2015 SUSTAINABILITY

International Post Corporation

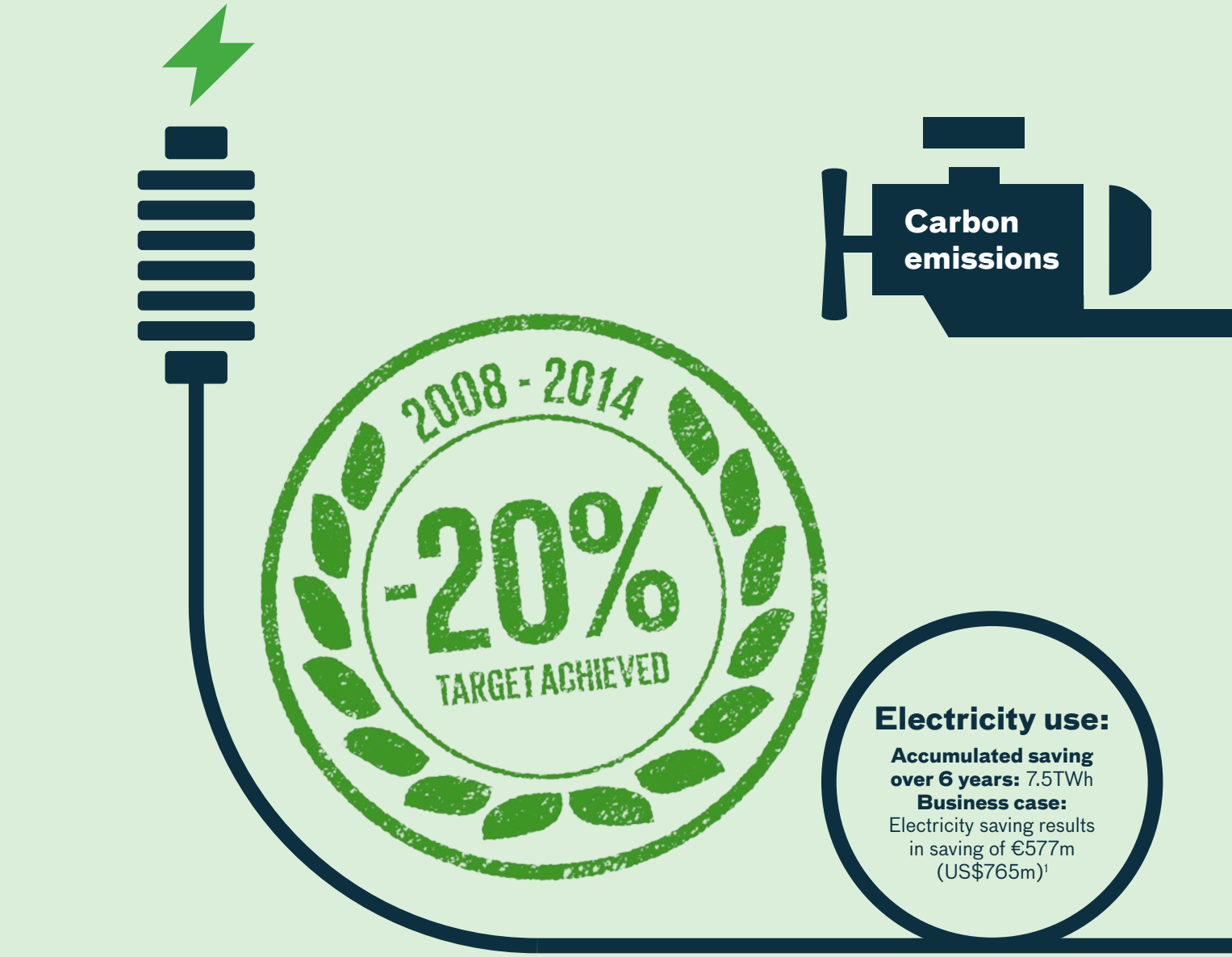
POSTAL SECTOR SUSTAINABILITY REPORT 2015

Responsible for the future

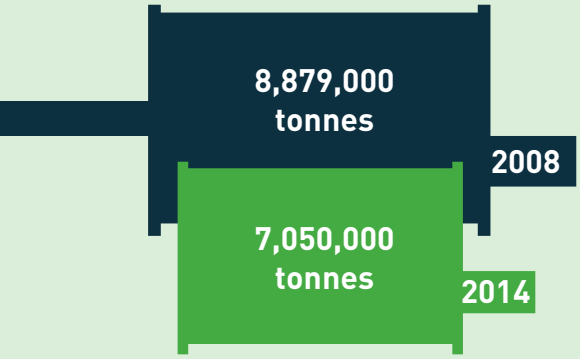
download

64 pages
November 2015

www.ipc.be



1) For detailed conversion rates, see page 13.



-20.6%

Accumulated saving over 6 years:
8,178,000 tonnes of CO_2 emissions saved

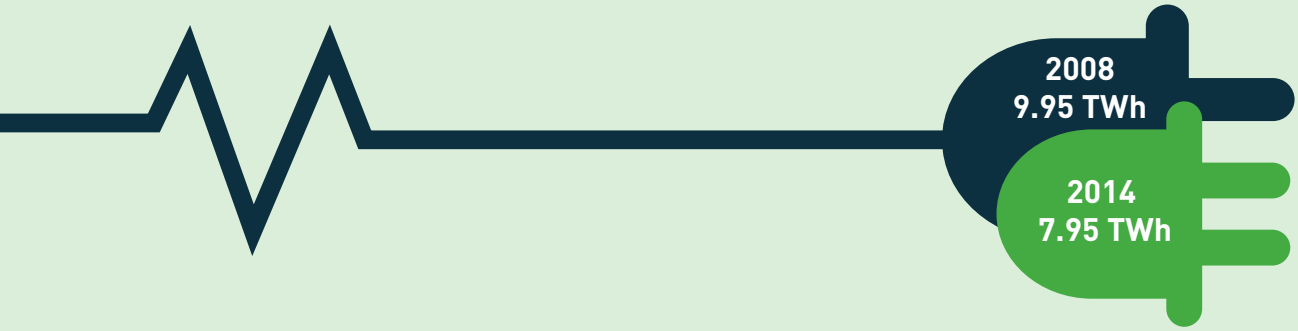
EMMS PARTICIPANTS

AN POST - IRELAND
AUSTRALIAN POSTAL CORPORATION - AUSTRALIA
BPOST - BELGIUM
CORREOS - SPAIN
CTT CORREIOS DE PORTUGAL - PORTUGAL
DEUTSCHE POST DHL GROUP - GERMANY
EMPRESA BRASILEIRA DE CORREIOS E TELÉGRAFOS - BRAZIL
LE GROUPE LA POSTE - FRANCE
NEW ZEALAND POST LTD - NEW ZEALAND
NIGERIAN POSTAL SERVICE - NIGERIA
ÖSTERREICHISCHE POST - AUSTRIA
POST LUXEMBOURG - LUXEMBOURG
POSTE ITALIANE - ITALY
POSTEN NORGE - NORWAY
POSTI - FINLAND
POSTNORD - DENMARK AND SWEDEN
POSTNL - THE NETHERLANDS
ROYAL MAIL GROUP PLC - UNITED KINGDOM
SOUTH AFRICAN POST OFFICE - SOUTH AFRICA
SWISS POST - SWITZERLAND
UNITED STATES POSTAL SERVICE - UNITED STATES

