determined by the public procurement regulations. Magyar Posta mostly supplies from Hungarian companies.

In 2018, the highest volume of purchases realised through national and EU public procurement procedures went for information services and the acquisition of goods, media platform renting, occupational health services and energy services (electricity, natural gas).

Our Procurement Policy states that sustainability criteria should be evaluated apart from price in special cases.³

1.6 SUSTAINABILITY-RELATED MEMBERSHIPS

Magyar Posta Zrt. has a membership in the following professional organisations: UPU (Universal Postal Union), PostEurop (the association of European public postal operators), IPC (International Post Corporation), Greenairport (an initiative of Budapest Liszt Ferenc International Airport⁴ for the cooperation of organisations operating at the airport to reduce environmental impacts) and the Hungarian Association of Energy Consumers.

These memberships give us the opportunity to work together with other national and international postal service providers in order to find opportunities for a more sustainable operation and also to evaluate its sustainability performance in the light of the activities of other companies. As a good example, IPC members can compare their HR-performance to other members with the help of the IPC HR Report, issued every six months.

1.7 FINANCIAL PERFORMANCE OF MAGYAR POSTA ZRT.

Financial information on Magyar Posta Zrt. can be found in the annual report: (https://www.posta.hu/about_magyar_posta/annual_reports).

³ In case of purchasing equipment that are significant and/or have a running time of more than 6 hours/day, price cannot be the only evaluation factor, energy efficiency parameters also have to be considered. The aim is to decrease the specific energy use (kWh/year, GJ/year), of equipment and also to achieve better efficiency for combustion equipment. Better energy classification, if relevant for the given equipment, must be preferred.

⁴ see also: <https://www.bud.hu/en/greenairport>

2. Management systems for sustainability

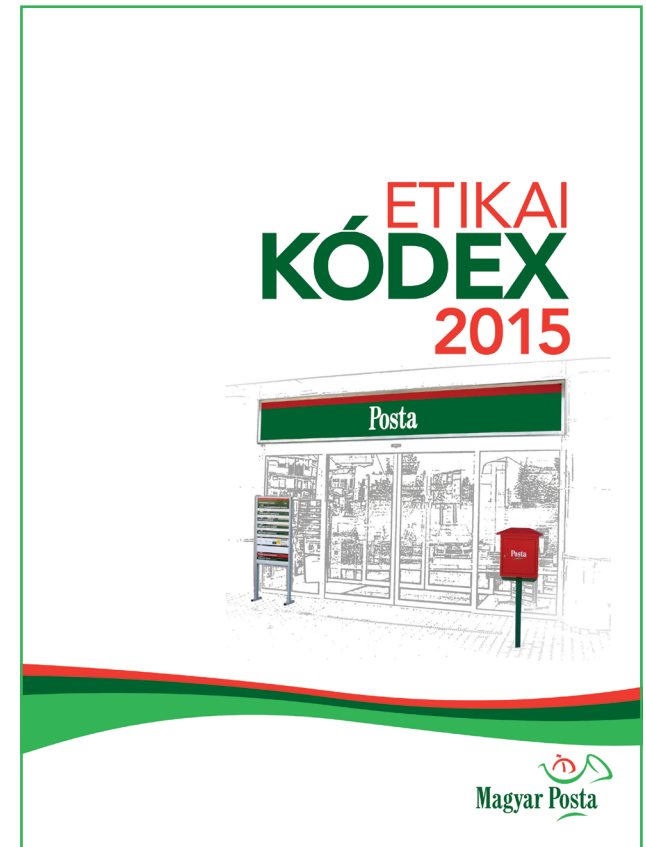
2. Management systems for sustainability

Magyar Posta Zrt. puts special emphasis on the monitoring of the impacts of its activities and on the prevention and minimisation of potential negative impacts by applying the precautionary principle. It is also important to identify, monitor and maximise our positive impacts because this is how the company can contribute to the wider social well-being.

Environmental experts are involved before any significant decisions are taken in order that the impacts mentioned above can be evaluated before the investments. Operating an Integrated Quality, Environmental and Energy Policy (https://www.posta.hu/static/internet/download/MP_Integralt_Politika_201809_v2.pdf) as well as a verified Quality, Environmental and Energy Management System ensures that sustainability aspects are taken into account and integrated into our quality services. We also operate certified ISO 14001 and an ISO 50001 systems

According to our Environmental Protocol: "Environmental protection principles must be applied throughout all units and activities of the organisation because the system can be efficient and sustainable only if the operation of all of its units is efficient and sustainable".

Our Code of Ethics (https://www.posta.hu/static/internet/download/Etikai_Kodex_2015.pdf) involves our commitments and principles on social responsibility, implemented both as an employer and a service provider and also expected of all our employees.



3. Responsibilities, roles and competencies

3. Responsibilities, roles and competencies

The organisation structure at the time of report preparation can be found at (https://www.posta.hu/static/internet/download/Kozadat_MP_szervezeti_abra_20190401.pdf), and the higher management is presented at (https://www.posta.hu/static/internet/download/MP_A_Tarsasag_vezetoi_2019.09.03.pdf). The main sustainability-related decision- and task competencies are the following:

At Magyar Posta Zrt. occupational health and environmental protection issues are managed by the Department of Health, Safety and Environment (HSE) within the Security Directorate under the direct control of the CEO. According to the Organisational and Operational Regulations, the tasks of the HSE Department include the planning, management, operation and continuous implementation control of occupational health and safety and environmental systems; as well as risk assessment and evaluation, contributing to ensuring sustainable development and the establishment of safe and environmentally responsible business operation. The Department also establishes and operates the occupational health and safety as well as the environmental framework. Decisions are prepared by the head of the HSE Department, and approved by the CEO through the Chief Security Officer.

The competencies of the Human Resources Directorate include the determination of the directions of employment policy and corporate culture development, as well as the operation of training, employee retention and career programs, managing contacts with representative bodies and the preparation of the equal opportunities plan.

The Marketing Communication Directorate coordinates the company's social responsibility events, agreements and donation activities within the postal network for the specified charity aid organisations. It also coordinates the preparation and maintenance of the Code of Ethics throughout the organisation.

The Legal Directorate supports the company's control functions and operation through ensuring compliance.

The Corporate Services Directorate establishes and implements the corporate energy strategy and ensures the professional operation of the energy management system.

The aim of the Logistics Directorate is to establish and maintain a cost- and energy efficient logistics network and fleet management that reacts to market challenges in a flexible way. It also ensures the operable logistics integration between the organi-

sational units in the generation, acceptance, collection, processing, storage, forwarding and delivery of products.

The Quality Management Department develops, integrates and prepares for regulation Posta's Quality-, Environmental- and Energy, Information Security as well other Management Systems and related policies according to different standards.

Besides, the company builds on its employees working in a responsible and environmentally conscious way as the main key to sustainability.



4. Sustainability initiatives in 2018

4. Sustainability initiatives in 2018

For years, Magyar Posta Zrt. has been participating in initiatives that strengthen the sustainability and environmental protection and health conscious commitment of employees. As a significant national employer, we identify our responsibility that these actions help spread these important values in the wider layers of society through our employees' families and thus contribute to social processes in a positive way.

4.1 PARTICIPATION IN PROGRAMS INITIATED BY OTHER ORGANISATIONS

We have been cooperating with the Hungarian Interchurch Aid for years:

- Magyar Posta Zrt. has been the logistics partner of the yearly school starting campaign. In 2018, approximately 1,000 pupils were given school starting aid and were able to start the year with school bags filled with school supplies. Employees of the Marketing Communication Directorate volunteered in the preparation of packages.
- Fundraising points are operated at 975 post offices. Revenues from the sale of special stamps, as well as financial donations support their charity programs.

- Magyar Posta joined the organisation's clothes collection action as well, organised at the Central Headquarter in Budapest.

Also at the Headquarter, we participated in the collection campaign of unused mobile phones, organised by the Hospice Foundation.

Our company has been the supporter of "Mikulás-gyár" (Santa Claus Factory) as well for years. Similarly to previous years, Magyar Posta transported the packages from the collecting points to Red Cross Centres free of charge in 2018 as well. For years, we have also been ensuring that the donors can leave their packages at almost 2,500 post offices free of charge, channelling the whole country, even the smallest settlements into the program.

Blood donation programs organised by the Hungarian Red Cross were visited by our 447 employees on 18 occasions in 2018 with the involvement of our occupational health professionals. We contributed to the treatment of more than 1,700 people by this voluntary action.

4.2 MAGYAR POSTA'S OWN SUSTAINABILITY INITIATIVES



At our Budapest Headquarter office building, we set up a "Green corner" with a community bookshelf. The stress-resistant corrugated cardboard furniture was produced from the paper separately collected by our employees. Unused books can be shared and swapped between colleagues on a "bring one-take one" basis. Our aim is to promote reading, as well as recycling, community building and also spreading sustainability and green consciousness.

In the last year, 43 employees of the Key Clients Sales Directorate participated in a voluntary program in cooperation with Posta Paletta Zrt. and FKF Zrt. at the Pető Institution, helping in cleaning, gardening, and transportation of rubbish and waste.

Posta supported another program as well, also at the Pető institute, where children could taste the everyday life of working as a post official or a delivery man.

On 8 September 2018, Dunántúli Postás Sports Club organised "Run for cancer treatment", a charity event for the 10th time. 2018 saw a record in the number of participants: 2,388 people, making it possible to transfer a record amount of 2,600,000 forints to the account of the Foundation for Gynaecological Cancer Patients.



4.3 STAMPS WITH A SUSTAINABILITY THEME

We have a long tradition of issuing stamps related to sustainability and environmental protection. We consider it important to call our everyday clients' attention to the issues of environmental and nature protection.

Magyar Posta, in cooperation with the World Wildlife Fund Hungary issued a special stamp set in 2018. WWF, which operates in over 100 countries and has been present in Hungary for almost 30 years, has a mission to create a future where humanity and nature live in harmony with one another. The four-denomination stamp set presents four species whose habitats and populations are continuously endangered, such as the giant panda (*Ailuropoda melanoleuca*), the African elephant (*Loxodonta africana*), the polar bear (*Ursus maritimus*) and the Bornean orangutan (*Pongo pygmaeus*). The first day cover features the footprints of these four species in a dramatic backdrop and the special postmark is the logo of the WWF.