100,000
BUILDINGS OWNED BY POSTS PARTICIPATING IN EMMS

500,000
POSTAL VEHICLES IN EMMS PARTICIPANTS' FLEET

1.8M
POSTAL WORKERS IN EMMS PARTICIPANTS' WORKFORCE



ABOUT INTERNATIONAL POST CORPORATION

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

For more information please visit our website at **www.ipc.be**

INTRODUCTION

Herbert-Michael Zapf
President and CEO, IPC

In December 2015, Paris will host the 21st Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP21), with the aim of finalising a new international agreement to limit global temperature rise to below 2ºC. With this in mind, the IPC Environmental Measurement and Monitoring System (EMMS) programme demonstrates how the postal sector is committed to reducing its carbon footprint via a collaborative, global initiative, and is a leading sector in this respect. It is with great pride that this year we are able to report that the EMMS programme has reached its 2020 target of achieving a 20% reduction in participants' own emissions, six years ahead of schedule. This illustrates the strong leadership and commitment of posts to improve their carbon management in order to significantly reduce the sector's contribution to global emissions.

While these reductions are a significant achievement, it is essential to stress the importance that posts participating in the programme continue their efforts to achieve further reductions. This will require more significant and longer-term investments, which we have already seen are highly effective. Improving energy-efficiency in buildings, increasing the use of renewable energy sources, and switching to alternative fuels for vehicles are key measures that posts are investing in, and it is fantastic to see so many examples of these initiatives in the Case Studies section in this report. Not only do these initiatives have considerable environmental benefits, they also yield financial savings. For example, using conservative estimates the group has achieved a financial saving of €904m (US$1,199m) through reduced fuel and electricity use since the start of the programme in 2008.

Having achieved our 2020 target, we must progress with the programme in order to continue our efforts towards minimising the postal sector's carbon footprint. In doing so, we must endeavour to place greater emphasis on efficiency. Parcel volumes are increasing, largely due to the rise in e-Commerce, which is leading to greater outsourcing as part of the delivery. Recognising this trend, we believe it is imperative that we extend our current reduction target to Scope 3 emissions generated by sub-contracted and outsourced activities, and ensure that supply chain management is a key focus.

To this end, we have developed a new efficiency target for the EMMS programme to achieve a 20% reduction in total emissions (Scope 1, 2 and 3) per letter mail and per parcel by 2025, from a 2013 baseline.

Posts have already taken pro-active measures to reduce Scope 3 emissions, such as introducing stringent sustainability requirements within their procurement procedures and through their supply chain management practices. As part of these measures, we need to actively increase usage of renewable energy resources. While posts have already been active in this respect, it is critical that this momentum is sustained, particularly in alternative energy sources and alternative vehicles, in order to meet our new efficiency target.

The results presented in this report provide motivation for us and our participants to advance our efforts towards improving carbon management. We hope to extend the reach of the programme to involve more posts and expand our global reach, while remaining fully engaged with our current participants. As a group we will work collaboratively to intensify our efforts towards continued improvement, identify key challenges and propose new solutions to future emissions reductions. By doing so we are making an important contribution to align with the IPCC's strong recommendation that global warming be limited to below 2°C in order to avoid the most dangerous impacts of climate change.

> “Meeting our 20% emissions reduction target six years early demonstrates the commitment, motivation, and strong leadership that the EMMS participants have maintained throughout the programme.

TABLE OF CONTENTS

1. EMMS

IPC's Environmental Measurement and Monitoring System (EMMS) programme is a sector wide initiative acting to address the impact of global climate change via a collaborative approach to reduce carbon emissions. The EMMS programme was developed in 2008 in response to stakeholder and CEO requests for the postal sector to minimise its carbon footprint following concerns regarding the contribution of the sector to greenhouse gas emissions. The EMMS programme is a global initiative, consisting of 21 participants from five continents – Europe, North America, South America, Australasia and Africa.

90%
CMP TARGET BY 2020

-20%
CO_2 EMISSIONS BY 2020

In line with the programme's aim to reduce carbon emissions across the sector, IPC and the programme's original 20 participating posts together set two ambitious targets to be achieved collectively by the EMMS group by 2020 (from a 2008 baseline year):

- To achieve a score of at least 90% in carbon management proficiency
- To reduce combined carbon emissions from own operations by 20%

Following a pilot in 2008, the EMMS programme was launched in 2009, capturing the data and progress for the 2008 calendar year.

The underlying principle of the EMMS programme is that only through a comprehensive approach to carbon management can significant, systematic, and sustainable carbon emissions reductions be achieved. The programme provides a common carbon measurement and reporting structure that enables participants to share their carbon and environmental management strategies, performance and achievements. There are multiple stages of data collection involved in the EMMS process. The first stage is a qualitative section, which requires participants to complete a comprehensive self-assessment questionnaire to assess their carbon management proficiency. There are ten management pillars under consideration, including policy and procedures, activity, measurement and verification, and targets. The next stage of the process is the quantitative section, which requires participants to report carbon emissions and other operational data in order to measure carbon efficiency and thereby assess the efficacy of participants' carbon management systems.

IPC works closely with Verisk Maplecroft, an independent global risks analytics and advisory firm, to develop and deliver the annual Sustainability Reports and broader EMMS programme. Verisk Maplecroft undertakes thorough inspections of participant data via multiple rounds of plausibility checks and review of supplementary

Seeing the results that the postal companies of the world have realised between 2008 and 2014 is impressive. More than 20% reduction of carbon emissions and around one billion dollars saved.

It just shows again that when companies work together on an agenda as important as sustainability, the results will reach a scale that no individual company could otherwise achieve. IPC has done a great job pulling all this together and giving it the prominence on the collective agenda of the posts.

Going forward I strongly suggest the IPC broadens the focus to cover the Sustainable Development Goals (SDG's). Postal companies are so intertwined with the societies in which they operate. Surely they can and must further improve their environmental footprint. At the same time a big part of their value lies in the social fabric of societies and the SDG's are the perfect target to drive further progress against.

Peter Bakker
President and CEO, World Business Council for Sustainable Development (WBCSD)

evidence in order to ensure consistently high levels of accuracy. To promote continuous improvement, detailed assessments for individual posts are jointly developed. In addition, data is aggregated and analysed at the group level in order to produce the reports and supplementary material used both internally and with participants. IPC collects, analyses, and reports on the results of the EMMS programme annually in the form of publically available Sustainability Reports. We ensure our data is accurate and credible through a third-party review from our external accountant, PricewaterhouseCoopers (PwC), providing us with limited assurance.

There were 20 original members at the start of the EMMS programme in 2008, which are referred to as the 'Original' group. Since then, there have been changes to the group as participants have joined and left the programme. Since 2009, five new participants joined: Österreichische Post, Poste Italiane, South African Post Office, Empresa Brasileira de Correios e Telégrafos, and Nigerian Postal Service. Additionally, three participants did not submit any data to the EMMS programme in the 2014 reporting year, while two posts participating in the programme merged to form one: Post Denmark and PostenAB merged to form PostNord.

In previous years we have excluded new participants from the carbon performance indicator (CPI) group results. However, in order to accurately track the reporting group's progress towards the 20% reduction target, this year the aggregated results provided (unless otherwise stated) include results from new participants, and exclude figures from posts that did not report in the 2014 reporting year (see Annex). We refer to the group of 21 posts that submitted data to the programme in the 2014 reporting year as the 'Current' group (see Annex), and it is this group that we report on. In the Carbon Management Proficiency (CMP) analysis, as in previous years, we have distinguished between the group of 19 posts that began submitting completed questionnaires prior to 2012, and the group of 21 which includes the two new participants that reported for the first time in 2012. These scores are distinguished between because those of new participants are typically relatively low in their first few years of reporting. We do, however, recognise that the rate of improvement of the new participants is commensurate with the rate of improvement of the group as a whole. We expect that new participants will gradually improve their scores from this baseline through participation in the EMMS programme.

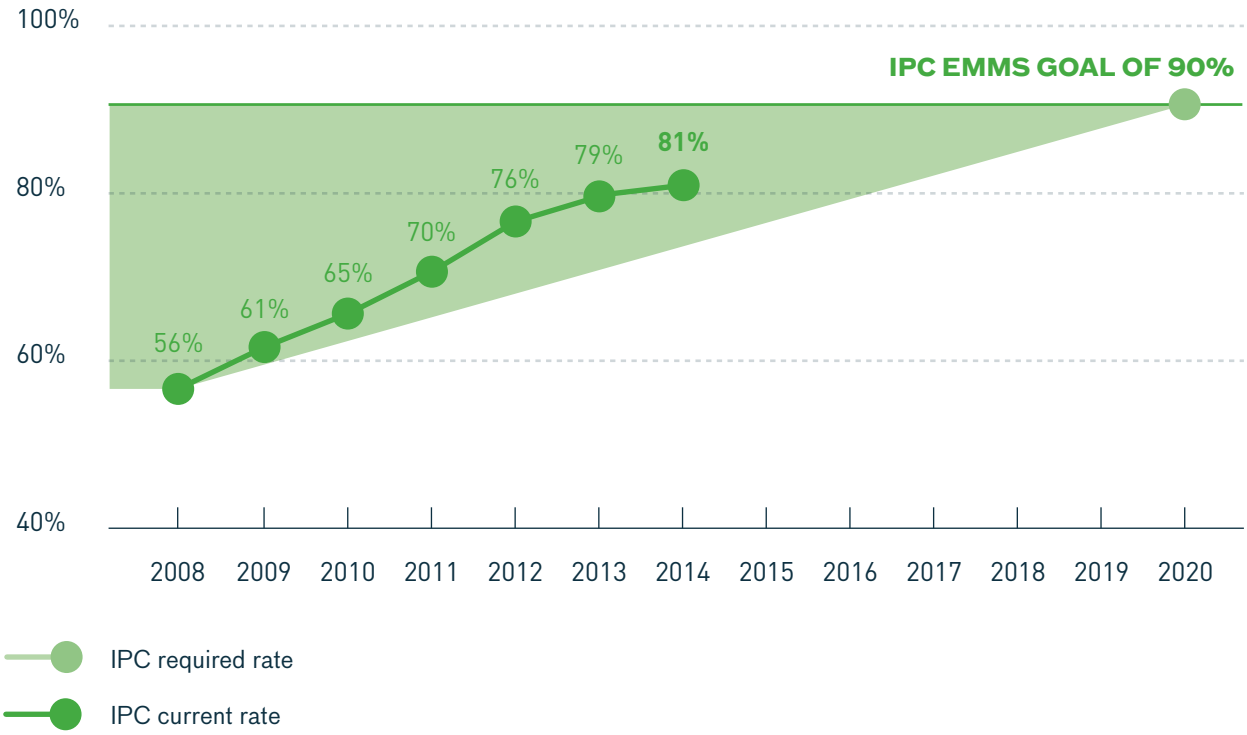
1.1 2008 – 2014 RESULTS: MOVING TOWARDS OUR TARGETS AHEAD OF SCHEDULE

CARBON MANAGEMENT

On its current trajectory, the EMMS group is on track to achieve the 90% CMP target before 2020. This has been made possible by year-on-year improvements in the group's score. In 2014, EMMS participants achieved an average of 81% (2013: 79%). This is an increase of 25 percentage points since 2008, and represents an annual average increase of 4.2 percentage points. There remains only a 9 percentage point increase to be made over the next six years, which we are confident the group can achieve. For detailed results, see the Technical Analysis section.

Several posts stand out at the individual level, leading the group with excellent results. Indeed, the 90% target has already been surpassed by four posts, all from the European region, while a further ten posts achieved overall scores of at least 75%. Notably, our highest scoring participant scored 100% in six of the ten management pillars. All participants report on emissions in the public domain. While we do not publish individual results, best practice examples of carbon management initiatives can be found in the Case Studies section.

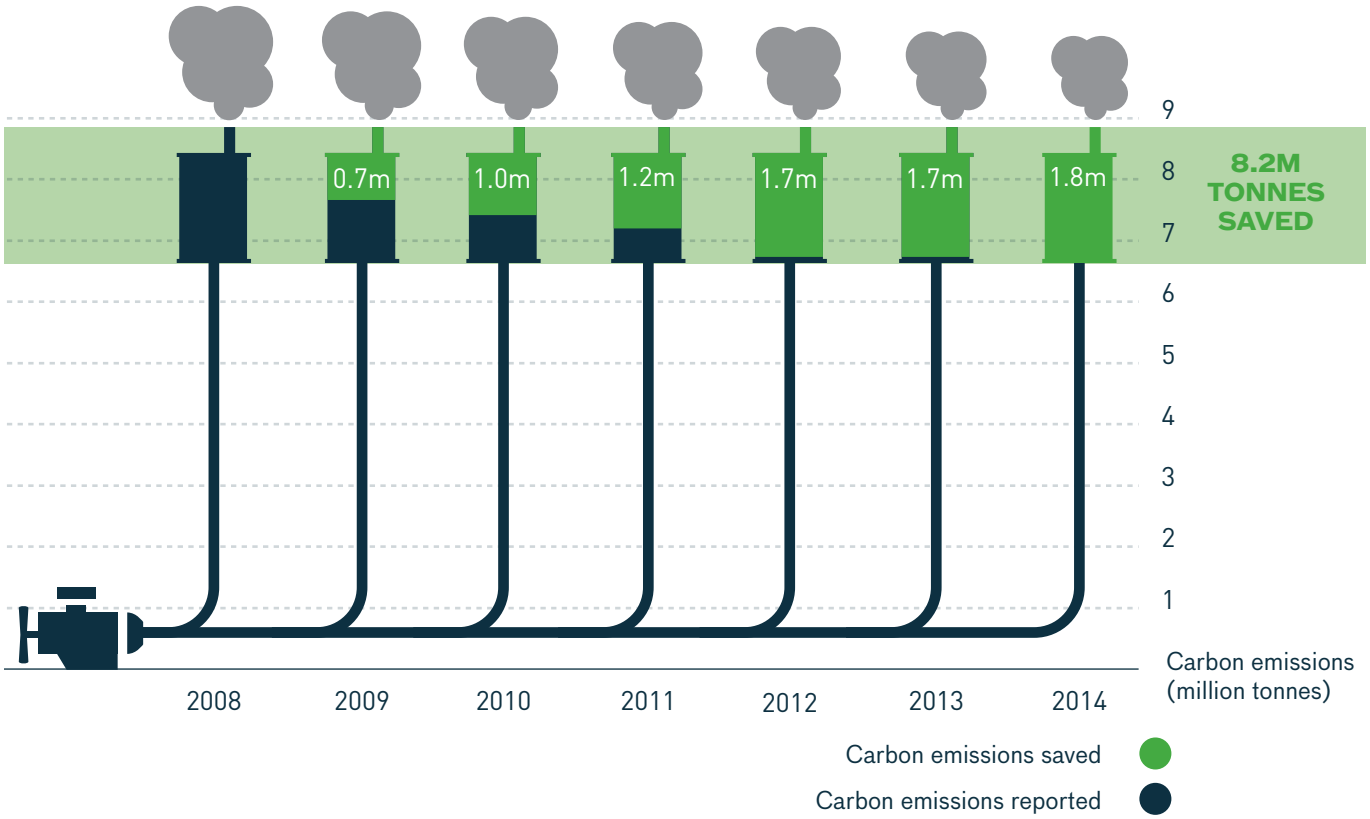
Figure 1: 2008-2014 Overall Carbon Management Proficiency results