(<https://www.posta.hu/stamps/stamps/new-stamps/wwf-hungary-earths-iconic-animals>)

As a mark of respect for the smallest community of people, the Ministry of Human Capacities declared that 2018 is the Year of Families, focusing on caring parents, siblings, seniors, children and children yet to be born. Magyar Posta issued a special souvenir sheet with numbered copies.

(https://www.posta.hu/stamps/stamps/new_stamps/year-of-families-2018)



2018 was the European Year of Cultural Heritage, as well. The aim is to encourage more people to discover and find out more about Europe's cultural heritage, and to reinforce the European identity and a sense of belonging to a common European family in citizens. The priority program was promoted on a stamp with label.

(<https://www.posta.hu/stamps/stamps/new-stamps/european-year-of-cultural-heritage>)

In 2018, the 650-year-old town, Nagykőrös hosted the events of the 91st Stamp Day. Magyar Posta traditionally issued a two-denomination set of stamps and a souvenir sheet with a surcharge for this special day. Apart from the fact that revenues of the surcharge went to the support of Hungarian organised stamp collection, the special feature of the souvenir sheet is the Braille inscription "Stamp Day" in the bottom part of the frame, celebrating the 100-Year-Old Hungarian Federation of the Blind and Partially Sighted.

(https://www.posta.hu/stamps/stamps/new_stamps/91st-stamp-day)

The "EUROPA stamp" is still one of the most popular themes for collectors, and issues bearing the official logo are among the most sought-after new stamps. The member countries issue these stamps to draw attention to the common European historical and cultural roots and also common future goals. The member countries chose bridges to be the theme for 2018 in order to present shared values. Magyar Posta won second prize with its Megyeri Bridge stamp.

(<https://www.posta.hu/stamps/stamps/new-stamps/europa-2018-bridges>)

By virtue of its geographical features, Hungary has excellent opportunities for agriculture. However, this natural wealth, the good soil and favourable climate are of little value without the human knowledge and skills which help farmers to produce abundant crops and livestock every year. Magyar Posta commemorated the bicentenary of the foundation of the Faculty of Agriculture and Food Science of the Széchenyi István University in Mosonmagyaróvár by issuing a special stamp.

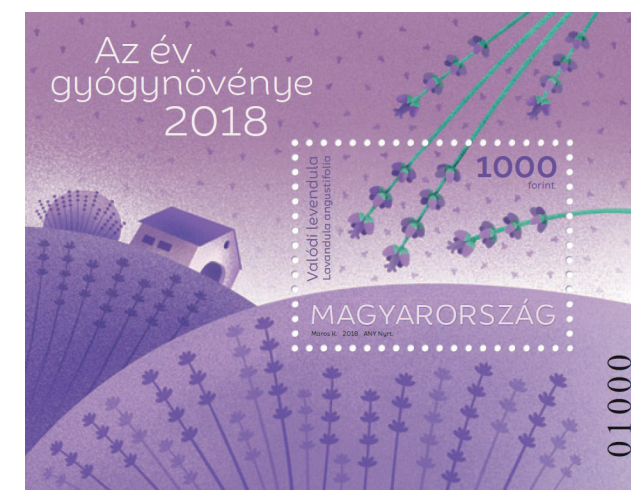
(<https://posta.hu/stamps/stamps/new-stamps/faculty-of-agriculture-and-food-science-of-the-szechenyi-istvan-university-mosonmagyarovar>)

In the large cities today the stars and planets are hard to see in the night sky. For a good view of our own galaxy in the heavens, i.e. the Milky Way, one has to leave the cities. This spectacle becomes truly mind-boggling when viewed through a telescope as the most modern devices enable billions of stars to be seen. In 2018, a surcharged miniature sheet for the support of youth stamp collection was issued, showing the Orion Nebula, the Seven Sisters, the Crab Nebula, the Lyra Ring Nebula and the Milky Way as well. Magyar Posta devoted the amount of the surcharge on the two denominations of the new issue, a total of HUF 150, to supporting youth stamp collecting.

(<https://www.posta.hu/stamps/stamps/new-stamps/for-youth-2018-interstellar>)

The Medicinal Plant Section of the Hungarian Society for Pharmaceutical Sciences launched the Medicinal Plant of the Year initiative in 2013, the main aim of which was the promotion of using plants in medicine and to inform the public about the proper use of medicinal plants. As a result of the cooperation with the Section, a stamp with the true lavender was issued

(<https://www.posta.hu/stamps/stamps/new-stamps/medicinal-plant-of-the-year-2018-true-lavender>)



Ignác Semmelweis (1818-1865), obstetrician and gynaecologist, professor and one of the best-known figures of Hungarian medicine, is often referred to as the "saviour of mothers". Magyar Posta commemorated the bicentenary of the birth of Ignác Semmelweis by issuing a special stamp. (<https://www.posta.hu/stamps/stamps/new-stamps/ignac-semmelweis-was-born-200-years-ago>)

5. About the Report

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5. About the Report

This Report covers Magyar Posta Zrt. only, its subsidiaries are excluded. All information and data reported refer to the year 2018.

This year, the number of involved parties have been extended: all employees with electronic contacts (22 thousand people) had the opportunity to express what kind of sustainability areas they would like to see covered in the Report. Their involvement served multiple goals: first, it was important to get across that Magyar Posta publishes yearly Sustainability Reports and also strengthen the idea that we build on our stakeholders' interests when formulating the content of the Report

5.1 OUR STAKEHOLDERS

The table below shows Magyar Posta Zrt.'s stakeholders, the topics we have been discussing with them, the communication channels used, as well as the way we involved them into the formulating of the report content (see Chapter 5.2 as well).



TABLE 3: COMMUNICATION WITH OUR STAKEHOLDERS ABOUT SUSTAINABILITY ISSUES

Stakeholder groups	Communication channel	The frequency of communication	Issues raised	Magyar Posta's reaction and status of the issue	Stakeholders involved into this year's report writing process
Internal stakeholders					
Owner	Annual Report	Yearly	Materiality assessment	As needed, corrective and preventive measures	MP Directorate 6 persons, Supervisory Board, 6 persons
Management	Annual Report	Yearly	Materiality assessment, Report approval	As needed, corrective and preventive measures	CEO, Deputy CEOs, the Head of Cabinet, a total of 6 persons
Employees	E-mail, personal meetings, consultation forums, dedicated actions	As needed or in relation to declared actions	The operation of environmental and energy management systems, employment and occupational health issues	As needed, corrective and preventive measure	All employees with electronic contacts, 22 thousand persons
External stakeholders					
Customers	E-mail, personal meetings	As needed	Legal compliance and compliance with MP regulations related to contracts. Observations from customers, compliance with obligations to providing information	Ensuring the fitting into the value chain	Telenor, Telekom, E-On, Nemzeti Hulladékgazdálkodási Koordináló és Vagyonkezelő Zrt., NKM földgázszolgáltató
Suppliers	E-mail, personal meetings	As needed	Legal compliance and compliance with MP regulations related to contracts	Ensuring the fitting into the value chain	SWISS Medical Kft., Budapest Airport Zrt., Postaautó Duna Zrt., Eurosolar-Plus Kft., Zajkontroll Kft., SGS, Környezettechnológia Kft., Faragó Környezetvédelmi Kft., Reiswolf Kft., Duparec Kft., TVT Vagyonvédelmi Zrt., Exsafe Kft., T.E.L.L. Biztonságtechnikai Rendszerek Kereskedelmi és Szolgáltató Kft., CIVIL Biztonsági Szolgáltató Kft., MPT Security Zrt.

Stakeholder groups	Communication channel	The frequency of communication	Issues raised	Magyar Posta's reaction and status of the issue	Stakeholders involved into this year's report writing process
Public administration (local, regional and state-level, municipalities, government, authorities)	E-mail, personal meetings, consultation platforms	As needed	Transportation of hazardous goods, noise load, safe working conditions	Determination of transportation limitations in the General Contractual Conditions, Organisational Regulations regarding the transportation of Hazardous Goods, ensuring legal compliance	National Directorate General for Disaster Management, Ministry of the Interior, Ministry of National Development, Aviation Authority
Representative bodies	E-mail, personal meetings, consultation forum	As needed	Employee remarks, opinions and recommendations	As needed, corrective and preventive measures	Magyar Posta Zrt. Central Occupational Safety Committee, 30 persons
Natural environment (advocacy groups, environmental NGOs)	E-mail, personal meetings, consultation forum	As needed	International outlook, climate change impacts	Information to employees about issues	WWF Hungary

5.2 MATERIALITY ANALYSIS

One of the main principles of the GRI Standards is that the Report of an organisation should focus on topics that are the most important with regards to its activities from sustainability aspects. To ensure this, similarly to previous years, Magyar Posta executed a materiality analysis.

As the first step of the materiality analysis, we determined the areas relevant to the sustainability performance of Magyar Posta Zrt. We considered GRI Standards aspects as well as other issues, specifically relevant for Magyar Posta.

As a second step, the importance of these relevant issues was assessed, using GRI Standards methods. According to GRI, the material issues of an organisation are those where the activities of the organ-

isation result in significant environmental and/or social impacts and that are also considered important by the stakeholders because they affect their approach and decisions related to the reporting organisation. Therefore, we evaluated the relevant areas in two dimensions:

- involving the experts of Magyar Posta Zrt., we determined the extent of environmental and social impacts of the company, regarding the particular area and then
- we involved our internal and external stakeholders.

Similarly to last year, a public, on-line questionnaire was used, the link to which was advertised on our website and our Facebook page as well. When filling out the questionnaire, our stakeholders could formulate their opinions on the importance of the given subject and how important they consider that the subject should be covered in the 2018 Report. Stakeholders had 3 weeks to fill out the ques-

tionnaire. Some specific, chosen stakeholders were approached by email and were also asked to fill out the same questionnaire.

This year, the number of stakeholders involved into the materiality analysis has increased by an order of magnitude as besides providing the questionnaire link on our website, the most important clients were approached by e-mail and all Posta employees with electronic contacts were sent a targeted mail, asking to contribute with their opinions to the formulation of the content of the Report.

Thanks to this, the willingness to respond increased significantly compared to last year: the number of responses to the questionnaire grew from 163 to 1,128. It is Magyar Posta's explicit goal to continue along this road and extend the involvement of stakeholders.

The "materiality matrix" in Figure 4 demonstrates the results of the analysis: axis X shows the average of impacts, while axis Y shows the average ratings in the on-line questionnaire.