CARBON EMISSIONS

The continuous and substantial efforts of participants to improve their carbon management have been very successful in driving emissions reductions, resulting in the 20% emissions reduction target being successfully reached this year. The group's emissions have decreased by 20.6% since 2008, from 8,879,000 tonnes to 7,050,000 tonnes (see Figure 2). By aggregating savings since 2008, this equates to a cumulative 8,178,000 tonnes of carbon emissions that have been avoided over the six-year period.

Figure 2: Carbon emissions reported and accumulated savings compared with the baseline



Group emissions decreased by 102,000 tonnes, or 1.4%, between 2013 and 2014. Scope 1 emissions from heating and air transport decreased (by 9% and 6%, respectively), while Scope 2 electricity purchased also decreased (by 1%). Assessing the achievements of individual posts, 14 posts met the 20% target in the 2014 reporting year.

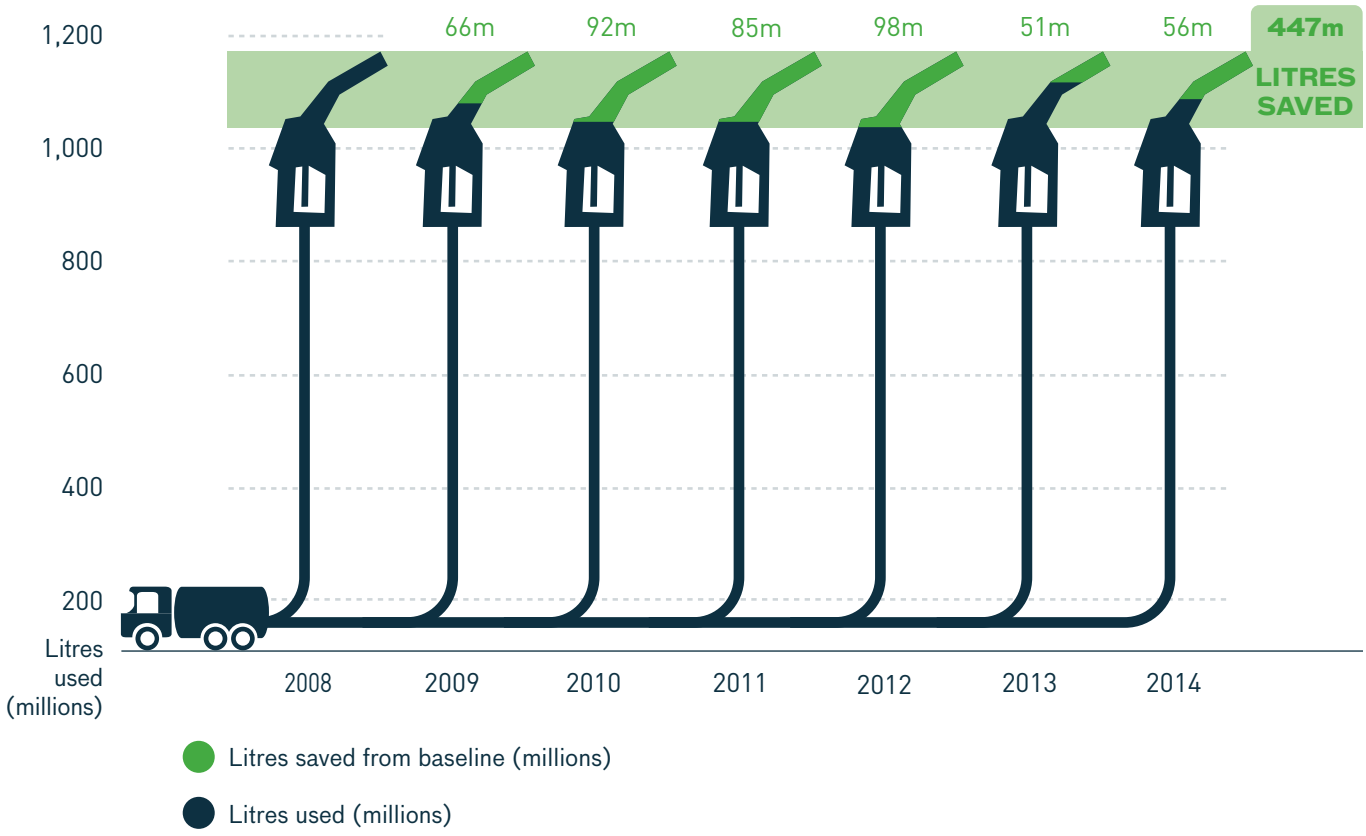
We are careful to ensure that reductions in posts' own emissions are not achieved through outsourcing transport (Scope 3 emissions), as this would effectively mean the shifting of responsibility of carbon emissions produced as the result of post operations onto other actors. Since 2011, when we first gained limited assurance for outsourced transport, an overall decrease in emissions from own and outsourced transport has been reported by the EMMS group. Between 2013 and 2014, emissions from own transport decreased by 15,000 tonnes, while emissions from outsourced transport decreased by 91,000 tonnes.

BUSINESS CASE

FUEL CONSUMPTION

Reducing fuel consumption and electricity use, the main contributors to the group's carbon emissions, also presents opportunities for the group to achieve considerable financial benefits. The group's own transport emissions have decreased by 5% between 2008 and 2014. When compared to figures if emissions had remained constant, this represents an accumulated saving of 1.2m tonnes of CO_2 over the six years of the programme. Using a conservative conversion factor for diesel to calculate the approximate number of litres saved over this time period, the accumulated figure amounts to 447m litres. This represents a financial saving of €327m (US$434m) – a clear incentive for businesses to improve their carbon management.[1,2]

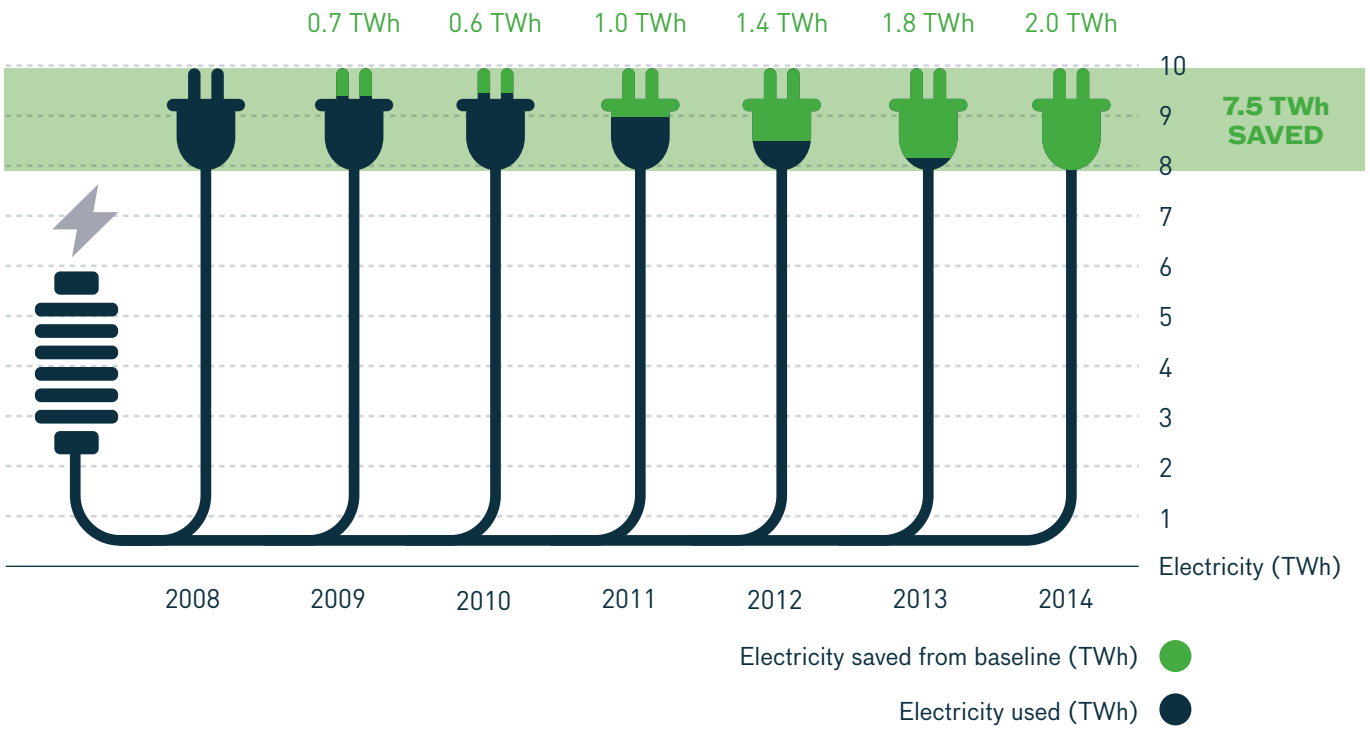
Figure 3: Fuel consumption and accumulated savings compared with the baseline



ELECTRICITY CONSUMPTION

Overall electricity consumption has also shown significant reductions since the start of the programme. Consumption has decreased from 9.95 TWh in 2008 to 7.95 TWh in 2014, which translates into an accumulated saving of 7.5 TWh over six years. Again using a conservative factor for the cost of electricity this results in a saving of €577m (US$765m).[3]

Figure 4: Electricity consumption and accumulated savings compared with the baseline



1. World bank conversion factor of US$0.97/litre (http://data.worldbank.org/indicator/EP.PMP.DESL.CD)
2. Currency conversion from OECD (http://stats.oecd.org/index.aspx?queryid=169)
3. US Energy Information Association, Electric Power Annual, Average retail price of electricity to ultimate end users by end-use sector, 2012 Total (http://www.eia.gov/electricity/annual/). Currency conversion from OECD (see above).

THE ROAD AHEAD FOR EMMS

> It is important to continue to develop the programme in order to further concentrate our efforts towards minimising our carbon footprint.

This year we have been successful in reaching the programme's target of reducing emissions by 20%, six years earlier than the 2020 target date. This is a highly commendable achievement, made possible by the hard work and collaborative effort of the group. However, we believe that it is important to continue to develop the programme in order to further concentrate our efforts towards minimising our carbon footprint, and remain a leading sector with respect to our efforts to reduce our contribution to global emissions. We will therefore be placing greater emphasis on carbon efficiency, progressing the programme from our previous focus on total absolute volumes of emissions reduction. We will also be broadening the coverage to include Scope 3 emissions from sub-contracted and outsourced transport in our targets.

There continues to be an increase in parcel volumes throughout the sector (while letter mail volumes are decreasing), which can largely be attributed to the expansion of e-Commerce. This presents a greater challenge to achieving emissions reductions, while also increasing the use of outsourced transport for at least part of the delivery. With these aspects in mind, we have established a new efficiency target, for the EMMS group to reduce emissions (Scope 1, 2 and 3) per letter and per parcel by 20% by 2025. By reporting on these activities individually, we will achieve greater transparency in efficiency trends, while ensuring consistent progress towards improving our carbon efficiency. For more information, see the "Carbon Emissions: Delivery Efficiency (2013-2025)" section of the report. Nevertheless, we will continue to credibly and transparently report on the progress being made on absolute emissions reductions.

For next year, we are also reviewing specific pillars of the CMP questionnaire, taking into account suggestions from our participants in this year's Sustainability Workshop. Each year the Technical Review Committee consistently reviews the questions and scoring to ensure they effectively assess participants' carbon management systems against each pillar, as well as recognise best practice. By continually improving this process we continue to focus our efforts on opportunities to promote further emissions reductions.

IPC, in conjunction with the EMMS group, have this year completed a horizon-scanning exercise with the aim of identifying in advance any internal and external factors that may influence the group's emissions. During 2015 we asked all participants to provide a half-year scan, reporting any forecast or experienced changes in their operations that could result in a significant emissions increase. Participants were requested to report on any business acquisitions, restructuring, or unusual/severe weather conditions. The majority of posts did not identify any of these factors as having a significant impact on their emissions this year. However, a small number of posts reported experiencing cold winters and/or very hot summers, which they suggest may result in increased heating and electricity consumption. Some posts have reported that by choosing a renewable energy supply they expect to counteract the impact of a higher electricity requirement on increasing emissions.

With regard to employee engagement, under the EMMS programme there are around 2m staff globally, among which many drivers, IPC organises bi-annually the IPC Drivers' Challenge; in which drivers and managers from participating posts compete against each other on fuel-efficient driving, safety and customer-friendliness. In March 2015 IPC organised the third edition hosted by Posti, the Finish postal operator, in Ivalo, Finland. Teams from seven posts participated in the competition, which aimed to raise awareness of the importance of eco-driving to reduce emissions from transport, while providing posts with the opportunity to reward their drivers and motivate others in the process. The fourth IPC Drivers' Challenge is scheduled to take place in Belgium in the autumn of 2016.