The 9 aspects framed with red are clearly separated from the others, these are the issues where the impacts of the organisation and the significance for the stakeholders are both significant. Therefore, these issues are considered material:

- Financial performance
- Market presence
- Energy use
- Emissions to air
- Liquid and solid wastes
- Environmental compliance
- Employment
- Workplace safety and occupational health
- Client data protection

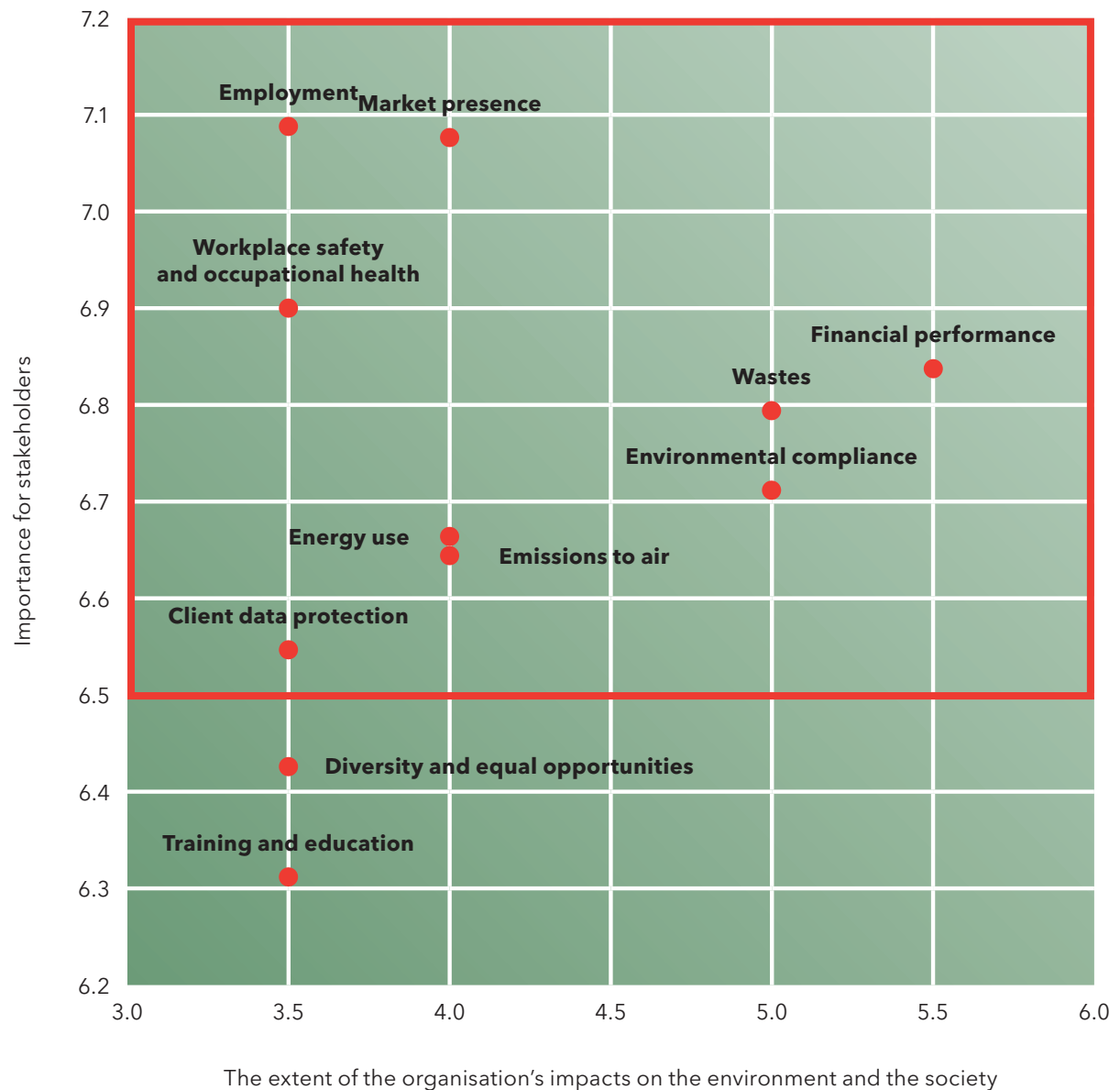
The aspects above cover all three pillars of sustainability so they help evaluating our performance from the aspects of economy, environment and society as well.

2 new material areas appear compared to last year's results:

- Liquid and solid wastes
- Environmental compliance,

while Marketing and Client information has been dropped out of material issues.

FIGURE 4: MATERIALITY MATRIX



5.3 PRESENTING MATERIAL ISSUES IN THE REPORT

In line with GRI Standards requirements, the management approach will be disclosed for all material issues above, discussing the reason the aspect is important, how it is managed, the goals that have been set and how we monitor their implementation. Besides, at least one indicator will be disclosed for each material aspect.

5.4 THE EXTENT OF THE ORGANISATION'S IMPACTS

The following table demonstrates the impacts of our activities within and outside of the organisation for each material aspect.

TABLE 4: IMPACT BOUNDARIES

Material issues	Impact within the organisation	Impact outside of the organisation
Financial performance	X	X
Market presence	X	X
Energy use	X	X
Emissions to air		X
Liquid and solid wastes		X
Environmental compliance		X
Employment	X	X
Workplace safety and occupational health	X	X
Client data protection		X

6. Our sustainability performance

6.1	Our financial performance	25
6.2	Market presence	26
6.3	Energy use	27
6.4	Emissions to air	30
6.5	Liquid and solid wastes	32
6.6	Environmental compliance	33
6.7	Employment	34
6.8	Workplace safety and occupational health	38
6.9	Client data protection	40

6. Our sustainability performance

6.1 OUR FINANCIAL PERFORMANCE

The development curve of Magyar Posta Zrt. has always been characterised by continuous transformation and renewal and this was true for 2018, too both from the aspect of corporate governance and operative technological operation.

The company plays a significant role in Hungary's communication infrastructure, its economy and it is also an integral part of the world's most extended integrated international network. It has been developing its capacities and technologies through an intensive transformation process and is also striving for progress in corporate governance and client management culture.

Key to the effectiveness of renewal is the maintenance of the unique social and corporate trust in Magyar Posta and the guarantee of the safety of services. Our diversified activities demand complex and efficient corporate governance practices that is suitable to ensure responsible behaviour, reliable operation and long-term business effectiveness at the same time. The governance forums of Magyar Posta are committed to maintain and enhance the client trust in the company. It is our principle that new products and services may only be

introduced after consideration of a well-defined list of aspects and also that individual compliance assurance functions are channelled in decision-making processes through the assessment of risks. Our company pays special attention to the processes applied in product development and product control activities so that legal, risk management and consumer protection aspects required by the relevant supervisory guidance are complied with.

Magyar Posta pays special attention to the investigation and management of its clients' observations and also to the analysis of information generated from this source from both business and compliance aspects in order to improve the quality and standard of its services and also to improve client satisfaction. Besides, Magyar Posta also pays attention to the appropriateness and regularity of client communication, in the framework of which – in line with legal obligations and the requirements of the supervisory guidance – it fulfils its obligations to inform clients, specifically focusing on warning of risks and hazards regarding individual products.

Magyar Posta's activities do not affect natural and human environments as obviously as for example the chemical or clothing industry. However, the use of our buildings and vehicles as well as our services impact the natural and built environment. Environmental risks implied by our activities are contin-

uously monitored. The most important ones are fleet management and paper use. In our financial decisions, sustainability considerations are taken into account, we prepare for the future challenges of the sector through long-term investments. These include using electronic and more environmentally friendly vehicles to the extent possible and the replacement of paper-based solutions with electronic ones. For this reason, most of our 2018 investments focused on the upgrading of IT equipment and our vehicle fleet.

Our financial performance is accessible in our Annual Report through our homepage. The development of our digital and logistics services was also significant in 2018 as it is key to the financial sustainability of our organisation.

Magyar Posta Zrt. does not apply investments practices where human rights may be violated. Most of our suppliers are from Hungary, so there is no critical risk in the violation of human rights at our suppliers.

Magyar Posta Zrt. does not receive any state subsidy apart from the one to offset the additional burdens originating from the universal service status.

6.2 MARKET PRESENCE

The sustainability of the national economy is affected by Magyar Posta Zrt. in the areas of communication, payment services and retail. We also have a key role in the delivery of official mail and bills, as well as amounts paid by the general public (which affects the financial liquidity of companies) and also payments, such as pension and benefits to the general public (affecting living conditions and purchasing power). We also have a growing role in e-trading by the delivery of goods and also the logistics of commercial commodities. We have a total of 1,300 types of products and services within our remarkably diversified portfolio. Magyar Posta Logistics (MPL) is the leading service provider of domestic parcel, courier and express delivery. We are also one of the most significant public service providers and employers in the country.

For the last years, our organisation has also been affected by the general labour shortage and high fluctuation rate, which need to be responded to. Because of this, our HR strategy focuses on recruitment, the development of the employer brand, competitive remuneration, the predictability of resource demands and also employee retention.

Magyar Posta Zrt. strives to make itself attractive as an employer by providing motivating working environments and appropriate working conditions, and by continuously developing its programs relating to recruitment, selection and employee retention. It provides predictable and sustainable career paths for its employees. We have been operating our Career Management system and also our "Postman of the Future" program since 2015. We have our own remuneration system, distinct from the public wage system.

Legal minimal wage and the guaranteed minimal pay is provided for new employees in all cases. The wages of new hires depend on several factors such as:

- job level,
- the type of job,
- regional wage market characteristics,
- internal regulations.

Wage levels are determined based on available resources and current market benchmarks.

All higher management positions (higher management is defined as the permanent members of the CEO board) at Magyar Posta Zrt. are occupied by Hungarian citizens.



6.3 ENERGY USE

All actors have their roles and responsibilities in global climate change so the monitoring and rationalisation of our energy use is an important area for Magyar Posta as well, especially because our energy use plays an important role in our financial efficiency as well.