During the annual Workshop on Sustainability in June 2015, participants expressed interest in establishing two working groups. Following a presentation of the US Postal Service's Climate Change Adaptation Plan, a number of participants proposed setting up a sub-group to work on this topic, to be known as the Working Group on Climate Change and Adaptation. In addition, participants expressed a desire for a sharing agreement regarding Scope 3 emissions from cross border mail. A Working Group on the exchange of Scope 3 emissions of cross-border mail will be established in order to facilitate this.

We also further intensify our collaboration with international organisations to strengthen the programme's position as a leading carbon management initiative. We work closely with the UNFCCC in order to support and promote the Climate Neutral Now initiative. In addition, we will continue to collaborate with WWF's Climate Savers initiative. We are also looking to expand our existing data-sharing partnership with the Universal Postal Union (UPU) and PostEurop (PE), sharing both CMP and CPI data in order to build on current areas of collaboration in environmental sustainability.

2. POSTS' BEST PRACTICE CASES

AN POST
AN POST STAMPS OUT ENERGY WASTE

JOHN SMITH, AN POST SUSTAINABILITY TEAM (LEFT) IS PRESENTED WITH THE NATIONAL GREEN AWARD FOR BEST PUBLIC SECTOR ORGANISATION BY ALAN KELLY, MINISTER FOR THE ENVIRONMENT, COMMUNITY AND LOCAL GOVERNMENT (RIGHT)

An Post's successful sustainability programme is now inspiring other businesses in the group to follow its lead. The company has retained the ISO 50001 Energy Management Standard for the second successive year using a framework of annual energy reviews, a Planned Preventative Maintenance (PPM) Programme, implementing site audits and an internal communications plan alongside trained and motivated staff.

An Post originally adopted the standard in 2013 to help it understand its energy use across its diverse building stock, much of which is in use 24 hours a day. ISO 50001 offered a structure within which An Post could benchmark itself against other companies and then seek to improve its energy performance and ultimately comply with a government mandated 33% reduction in energy use by 2020.

The application of the standard has resulted in a definite return on investment: An Post's sustainability initiatives are now self-funded from energy savings, while the company has reduced energy use by 9% in 2014 and 7% so far during 2015. Subsidiaries across the An Post group, including diverse businesses such as insurance and global distribution, are now also examining accreditation to ISO 50001 standard.

However, the next challenge is how to sustain this progress. ISO 50001 is modelled on making incremental improvements across the business to generate continual energy savings. So An Post has enlisted its sustainability team to examine its energy data in more detail and subsequently develop staff training to elicit even more savings.

AUSTRALIA POST
ENERGY SAVING PACKAGE OPENS UP SAVINGS FOR AUSTRALIA POST

A comprehensive and consistent approach to energy efficiency across its real estate and transport businesses has helped Australia Post save 9,614 tonnes of CO_2e in 2014/15. This brings the company's overall emissions reduction to just under 15%, well on the way to achieving its goal of a 25% reduction by 2020 in comparison to the 2000 baseline.

Over the past year, Australia Post has continued to introduce renewable energy into its property operations, including the installation of an additional 478 kW of solar power at 17 sites around Australia. Energy efficiency upgrades have commenced at an additional 100 sites including lighting cooling and heating upgrades.

Australia Post established a Green Information and Design Technology Programme which has delivered savings through enhanced data centre management of servers and computer equipment upgrades.

In May 2015, 1,000 staff moved to a newly refitted building incorporating environmental features such as natural light, water conservation, waste management and "follow me" print technology. Australia Post is now working towards a 5 Star Green Star certification for the building, which would be the fourth building in its portfolio to achieve this prestigious accreditation.

Australia Post also places great emphasis on greener transport. Its 12,000-strong fleet now includes Australia's first 100% electric commercial van as well as a number of vehicles powered by biofuel. Alongside more efficient logistics, these innovations helped generate a 3% reduction in carbon over the past year.

AUSTRALIA POST PLACES GREAT EMPHASIS ON GREENER TRANSPORT. ITS 12,000-STRONG FLEET NOW INCLUDES AUSTRALIA'S FIRST 100% ELECTRIC COMMERCIAL VAN AS WELL AS A NUMBER OF VEHICLES POWERED BY BIOFUEL

While rising costs related to electricity, fuel, waste, and water management have contributed to Australia Post's sustainability commitment, the company is also aware of the opportunity it has to support and drive better outcomes for employees and customers around environmental performance. Australia Post aims to continue to meet these expectations through its embedded energy efficiency programme that includes monitoring, measurement, audits design, research and development and increasingly utilising low-carbon/ renewable energy.

BPOST
PUSHES ENVELOPE WITH GREEN INITIATIVES

CDP CLIMATE DISCLOSURE LEADER 2014

LEAN and GREEN

BPOST WAS AWARDED A 'LEAN AND GREEN' LABEL IN DECEMBER 2014, RECOGNISING BUSINESS EFFORTS TO REDUCE CO_2 EMISSIONS FROM TRANSPORT AND LOGISTICS ACTIVITIES

Left to right
Peter Lagey, Project Manager Lean and Green, Vlaams Institut voor de Logstiek (VIL)
Thibault d'Ursel, Sustainability Manager, bpost
Tom Goethals, Fleet Program Manager, bpost
Steve Sel, Project Officer, VIL

Programmes to reduce energy use, use alternate fuels in delivery fleets, and protect nature have made for an award-winning environmental programme at bpost. The group received a 'Lean and Green' label in December 2014, an award that recognises business efforts to reduce CO_2 emissions from transport and logistics activities, and also obtained xthe highest rating ("A") in the Climate Performance Leadership Index for its performance under the Carbon Disclosure Project (CDP).

Between 2007 and 2014, bpost reduced CO_2 emissions from its operations by 35%, while between 2005 and 2014 it cut energy consumption by 18%, while waste has decreased by 14% between 2009 and 2014. These achievements have been made possible by a host of environmental initiatives the group has brought in.

The mainstays of the policy include an energy consumption reduction plan for its buildings and its vehicle fleet, an eco-driving initiative for drivers, and an alternative fuel vehicles testing programme. bpost has also launched the City Logistics project, which aims to cut the number of deliveries made into the city centre by consolidating items within a facility on the outskirts of the city first. It is anticipated that the project could cut the amount of kilometres driven, and pollutants emitted, by as much as 30%. After a successful pilot in Antwerp, City Logistics will subsequently be rolled out in Brussels.

The company is also working to protect nature by planting a one hectare 'bpost forest' in the Waver forest in Lier. This investment was made in partnership with Natuurpunt, to which bpost awarded a long lease on a plot of land close to Ekeren to use for a project to protect biodiversity and local flora.

Encouraged by these results, bpost plans to continue its efforts to use energy rationally and minimise its environmental impact. New targets have been set for 2020, including a 45% reduction in CO_2 emissions compared to 2007 and a 25% cut in energy consumption compared to 2005 levels.

EMISSION REDUCTION PLAN HELPS CORREOS SAVE €2.5M

Correos has certainly delivered on the IPC goal of reducing carbon emissions by 20% by 2020. The Spanish company hit the target eight years early after extending and revising its Master Plan on Energy Efficiency (MPEE, PDEE in Spanish).