6.3.1 Our energy policy and energy management

Our energy use is an important economic and environmental factor due to the size of our operation – this was reassured by the materiality assessments carried out in the last three years: energy use proved to be a significant topic both from the aspect of impacts and the interest of the stakeholders. Our primary aim is to use our energy resources as efficiently as possible. To achieve this, we are continuously monitoring our energy use and take the necessary steps and also use alternative / renewable sources where possible. Increasing energy efficiency is amongst the primary goals of the company, and to implement this we must ensure the monitoring of

our energy use and intervention where necessary, as well as the use alternative/renewable energy sources where possible.

To optimise our energy use and also to comply with legal regulations, we implemented our ISO 50001 Energy Management System (EMS) in 2016 on a corporate level, integrated into our Quality and Environmental Management System.

The aim of the integrated system is the more efficient management of available resources, the recognition and extensive application of energy saving opportunities and also the implementation of cheaper and more state-of-the-art operation.

Since the implementation of the EMS, the following or similar text has been part of all of our contracts: “The Supplier/Service provider/Seller acknowledges that Magyar Posta Zrt. operates an EMS according to ISO 50001:2011. The Supplier/Service provider/ Seller ensures that during the execution of the contracted activities, aspects of energy efficiency and energy awareness are considered in all cases.” This means that the EMS system lays down

requirements for our partners, too; contributing to the energy efficiency of their operations, as well.

The impacts of the energy use of our activities extend beyond the boundaries of our organisation as they affect the availability of fossil fuel sources and contribute to climate change. It mainly generates economic impacts within the organisation through energy prices.

Based on data from the organisation, the energetics officer of Magyar Posta Zrt. prepares a monthly report, a half-year trend, the yearly data report and the Energy Efficiency Yearly Report of Magyar Posta Zrt. (https://www.posta.hu/static/internet/download/Eves_energiahatekonysagi_jelentes_2018.pdf), making it possible to continuously monitor our energy use.

The energy use of Magyar Posta Zrt. for the last 3 years is demonstrated in Table 5 (except for firewood, coal and bottled gas, but the use of these is negligible and only happens at the sites where conditions do not allow for the use of more efficient energy sources).

TABLE 5: THE USE OF ENERGY SOURCES IN THE PERIOD OF 2016-2018

	Energy sources										
Year	diesel		gasoline		electricity	natural gas	purchased heat	CNG	thermal water	solar (solar collector, solar cell)	Total use
	postal transport (l)	passenger transport (l)	postal transport (l)	passenger transport (l)	MWh	m ³	GJ	kg	MWh	MWh	GJ
2016	8,232,495	58,896	315,345	319,313	42,374	7,495,514	55,298	22,485	120	138	776,528
2017	8,538,621	62,026	179,573	320,515	42,064	8,115,774	54,629	13,832	157	135	800,926
2018	8,623,624	64,759	156,334	326,532	42,872	8,286,468	48,973	9,097	220	132	806,232

The following conclusions can be drawn based on the data in the table:

1. Renewable energy sources: The amount of heat from thermal water has been continuously increasing, while the use of solar energy has been stagnant.
2. The use of almost all fossil fuels has grown compared to 2017 by 1-5%, except for gasoline and CNG for postal transport.
3. The amount of purchased heat have significantly decreased.

There are two main areas of energy use at our operations:

- building energetics (due to the high number of sites),
- fuel use for transportation.

6.3.2 Building energy

For the rationalisation of energy use, the first 100 Magyar Posta sites with the highest consumption were assessed in 2017, followed by the next 30 sites in 2018. These assessments covered more than 50% of Magyar Posta's energy use so we were able to get a comprehensive picture on the sites with the highest saving potential. When planning our investments, these results are taken into account in order to decrease our energy use in a more focused and more efficient way.

In 2018, the following investments were realised, significantly affecting our energy efficiency:

- the upgrading of boilers and heating systems at 12 sites,
- the replacement of doors and windows at 2 sites,
- the upgrading of the air conditioning system at 2 sites,
- the upgrading of lighting at 6 sites.

For the sites involved in these investments, a 7% energy consumption is expected.

As a campaign, the Corporate Services Directorate managing properties issued newsletters at the start of the summer and winter periods, with recommendations for energy efficiency measures, in order to draw the attention of colleagues to economical ways of cooling a heating.

Two important goals were set in the framework of our energy management system for the year 2018:

1. a 5% (monthly accumulated) decrease of electricity use compared to 2017
2018 result: 101.9%
2. the accumulated decrease of energy use (corrected with degree days) from heating gas and district heating by 2% compared to 2017.
2018 result: 98.7%

Based on the above, it can be concluded that the target values were not achieved because of climatic factors (which were less preferable compared to the previous year) and also because of changes in our property use.

6.3.3 Fuel use for transportation

A dedicated Action Plan was prepared for the energy rationalisation of transportation with the following goals for 2018:

- The monthly accumulated specific average fuel use of Posta technological vehicles: ≤ 8.9 l/100 km
2018 result: 9.1325 l/100 km

The accumulated number of standardised mail items/1 l with a target value of ≥ 4.5000 /l



This target value was introduced in 2018, based on the volume demand of items. As expected, the actual value for 2018 was 4.6316 pieces of mail items/l, which is above the target value.

TABLE 6: THE DETERMINATION OF THE AMOUNTS OF STANDARDISED MAIL ITEMS FOR THE DIFFERENT TYPES OF ITEMS

Type of mail item	amount for 1 piece of standardised mail item
Parcel	0.75
Letter	350
Advertising materials, newspapers	100

We are optimising our fuel consumption through the following three factors:

- When purchasing vehicles, we make sure that we only buy the most state-of-the-art vehicles, decreasing negative impacts on the environmental and the state of the road network.
 1. The environmental classification of the vehicles purchased in 2018 was 15 and 16 (these are the highest classification categories)
 2. We developed our electronic car fleet by purchasing 27 Renault Kango Maxi Z.E. Express L2 cars with a 5E classification,
 3. In total, 484 new vehicles were put into service in 2018: two third of them to replace outdated vehicles and one third to extend our capacities to satisfy increased market demand.

- We organise ECO driving trainings for drivers, and also
- We ensure technological maintenance and check-up of vehicles.

However, market conditions and demand may result in tendencies where even our strongest efforts will not reach the desired aim. It can be seen in Table 5 that our fuel consumption increased in 2018. The following three factors contributed to this:

- The number of parcels and parcel-like items demanding higher transport capacities continued to increase in 2018. The number of domestic parcels grew by 7% and the number of parcel-like international items grew even more significantly. The rate of home delivery parcel items is still high, approximately 82% of all collected items. The increase in

mail item traffic necessitated the increase of transport capacities. In order to satisfy the increased demand, it is necessary to purchase higher-capacity vehicles, which – even in case of the most modern vehicles – leads to higher average fuel use. Higher average fuel use of the higher cubage capacity vehicles in the small and medium truck category purchased at the end of year 2017 and also their increased mileage (3-4% increase compared to 2017, depending on the category). Vehicles purchased in the tractor category at the end of 2018 are also characterised by higher fuel use.



We are aware that it is a challenge to compensate for the increased mileage originating from the higher demand of services and consequently higher fuel use by purchasing state-of-the-art vehicles but we strive to buy vehicles with the lowest environmental impact in all categories.

6.4. EMISSIONS TO AIR

From a climate protection aspect, the main focus is on greenhouse gases, mainly CO₂. The highest part (45%) of our CO₂-emissions come from fuel use. Our related management systems as well as our aims and results are discussed in Chapter 6.3.

In line with the National Climate Change Strategy, Magyar Posta Zrt. undertook a decrease of its CO₂-emissions by 5% compared to the 2013 base year value (55,379 t CO₂) between 2014-2020. This can be achieved through the energy rationalisation measures discussed in Chapter 6.3.

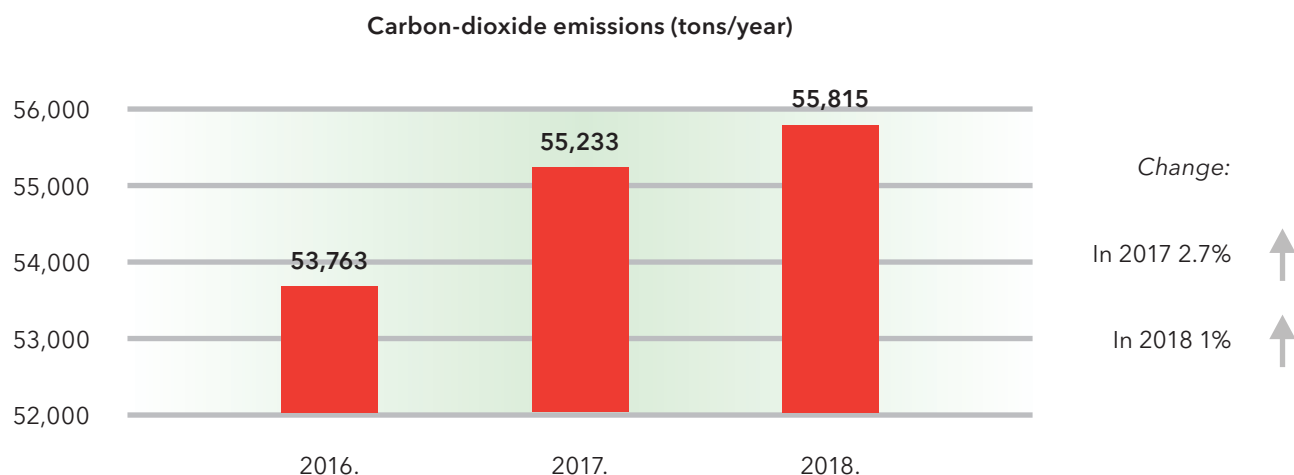
Due to the fact that the factors affecting the postal market and resulting in the increase of emissions (such as the growth of parcel traffic and trends in logistics), have gone through significant changes we are revising and recalibrating our target values.

Magyar Posta Zrt. has been calculating its CO₂-emissions for years using the IPC EMMS (Environmental Measurement and Monitoring System) method. 2013 emission factors are used for the calculations, country specific factors for the use of electricity and global (non-country-specific) in case of all other energy sources. The calculation methodology is

built upon GHG Protocol⁵ methodology and covers emissions from fossil and renewable energy sources and the production of purchased heat and electricity (see page 27, Table 5), but it excludes Scope 3 emissions, such as employee commuting or the end-of-life treatment of products used for postal services (such as paper products etc.) and emissions from waste transport and management.

The following diagram shows CO₂-emissions calculated with this methodology for the last 3 years:

FIGURE 5 CARBON-DIOXIDE EMISSIONS 2016 - 2018

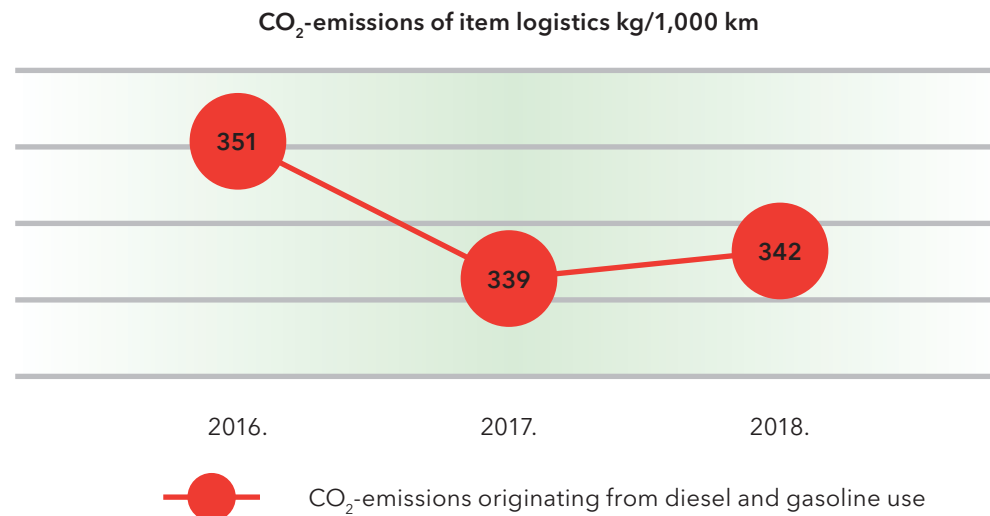


⁵ The Greenhouse Gas Protocol Initiative was launched as a result of the multi-year cooperation of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol Standards are used by companies, municipalities and governments and they are also the basis for emission calculation methodologies developed by other organisations, such as ISO, CDP, The Climate Registry, etc. and also most voluntary emission monitoring programs. More information: <http://ghgprotocol.org/standards>

Our CO₂-emissions increased by 1% in 2018 compared to the previous year, the most important reason for which was the 1% increase of diesel use.

The growth in parcel volumes continued demanding the use of vehicles with higher capacities and also higher specific average fuel consumption (see Chapter 6.3). The trends in CO₂-emissions of the item logistics in the last 3 years is presented in the next figure.

FIGURE 6: EMISSIONS OF THE ITEM LOGISTICS 2016 - 2018



Change:

In 2017 3.4%

In 2018 0.9%

TABLE 7: DIRECT AND INDIRECT EMISSIONS 2016 - 2018

Year	CO ₂ -emissions (t)		
	Direct*	Indirect*	Total
2016	37,578	16,186	53,763
2017	39,173	16,059	55,233
2018	39,643	16,172	55,815

*According to the definitions of the GHG Protocol, emissions from the purchased heat and electricity are indirect, all other emissions are direct emissions. See also page 27., Table 5.

Recognising the absolute growth in our emissions resulting from the increase in the demand for our services, we are committed to fulfil these demands in the most environmentally friendly way possible to continuously reduce our relative emissions (for one unit of services).

6.5 LIQUID AND SOLID WASTES

A very important segment of environmental management tasks is the efficient management of wastes with an aim to monitor the route of our waste from its generation to recycling, elimination or landfilling.

Although the reduction of hazardous wastes is a priority, attention should also be paid to other wastes such as waste from services, offices, maintenance or construction activities, as well as wastes originating from unexpected events.

Our organisation has set up a centralised and integrated internal waste management system, in the framework of which waste generated at our premises is transferred to central waste collection sites and handled to our contracted partners for utilisation or for destruction fully complying with data protection requirements.

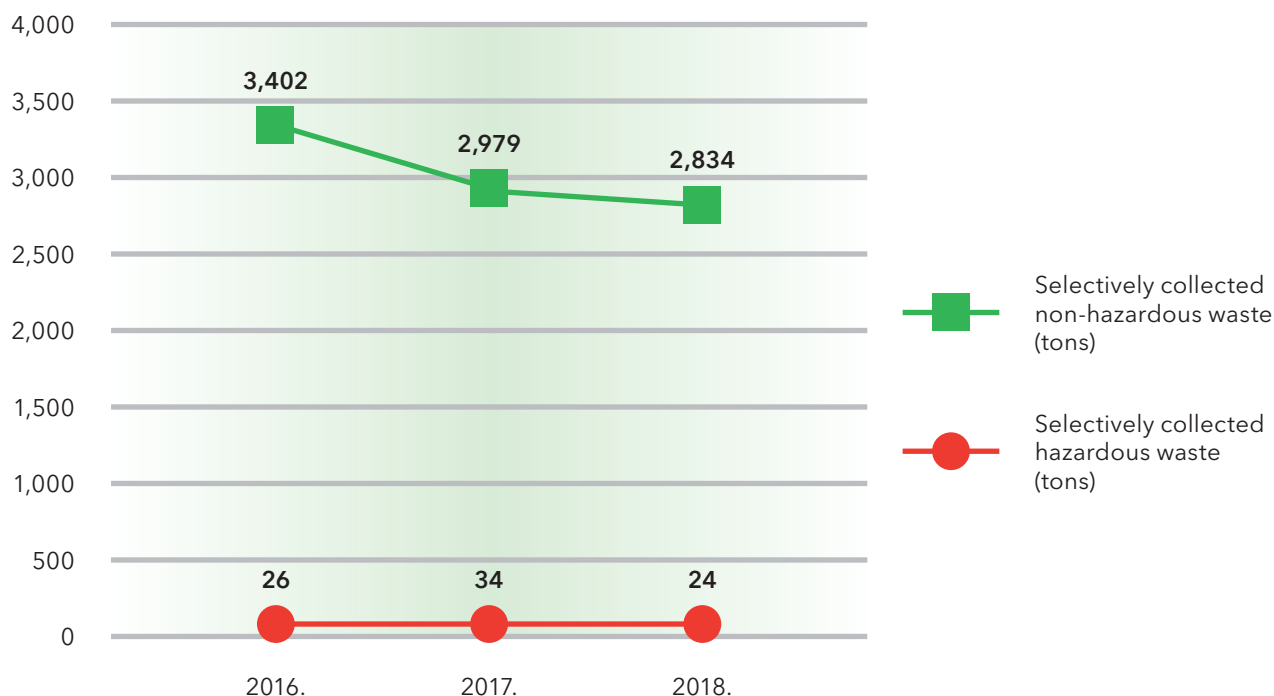
The sale of recyclable waste is continuous, the largest proportion of which is represented by paper and plastic waste.

Types of waste sold:

- paper,
- plastic,
- metal,
- electronic waste and
- waste printing toners.

In 2018, 2,858 tons of selectively collected waste was generated – 2,834 tons of non-hazardous and 24 tons of hazardous waste.

FIGURE 7 THE AMOUNT OF HAZARDOUS AND NON-HAZARDOUS WASTE 2016 - 2018



More than 86% of selectively collected non-hazardous waste (paper, metal, plastic, electronic waste etc.) was sold for recycling. The largest proportion (95%) of the waste sold is represented by paper and plastic waste.

The figure above demonstrates that the amount of non-hazardous waste shows a declining tendency thanks to the decrease of waste amounts from our archives.

The biggest part of hazardous waste is made up the following categories:

- waste ink and varnish from printing technology,
- fluorescent tubes,
- waste toners with hazardous materials,
- batteries and
- electronic wastes.

The amount of hazardous wastes changes yearly as they are generated through non-operational technologies, for example from low frequency maintenance activities, such as forklift batteries or electronic wastes from scrapping.

We put emphasis on the collection and storage of hazardous wastes: in order to prevent environmental damage, secondary containers are applied. We also use emergency sets at each site where liquid hazardous wastes are generated and at logistics sites for cleaning up liquid hazardous material.

6.6 ENVIRONMENTAL COMPLIANCE

Magyar Posta Zrt. as a publicly-owned company with a high level of public credibility providing public services for over 150 years is committed to ensuring legal compliance according to regulatory recommendations and best market practices. Its activities are highly regulated by legislation and it ensures compliance through an internal regulatory system. Concerning its size, the compliance of the internal regulatory system has a priority regarding legal compliance.

Environmental compliance is the basic task of the HSE Department that continuously monitors relevant legislative changes and integrates them into internal regulation to the extent necessary. Complementing HSE's regulatory and controlling functions, its advisory and consultative roles ensure that, in case of compliance problems, the organisational units of the company may request professional opinion and advice.

In 2018, there were no legal condemnation or sanctions.

In case of the Logistics Units in Pécs and Füzesabony, authority proceedings started in 2017, in the framework of which Magyar Posta should have implemented its noise reduction action plan by 31 December 2018. However, implementation had not been completed by the deadline due to the fact that the organisational project that started in 2010 had not been fully implemented.

Since it is difficult for Magyar Posta Zrt. to smoothly handle the continuously growing amount of parcel items with its current logistics architecture and operational model, the reorganisation of the current logistics sites and the transformation of their tasks is one of the main goals of the organisational project.

As a result of the technical and technological development of these sites and the changes in their geography, traffic at these logistics sites is expected to reduce resulting in a decrease in environmental noise as well. Until it is achieved, we seek other alternative methods (such as the use of electric forklifts and lower capacity vehicles, as well as the training of employees) to decrease noise load.

In the framework of the project, the parcel logistics activities will be moved to new depots which will result in a decrease in the traffic and loading capacity of the current property.

Because moving is delayed, and also to strengthen earlier instructions, a management order was issued to decrease noise emissions from technological processes.

6.7 EMPLOYMENT

As one of the biggest employers in the country, we have an outstanding role on the national job market and our aim is to attract the appropriate amount of qualified workforce and also to retain the existing committed workforce. We are keen to achieve this by offering benefits and good working conditions matching the needs of the different generations.

6.7.1 Our employment policy

The labour shortage on the national job market also affects Magyar Posta Zrt. To increase employment activity and flexibility, several atypical employment options are applied, such as distance work, temporary employment, student work, part-time employment, split service, worktime banking, flexible working hours and flexible working arrangements.

We also implement employment programs to ensure work-life balance, increasing employee commitment and the development of diverse and inclusive working culture.