Correos was already monitoring its 200 most power-consuming premises each month, as part of a programme to reduce both environmental impact and power cost. But the new 2014 MPEE includes 27 measures to further rationalise Correos' use of energy. It combines some monitoring measures, such as the telemetry system test in 37 centres, and the creation of a database of energy consumption for more than 3,000 working centres. Correos has also teamed up with the Spanish Institute for Diversification and Energy Saving (IDAE) to build staff awareness around energy management, and is even assessing the energy efficiency possibilities of using drones.

Correos is also reaping financial benefits from its low carbon efforts. In the last five years, the efficiency measures Correos has introduced have reduced power consumption by 22.3m kWh, saving the company more than €2.5m. This has also avoided the emission of 3,593 tonnes of CO_2 emissions, while a 16% increase in green electricity use has helped to almost halve Scope 2 emissions.

IN THE LAST FIVE YEARS, THE EFFICIENCY MEASURES CORREOS HAS INTRODUCED HAVE REDUCED POWER CONSUMPTION BY 22.3M KWH, SAVING THE COMPANY MORE THAN €2.5M

Correos has now set a new challenge to reduce emissions by another 15%, aiming for a 35% reduction in 2020. Meanwhile, as part of the company's Green Power Purchase Plan it has committed to buying gradually increasing volumes of renewable electricity until half of the company's power is derived from clean sources.

CUSTOMERS VOTE FOR CTT'S GREENER OFFSETTING PROJECTS

CUSTOMERS OF CTT CORREIOS CAN NOW ALSO VOTE ON WHICH ENVIRONMENTAL PROJECTS THE COMPANY SUPPORTS ON THE NEWLY LAUNCHED CTT SUSTAINABILITY FACEBOOK PAGE

Customers of Portugal's CTT Correios have been able to choose a greener delivery service since 2010. But now they can also have their say on which environmental projects the company supports.

CTT's Correio Verde (Green Mail) includes carbon offsetting as a cost-free, standard feature. Since its launch Correio Verde's carbon emissions have been compensated through offsetting projects chosen by CTT. This year's process involved whittling down 21 prospective projects on the basis of type of offsetting, geography, certification credentials, costs, social and environmental benefits, before CTT put forward four finalists for voting on social media. The vote was the opening event of "Esfera CTT", the newly-launched Facebook page on Sustainability of CTT (www.facebook.com/EsferaCTT).

By opening the decision-making process to the public, CTT's aim was to deepen stakeholder engagement, especially with the elusive digital generation, and to improve transparency around project selection. CTT also wanted to create product differentiation by using carbon brokers' logos on Correio Verde envelopes and packages, and established a launch pad to expand the participative carbon approach to other products and services.

The project attracted over 39,000 registered users, of which 13% were from overseas, and 1,200 online voters. As the first carbon participative offsetting process in Portugal, it also attracted the attention of the press, TV channels – including one of the most popular morning programs in the country – and social media.

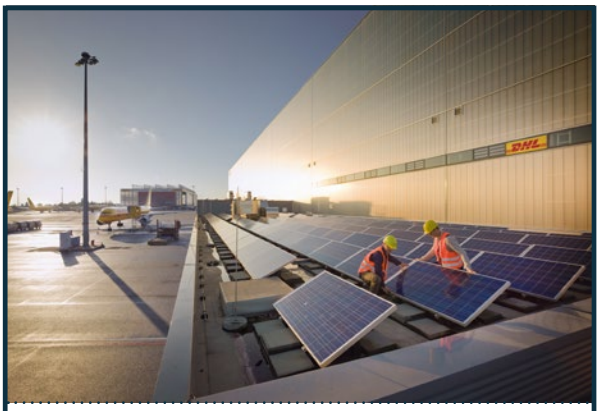
The visibility of the project also helped drive increased revenues: CTT's eco-portfolio recorded its biggest ever increase in the first half of 2015, with Correio Verde volumes growing by 24% and Direct Mail Eco reporting a 34% rise.

Deutsche Post DHL Group

DEUTSCHE POST DHL GROUP REACHING A GREEN ELECTRICITY BENCHMARK

In 2014, Deutsche Post DHL reached its target to increase its usage of green electricity in buildings to 60% of its global demand. This goal, set in 2012, was challenging to reach: as green electricity products are not available in all country and regional markets, some had to increase the share of green electricity far beyond 90%. In the process, the company has learned a lot about deploying green energy in different countries worldwide, how certification schemes are being applied and identified areas for future work.

The project is part of the company's holistic concept to reduce its environmental impact. Through the GoGreen programme, Deutsche Post DHL is implementing technologies to reduce energy consumption ("burn less") as well as mitigating carbon emissions by switching to sustainable energy sources ("burn clean"). For electricity, a number of transparent and verified approaches to use and trade sustainably generated energy already exist. This, and the addition of more electric vehicles to the company's fleet, motivated it to look into sustainable energy sources and start with the increased sourcing of green electricity.



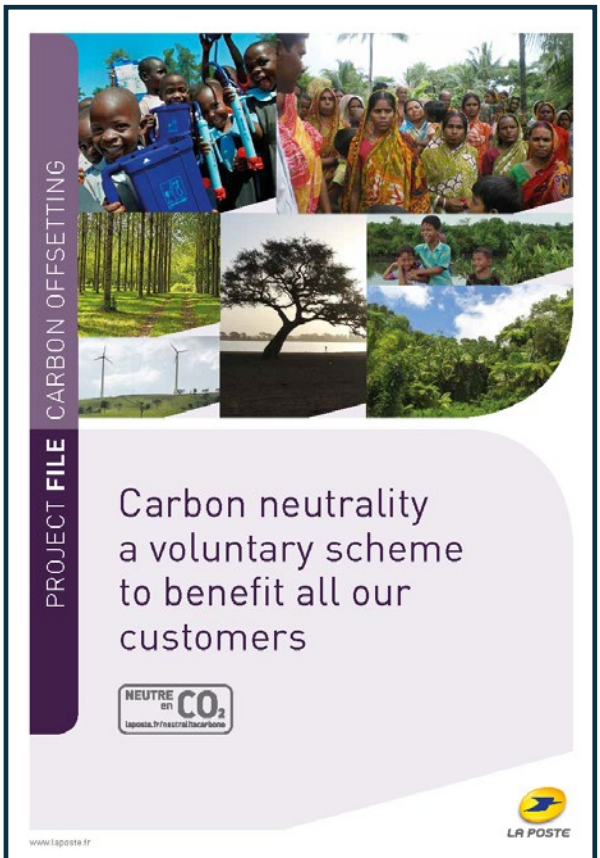
DEUTSCHE POST DHL GROUP ALREADY USES MORE THAN 90% OF GREEN ELECTRICITY IN ITS GERMAN, UK AND US OPERATIONS

The project started in 2012, when Deutsche Post DHL's share of green electricity was at 42% globally. The company reached its 60% goal by achieving 61.3% green electricity usage by the end of 2014. It achieved more than 90% green electricity usage in eleven countries: Belgium, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, the UK and the USA. As a result of these efforts, Deutsche Post DHL was able to avoid more than 450,000 tonnes CO_2e in 2014 alone.