Mentoring programs and trainings support fast and efficient integration and career management within the company. Positions are built on each other, so employees who undertake continuous education have the opportunity to be promoted or have a career transition within the company. Employment after retirement and atypical employment options supporting work-life balance ensure return to work and reintegration from parental leaves.

Creating and ensuring equal opportunities and equal treatment are key elements in the human resources policy of Magyar Posta.

Each of our employees is familiarised with our Code of Ethics that lays down the common organisational values, an important element of which is tolerance and the rejection of discrimination at the workplace.

6.7.2 Equal opportunities

We have a continuously updated Equal Opportunities Plan in which we have committed ourselves to prevent and prohibit negative discrimination in employment.

In 2018, our CEO and the presidents of trade unions that are represented at Magyar Posta Zrt., signed **Magyar Posta's Equal Opportunity Plan for 2019-2020**. By approving the plan, our company complies with Article 63 (4) of Act CXXV of 2003 on equal treatment and the promotion of equal opportunities: "Budgetary organs and legal persons under majority state-ownership employing more than fifty persons shall adopt an equal opportunities plan."

The Plan applies to the disadvantaged groups and individuals employed by Magyar Posta Zrt., independent of the type of employment, working time or the length of employment (disadvantaged groups are defined as: women, employees over 40 years old, the Roma, disabled and disadvantaged people, employees having at least two children below 10 years old, employees with large families – raising at least three dependent children – and also single parents raising at least two children and fresh graduates).

The focal points of the Equal Opportunity Plan are assuring equal treatment, wages and benefits with

a consideration of the aspects of job markets with assuring equal opportunities, the improvement of working conditions (in particular regarding employees over 40 years old and disabled workers), access to training programs, facilitating the transition of retiring staff and also benefits for employees with families.

The document is accessible to all employees through our intranet network amongst other company documents.

In the spirit of diversity, we are working on facilitating the employment and employability of groups from different cultural backgrounds.

As an employer, Magyar Posta condemns and rejects **child labour** or **forced labour**. Issues regarding employment are laid down in the collective agreement, applying to all employees. Complying with these regulations are ensured by internal, regulated and controlled procedures.



Magyar Posta, within the framework of applicable regulations, ensures **the right of association** for its employees and considers **trade unions and the work council** as partners. As an evidence of this, almost all issues regarding employment (and allowed by labour law) are discussed in collective agreements to ensure that employee and employer interests specific for our activities are implemented.

Our goal is to become an attractive workplace, to develop the employer brand, employee loyalty, recruitment and selection procedures, the systems to monitor the predictability of human resources of appropriate quality and quantity and to establish motivating working conditions as well as competitive salaries.

6.7.3 Disability-friendly workplace

We offer career opportunities for the disabled and people with health damage. The number of disabled employees has doubled since 2011 – in 2018 it almost reached 300.

On the 3 December 2018, Magyar Posta received the recognition for “Disability-friendly workplace” for the fourth time.

The **“Disability-friendly workplace”** award was founded by the Salva Vita Foundation in 2010 with the aim to support the contact of disabled people looking for jobs and the employers open to employ them. The organisations using the logo spread the message that it is open and prepared for the employment of people with disabilities. The award is presented every



year by the Ministry of Human Capacities, The American Chamber of Commerce, the Hungarian Association for Excellence and the Salva Vita Foundation. The award is for the employees that undertake the continuous development of their practises for the recruitment, employment and retention of disabled workers.

31 companies and institutions received the recognition's bronze, silver and gold classes at the award ceremony held in the National Theatre. A Magyar Posta Zrt. received gold class in 2018.

Two new special awards were introduced in 2018 apart from the Disability-friendly prize:

- The **Role Model Award** was given to disabled workers for outstanding performance and also for human qualities that make them examples to their peers. One of the awarded workers was a Magyar Posta employee.

- The **Working Partner award** for the supportive worker of the year is awarded to one person with a high performance for the integration and working conditions of disabled employees at his/her workplace. Out of the candidates assigned by Hungarian employers, a Magyar Posta employee was found to be the most suitable by the awarding organisations to receive the first award of this kind in the country.

Programs undertaken in the framework of the 2018 Disability-friendly workplace tender included the introduction of a new recognition amongst employees as part of leader and employee awareness raising. For the first time last year, the Professional Excellence Award for “Leader of the Year Employing a Disabled Person” and also the “Disabled Person of the Year” award was presented.



This new type of recognition is a message to everyone that it is important and valuable for our company if a disabled person carries out value creating work of full value. Their efforts, hard work and struggle to cope with challenges amongst other workers deserve recognition.

6.7.4 Employee commitment

Aon Magyarország Kft. carried out a survey on employee commitment in April 2018 at Magyar Posta Zrt. This was the first time when all employees could share their opinions.

With the help of the survey, we got a realistic picture of how our employees see the company, how they value the brand, performance management, career opportunities and also how open they are for changes.

The results were first available for the management of the company, followed by the directors who received a detailed analysis of the field under their control.

Apart from the evaluation, the leaders had access to an inquiry surface to assess the results of their field to get more into the depths and details of the data.

As a result of the survey, action plans were developed on the directorate level with the aim of de-

veloping more specific action plans and directions for the different fields based on the data available. These plans will help raise the level of employee commitment.

The developed and approved action plans will be implemented within the following years in harmony with the organisational strategy of the company.

6.7.5 Recruitment - providing opportunities for professional practice

Our company provides accredited professional practice opportunities for 10-13th grade students in vocational high schools and trade schools, who need to carry out continuous professional practice time at enterprises. Apart from having the opportunity to get an insight into the depth of practical work, into the daily life of our organisation, they also create added value. It is important to settle them at fields where they value their work as significant and useful.

Between 13 June and 31 August 2018, 463 students spent their practice time at Magyar Posta Zrt.

Following the summer practice, after getting to know and like this type of work, we also offer employment at the company for shorter or longer periods. We have students returning in the summer periods. Magyar Posta employees are happy to welcome and teach the young generation.

6.7.6 Employee retention and fluctuation

Our human relations professionals put a special emphasis on the support of employee retention, especially to decrease fluctuation in the executive positions.

Our programs for employee retention are the following:

- Carrier road program (as a pilot in 2018),
- Compass program for the facilitation of new recruits integration,
- mentoring programs for delivery persons.

As a new initiative, the following documents were prepared and sent to the assigned post offices:

- training brochures for supporting individual and postal outlet preparation,
- training guides with recommendations for the training of employees in optimal cases: when, what kind of training, in what order and scheduling, in order to maintain gradual loading
- the Knowledge map showing competencies in a transparent and filterable way for individual colleagues and services as well. This helps recognise the critical areas and the preparation of training schedules as well as the planning of services.

TABLE 8: EXITING EMPLOYEES AND NEW RECRUITS IN 2018

Age group*	New recruits		Total no. of new recruits	Exiting employees		Total no. of exiting employees	Employed as of 31 December 2018 of new recruits	
	Male	Female		Male	Female		Male	Female
below 20 yo	216	171	387	165	135	300	63	51
between 20-30 yo	1,034	1,279	2,313	1,001	1,069	2,070	490	761
between 30-40 yo	680	1,102	1,782	763	1,067	1,830	341	681
between 40-50 yo	739	1,229	1,968	879	1,362	2,241	372	694
between 50-60 yo	498	700	1,198	608	1,040	1,648	233	407
between 60-70 yo	200	306	506	380	353	733	95	176
above 70	5	12	17	6	9	15	3	6
Total	3,372	4,799	8,171	3,802	5,035	8,837	1,597	2,776

* Employees that have reached the lower limit of the age group but not the higher limit as of 31 December 2018.

Between 1 May 2017 and 31 April 2018, 375 employees returned from parental or unpaid leave, out of which 66 employees resigned within one

year. The retention rate of parents returning from parental leave for at least 12 months was 82.4%.

6.8. WORKPLACE SAFETY AND OCCUPATIONAL HEALTH

Magyar Posta wishes to care for its most important resource, the workforce responsibly. It considers workplace safety and occupational health as an inseparable and indispensable part of company and working culture.

6.8.1 Our workplace safety and occupational health policy

It is an important task of workplace safety to find, determine and control the conditions to guarantee the safety, physical integrity and the health of employees.

The task related to occupational health and safety as well as the prevention of accidents and environmental protection belongs to the Department of Health, Safety and Environment within the Security Directorate, implementing complex preventive approach and care. We ensure information and trainings are available from the moment of recruitment on the whole area of company premises for all employees in order to ensure that they acquire the goals of and regulations on health protection and occupational safety.

At working areas and under conditions where it is necessary for health protection and safe work, we implement collective protection and work organisation measures and provide personal protection equipment.

The continuous improvement of accidents-at-work status and workers' health protection program cannot be implemented without the commitment and identification of higher management and the

efficient and active participation of workers' occupational safety representatives. The number of representatives is defined together with the workers' occupational safety representatives, based on the hazard classification and regional spread of the activities and also the already existing representative territories. The highest forum of work safety is the Occupational Safety Committee and the highest common forum is the Joint Occupational Health and Safety Body.

An occupational health network is operated though a contracted partner to perform occupational safety tasks at the doctors' offices competent for the place of work of employees.

In 2018, there was no condemnation from the Authority for Magyar Posta related to workplace safety or occupational health.

6.8.2 Results

One of the key indicators of workplace safety status is the tendency in the number of accidents at work. There was no fatal, serious or mass accident at work at Magyar Posta Zrt. in 2018 and other occupational health indicators showed an improving tendency as well. As regards the number of accidents, Magyar Posta showed a good performance in the HR Report of IPC with lower number of accidents compared to most members.

The next table shows the number of employees working in positions with the highest risks as of 31 December 2018 (considering the main position):

TABLE 9: THE NUMBER OF WORKERS WITH POSITIONS WITH THE HIGHEST RISKS

Position category	Persons as of 31 Dec 2018
Delivery persons	9,410
- Trained parcel delivery men, Delivery men II	840
- Mobile post handler, inner city mobile post handler	520
Drivers	1,404
Mail item processors and distributors	323
Logistical mail item processors	2,322
Total	13,459

These employees represent 45% of the total workforce.

Following recurrent types of accidents at work, extra workplace safety trainings are provided, and the reasons for the accidents and prevention opportunities are analysed.

In order to prevent occupational health issues, noise and air exposition levels are monitored at workplaces with higher risks. Based on the results, protective equipment is provided.

One occupational disease was registered in 2018 due to the one-sided stress of joints for a delivery worker.

Employees with muscoskeletal diseases are offered rehabilitation holidays yearly.

The number of accidents at work investigated dropped by 8% in 2018. The number of accidents at work with lost working days was 686, which is a 6% decrease compared to 2017 and is significantly lower than for the average of other IPC-members (based on data in IPC HR Report)

FIGURE 8: ACCIDENTS AT WORK IN THE EMPLOYEE GROUPS

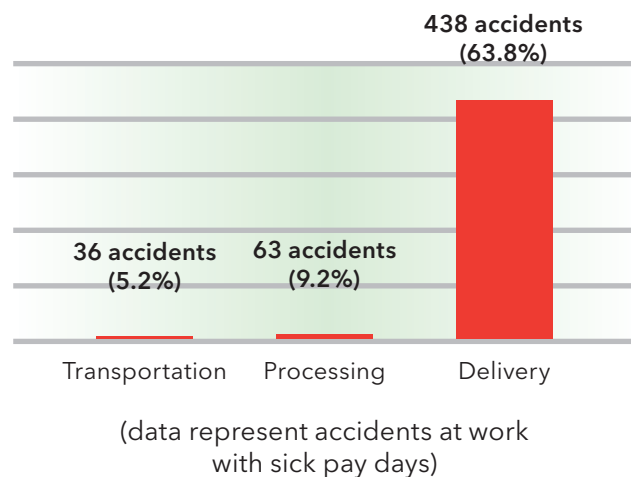
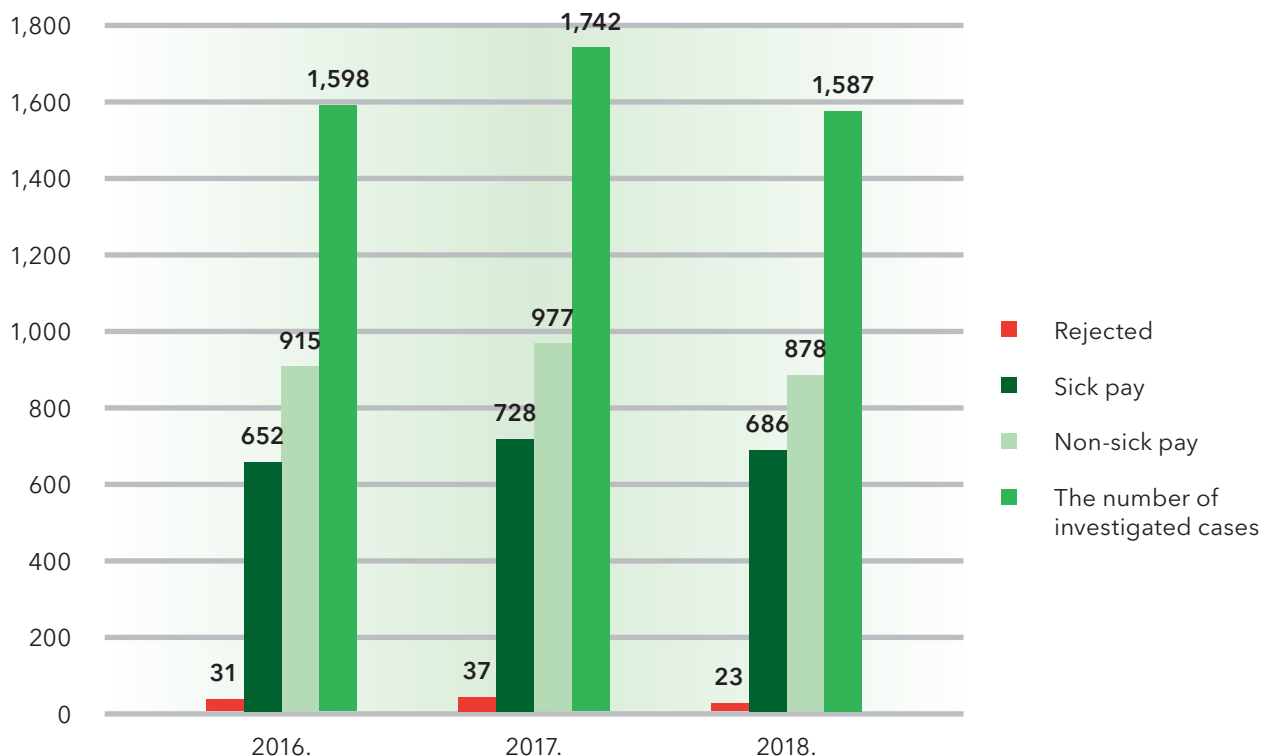


TABLE 10: NUMBER OF ACCIDENTS WITH LOST WORK DAYS FOR 2018

Year	Number of sick pay days due to accidents at work	Number of accidents at work	Number of average statistical staff	Number of accidents a work/employee
2016.	28,485	652	29,717	0.022
2017.	31,153	728	30,387	0.024
2018.	31,652	686	30,161	0.023

FIGURE 9: NUMBER OF ACCIDENTS AT WORK 2016-2018



6.8.3 Campaigns and programs

On 5 June 2018, World Environment Day, the HSE department of the Security Directorate organised Environmental and Health Protection Day with an aim to draw attention to the environment- and health-conscious lifestyle, corporate operations and related tasks and opportunities. Unfortunately, climate change increases health risks so more attention to the environment has a positive impact on our health as well.



Every-day solutions and environmental and saving tips were presented during the open day and colleagues that spend their working time sitting in front of monitors were shortly provided with information on regeneration and health screening opportunities.

Free health screening opportunities also generated great interest, employees were provided with tips and professional advice on preventive approach.

Awareness raising programs for employees were held with great success. The ECO GAME team competition organised at the Budapest Headquarters focused on the definitions and practices of reuse and recycling through ecological footprint calculation and an eco quiz.

The organisers were pleased to achieve a record number of participants at the blood donation event at the Central Headquarter with 9 new donors from Magyar Posta.

The Security Directorate seeks as caring employer to minimise our operational and environmental risks through health- and environmental protection actions and through the establishment of safety-conscious working culture. We strive to contribute to guaranteeing sustainable development.

6.9 CLIENT DATA PROTECTION

Handling personal data is inevitable to perform our services. Due to the size of Magyar Posta and the complexity of its service portfolio, it handles employee and client data in large quantities. This means that the issue of data protection is relevant for all units of the company and we pay particular attention to the protection of data left to us through the whole value chain.

6.9.1 Our data protection practices

In line with the changes in legislation⁶ and also the growing expectations from our clients and customer regarding data protection, we paid special attention to data protection in the operation of the company in 2018, too.

In line with the new legislation, we revised our information materials on data protection and we continue to pay special attention to ensuring unrestricted access to the specifics of data management relevant to clients. Our information materials are accessible at postal outlets and on our website as well. Online information is responsive and adapts to the reading method, its contrasting format ensures understandability for the partially sighted and it is also accessible through text-to-speech software for the blind.

The protection of personal data is expected from our business partners involved in data management as well. We have developed contract templates, which are applied to demand a high level of safety during data management.

Before 25 May 2018, the implementation date of GDPR, we had revised our internal regulations and processes. Our Internal Data Protection Regulation applying to the whole company were adopted to the new legislation. Data protection aspects in the regulations of the individual technological processes were also strengthened. Considering international examples and guidelines, we have established an organisational methodology to carry out data security impact assessments.

⁶ Regulation 2016/679 of the EU Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), implemented on 25 May 2018

We are aware that the key to the safety of our clients' data is the attention of our employees handling them to data protection aspects and requirements. To ensure this, we had provided data protection trainings to all of our employees with an exam prior to 25 May 2018. Training materials were available to all employees through e-learning and paper-based versions, as well as text-to-speech format for our blind and partially sighted employees. Apart from the general training that was provided for all workers, client relations employees, IT developers and project managers received a special training with more details on data security.

In order to ensure that data security aspects are implemented in our business processes, we have established and operate a data protection commissioner network covering the whole organisation. Magyar Posta also has a dedicated data protection officer.

The growth of the social focus on data security resulted in the increase of the number of data security-related inquiries from stakeholders. The number of requests related to information on data management and to the exercise of the right to access increased tenfold compared to the previous year. Magyar Posta answered all these inquiries, provided the handled personal data and information on data management according to Article 15 of GDPR.

However, the number of requests to delete and modify personal data dropped in 2018 compared to the previous year: a total of 525 of such requests were received and fulfilled.

No prosecution was started or was in progress in 2018 for personal data breach.

Breach of availability of personal data is defined as an incident when personal data are lost or destroyed permanently and in an unrestoreable way. In 2018, Magyar Posta Zrt. did not register any personal data breach incident, where the breach of availability was justified.

In 2018, the Hungarian National Authority for Data Protection and Freedom of Information (NAIH) did not carry out any investigation or audit. NAIH approached Magyar Posta with an inquiry related to an authority control in progress in one case, which was fulfilled by the company.



7. Goals and challenges for the next years

7. Goals and challenges for the next years

- We are continuing the **PAKK-programme** in 2019: all registered letter-mails will be trackable on our online surface or mobile app, similarly to packages. Authorisation will be possible online through the Customer Portal or My Post card without personal physical presence, no need for personal administration at post offices. The biggest achievement of the programme is that the use of domestic paper-based advice of delivery notes will be discontinued, which will be an important milestone to advance electronic public administration. More than 8,000 delivery persons will use PDA on a country level. PDAs are capable of using the electronic functions of the new type of ID cards. Delivery persons working in settlements with a high number of addresses will receive mobile printers so that they do not need to leave hand-written notices for the addressees away. Registered items will be possible to collect at postal outlets on digital signature pads instead of on paper, decreasing paper-based administration at post offices as well. For our business clients, we have been providing a new, free, web-based surface since 2017, replacing paper-based dispatching notes, offering comprehensive and safe postal administration. This will be available for all clients from 2019. An online payment function will also be added to the application so following the submission of data for the item, the fee can be paid immediately. Using electronic dispatching notes, the price for registered

mail items will be lower than with paper-based notes. As a further innovation, a new type of ordinary mail, identified letter will be introduced. If an identified letter is not possible to deliver, the sender receives an immediate notice about the reason for missed delivery. These developments will lead to the modernisation and renewal of letter mail delivery services, as well as the expansion of electronic administration related to registered mail, which is key to national modernisation and to the competitiveness of Hungarian economy.

- **Equal opportunities:** A new element of the Plan is the Equal Opportunities Ambassador system to be established in 2019.

- It is of utmost importance that our **measures aimed at the mitigation of climate change** should be successful and our relevant goals should be realistic and adapted to market demands. Our emission reduction goals must be adapted to the growth in mail item traffic caused by the dynamic development of e-trading so our previous goals need to be revised.

If you have any questions or notes regarding this Report, please, contact us at:
kornyezettudatos_posta@posta.hu



8. Annexes

Annex I:

GRI principles

CONTENT

- **Stakeholder inclusiveness:** Magyar Posta Zrt. involved its stakeholders into the formulation of report content ensuring that their approach and information demand is considered.
- **Sustainability context:** The content of the Report discloses the activities of Magyar Posta in a sustainability context and focuses on information with sustainability relevance.
- **Materiality:** The Report covers the most material impacts of the organisation from sustainability aspects. The materiality analysis was conducted with the involvement of the stakeholders.
- **Completeness:** All material issues are covered in the Report, no information is omitted that would misinform the decisions of stakeholders.

QUALITY

- **Balance:** The Report presents negative and positive impacts in all areas, together with results and challenges so that stakeholders can have a comprehensive picture of Magyar Posta's sustainability performance.
- **Comparability:** Where possible, the Report presents information that makes benchmarking possible, either with the organisation itself through time and also with other companies (for example by using standard emission factors).
- **Accuracy:** Data and information presented in the Report are as accurate as possible and are detailed in a way that makes it possible to assess Magyar Posta's sustainability performance.
- **Timeliness:** The timeframe of data presented in the Report is clearly stated and covers the reporting period (2018).
- **Clarity:** Data and information disclosed in the Report are free of inconsistencies and clearly presented in a format that is understandable to stakeholders.
- **Reliability:** Information and data are presented in the Report in a way that makes them verifiable, clearly providing their sources as well. In order to increase credibility, Magyar Posta Zrt. had assigned a third party for independent verification.

Annex II: GRI content index

GRI 102: General Disclosures 2016

General disclosures	Indicators	Section	Page	Note
Organisational profile	102-1 Name of the organisation	1	7	
	102-2 Activities, brands, products, and services	1.1, 6.2	8, 26	
	102-3 Location of headquarters	1	7	
	102-4 Location of operations	1.1	8	
	102-5 Ownership and legal form	1.3	8	
	102-6 Markets served by location and sector, types of clients	1.1, 1.2	8	
	102-7 Scale of the organisation	1	7-9	More information on the size of the organisation can be found in our Annual Report: (https://www.posta.hu/about_magyar_posta/annual_reports)
	102-8 Number of employees by employment type, contracts, localities and gender	1.4	8-9	
	102-9 Supply chain	1.5	9	
	102-10 Significant changes in the organisation's size, structure, ownership structure or its supply chain during the reporting period			No significant change
	102-11 Precautionary principle or approach	2	11	
	102-12 External initiatives for economic, environmental and social norms, principles etc., that the organisation supports	1.6	9	
	102-13 Memberships in associations, national and international professional organisations	1.6	9	

General disclosures	Indicators	Section	Page	Note
Strategy and analysis	102-14 Statement from senior decision-maker on the importance of sustainability and the sustainability strategy of the organisation	Foreword by the CEO	3	
Ethics and integrity	102-16 Values, principles, standards, and norms of behaviour	2, 6.7.1, 6.7.2	11, 34	
Governance	102-18 Governance structure	3	13	
Stakeholder involvement	102-40 List of stakeholder groups	5.1	19-21	
	102-41 Collective bargaining agreement and coverage	6.7	34	100%
	102-42 Identifying and selecting stakeholders			No dedicated strategy, Magyar Posta strives to communicate with all stakeholder groups (see pages 20-10 and Table 3).
	102-43 Approach to stakeholder management and the frequency of communication	5.1	20-21, Table 3	
	102-44 Key topics and concerns raised during stakeholder discussions	5.1	20-21, Table 3	
Reporting practice	102-45 Entities included in the consolidated financial statements			Both the Annual Report and the Sustainability Report cover the whole Magyar Posta Zrt., including all units.
	102-46 The process of defining report content and topic boundaries, GRI principles	5.2, Annex I	21-22, 45	
	102-47 List of material topics	5.2	22, Figure 4	
	102-48 Restatements of information			none
	102-49 Significant changes in reporting scope or boundaries compared to previous report			none

General disclosures	Indicators	Section	Page	Note
Reporting practice	102-50 Reporting period	5	19	2018
	102-51 Date of most recent report			2018
	102-52 Reporting cycle	5	19	yearly
	102-53 Contact point for questions regarding the report		43	
	102-54 Claims of reporting in accordance with the GRI Standards			This Report is not in accordance but is built on the GRI principles (GRI-referenced) and has been verified by a third party.
	102-55 GRI content index	Annex II	46	
	102-56 External assurance		52	
Topic-specific disclosures				
GRI 201: Economic performance 2016	103-1,2,3 Management approach	6.1	25	(https://www.posta. hu/about_ magyar_ posta/annual_reports)
	201-1 Direct economic value generated and distributed			(https://www.posta. hu/about_ magyar_ posta/annual_reports)
GRI 202: Market presence 2016	103-1,2,3 Management approach	6.2	26	
	202-2 Proportion of senior management hired from the local community	6.2	26	

General disclosures	Indicators	Section	Page	Note
GRI 302: Energy 2016	103-1,2,3 Management approach	6.3.1	27-28	
	302-1 Energy consumption within the organisation (renewable and non-renewable)	6.3.1	27, Table 5	
	302-3 Energy intensity	6.3.3	28	
	302-4 Reduction of energy consumption as a result of reduction measures	6.3.2, 6.3.3	28	
GRI 305: Emissions 2016	103-1,2,3 Management approach	6.4	30	
	305-1 Direct GHG emissions	6.4	31, Table 7	
	305-2 Indirect GHG emissions	6.4	31, Table 7	
GRI 306: Effluents and waste 2016	103-1,2,3 Management approach	6.5	32-33	
	306-2 Waste by type and disposal method	6.5	32-33	
GRI 307: Environmental compliance 2016	103-1,2,3 Management approach	6.6	33	
	307-1 Non-compliance with environmental laws and regulations	6.6	33	

General disclosures	Indicators	Section	Page	Note
GRI 401: Employment 2016	103-1,2,3 Management approach	6.7.1	34	
	401-1 New recruits and employee turnover by age and gender	6.7.6	37, Table 8	
	401-3 Return from parental leave and retention	6.7.6	37	
GRI 403: Occupational health and safety 2016	103-1,2,3 Management approach	6.8.1	38	
	403-1 Workers representation in formal joint management- worker health and safety committees	6.8.1	38	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, number of work-related fatalities	6.8.2	39, Figures 8 and 9, Table 10	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	6.8.2	38, Table 9	
GRI 418: Client data protection 2016	103-1,2,3 Management approach	6.9.1	40-41	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.9.1	41	

The background features a series of overlapping, wavy, organic shapes in various shades of green, ranging from light lime to deep forest green. A prominent red wavy line runs horizontally across the lower third of the image. The overall composition is modern and abstract.

Assurance



Assurance Letter regarding the Sustainability Report of Magyar Posta Zrt. in year 2018

RTG Corporate Responsibility Ltd. (hereinafter referred to as RTG) was assigned to provide third party assurance of the Sustainability Report of Magyar Posta Zrt. regarding 2018 (hereinafter referred to as Report), the result of verification is presented in this Assurance Letter (hereinafter referred to as the Letter). The Letter was solely prepared for publication in the Sustainability Report of Magyar Posta, RTG does not assume responsibility for any use by independent third party.

Responsibility of Magyar Posta Zrt.

Magyar Posta Zrt. takes responsibility for the completion of the GRI referenced Sustainability Report and it was approved by the Chief Executive Officer of Magyar Posta Zrt.

Responsibility of RTG

Within the framework of the verification process providing limited certainty, RTG is assigned to draw its conclusions on the Report regarding the application of the sustainability aspects and context and the compliance with the GRI Standard principles.

Methodology, audit in practice

The entire verification process was carried out by taking into consideration the RTG Verification Matrix, through the following steps:

1. Examination of reporting process considering the application of the GRI reporting principles: analysis of internal documents, interview with the reporting coordination team, examination of data collection.
2. Full review of the Report according to the GRI Content Index.
3. Data level verification of information and quantitative data of 5 randomly chosen performance indicators – covering different fields of sustainability:
 - 102-46: Defining report content and topic boundaries
 - 202-2: Proportion of senior management hired from the local community
 - 305-2: Energy indirect (Scope 2) GHG emissions
 - 401-1: New employee hires and employee turnover
 - 403-3: Workers with high incidence or high risk of diseases related to their occupation
4. Senior management interview regarding sustainability engagements.
5. Drawing conclusions: delivering independent Assurance Letter and closing-documentation of the verification process for Magyar Posta Zrt.

Tóth Gabriella
project leader
RTG Corporate Responsibility Ltd.



- ✓ Credibility of data and information
- ✓ Presentation of sustainability context and related issues
- ✓ Compliance with GRI reporting principles and quality of data disclosure
- ✓ Extent of stakeholder inclusiveness
- ✓ Presentation of sustainability challenges and goals
- ✓ Identification of development potentials

Conclusion

According to the verification process providing limited certainty regarding the Sustainability Report of Magyar Posta Zrt. on 2018 by RTG, we made sure that during the reporting process the GRI Standards were considered and no factors were revealed according to which we would assume that the Report contains significant false statements.

During the assurance process no factors were revealed which would question the credibility of the published data, the obtained information and the evidence provide a sufficient and proper basis to draw conclusions. There is no obligatory indicator, neither among general disclosures, nor related to the identified material topics which would not be covered.

Development opportunities for the future

Development opportunities related to the reporting performance of the Magyar Posta:

- Compliance with the whole Standard beyond compliance with the Reporting Principles.
- Greater involvement of external stakeholders in material analyses with the identification of the opinions of the different stakeholder groups,
- Development of data- and information gathering process documentation.
- Review of the Report's structure, e.g. presenting corresponding topics in one place, displaying material contents in the foreground.

26 September, Budapest

Radnai Tamás
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