As it will be challenging to reach far beyond the 60% level, the company is looking into new targets that further drive operational energy efficiency.

LE GROUPE LA POSTE

LE GROUPE LA POSTE OFFSETTING EMISSIONS IN FRANCE AND BEYOND



LE GROUPE LA POSTE HAS PILOTED A SERIES OF INITIATIVES, INCLUDING ALTERNATIVE VEHICLES AND ECO-DRIVING TRAININGS FOR ITS DRIVERS, AND IT ALSO OFFSETS RESIDUAL EMISSIONS

Since 2012, Le Groupe La Poste has offset its CO_2 emissions by purchasing carbon credits, making it the first French operator to ensure carbon neutrality for all its offerings.

Although Le Groupe La Poste has piloted a series of initiatives, including running around 30,000 alternative vehicles* and training its 82,000 drivers to use eco-driving, the company's activities mean it also requires offsetting to tackle residual emissions. Offsetting benefits the company by differentiating Le Groupe La Poste for its customers and partners. Meanwhile, integrating carbon as an accounting asset has driven innovation in terms of creating new solutions to reduce the company's carbon footprint at every level and cut offsetting costs.

The portfolio of projects Le Groupe La Poste finances is large, ranging from improving access to drinking water in Kenya (a project chosen by employees), to reforestation and biodiversity preservation in Borneo, development of renewable energy in India, and conservation of the Amazonian forest and its biodiversity in Peru – an initiative voted for by customers.

To enhance its offsetting programme, Le Groupe La Poste is one of the eight founding members of Postal Carbon Fund (PCF). The first carbon initiative dedicated to helping postal sector offset its emissions, the PCF aims at providing carbon credits to postal companies in developed countries who finance offsetting projects implemented by their counterparts in developing countries. In doing so, the PCF aims to build both carbon solidarity and low carbon development.

In 2015, Le Groupe La Poste offsets more than 90% of its 1.6m CO_2 emissions. Its next challenge will be to involve local managers in carbon management programmes, including preventing, measuring, reducing and offsetting emissions.

*Largest electric fleet for a company in the world rewarded during the 2014 Bidendum Challenge (China).

NEW ZEALAND POST
ACHIEVES MAJOR SAVINGS THROUGH WORKPLACE SUSTAINABILITY

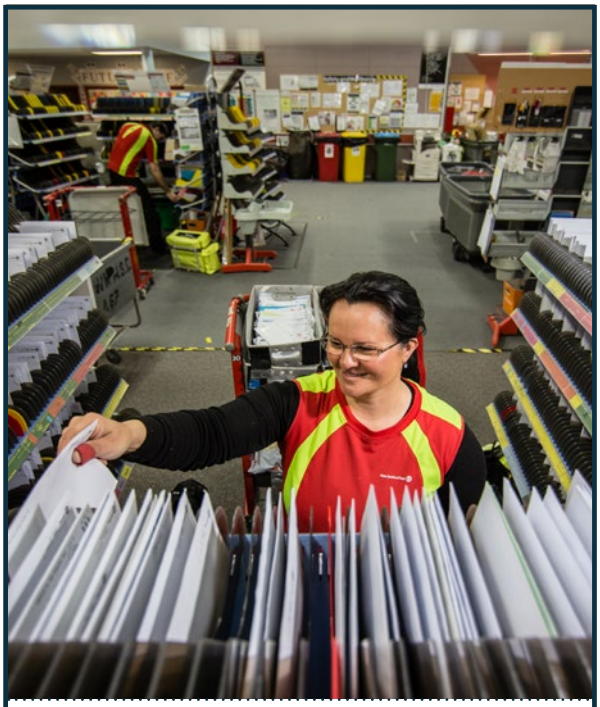
At the culmination of New Zealand Post's ambitious three-year resource efficiency programme in June 2015, the company managed to make significant reductions in energy use and waste to landfill and increase recycling rates.

The company had already reduced energy by 17% and halved waste to landfill between 2009 and 2012, by targeting the 'low-hanging fruit'. But longer-lasting change demanded a focus on problem areas and bold targets, namely cutting building energy by 8% across its portfolio by 2015, alongside a further 10% reduction in waste to landfill and increasing the total proportion of recyclables to 79%.

Throughout the 2012-2015 project, New Zealand Post placed an emphasis on making systems and behaviours part of 'business as usual'. This included tailoring systems and process changes to suit the operational requirements of the business, using smart meter information to manage energy use, involving staff in programmes such as waste audits rather than outsourcing to contractors, and raising awareness through management reports, staff events and other internal communications.

As a result of these measures, the company cut building and energy use by 14%, against an 8% target, saving the equivalent power use of around 700 New Zealand homes. Waste to landfill dropped by 36%, almost quadruple the 10% goal, and total recycling rate hit 77% – ensuring the group is now recycling over three times the volume of material it sends to landfill.

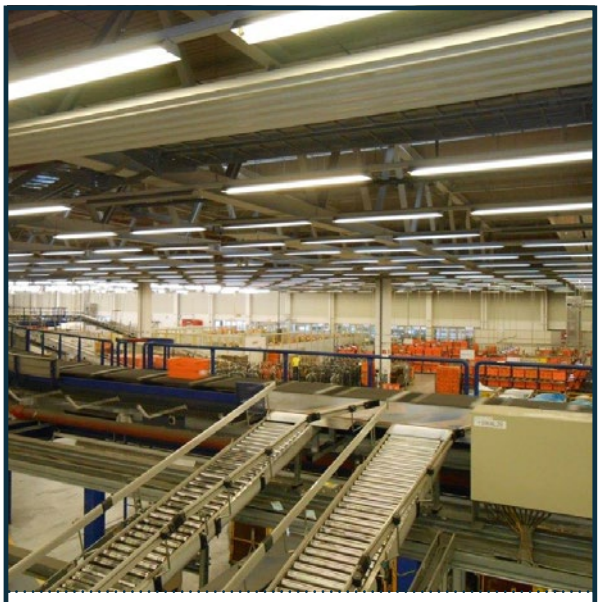
Greenhouse gas emissions have been reduced by over 1,000 tonnes CO_2e over the three years and generated cost savings of around NZ$900,000 (approximately US$600,000).



THROUGHOUT THE 2012-2015 PROJECT, THE COMPANY CUT BUILDING AND ENERGY USE BY 14%, AGAINST AN 8% TARGET, SAVING THE EQUIVALENT POWER USE OF AROUND 700 NEW ZEALAND HOMES

ÖSTERREICHISCHE POST AG

ÖSTERREICHISCHE POST LIGHTS THE WAY FOR ENERGY SAVINGS



AS PART OF ITS CO_2 NEUTRAL DELIVERY INITIATIVE, ÖSTERRIECHISCHE POST HAS FITTED ENERGY-EFFICIENT LIGHTS IN ITS LOGISTCS CENTERS

Österreichische Post launched its CO_2 NEUTRAL DELIVERY initiative in 2011 aimed at reducing emissions and increasing energy efficiency. As part of the programme the company has fitted energy efficient lights in its logistics centres which has helped reduce energy consumption and costs, as well as avoiding CO_2 emissions.

As the largest logistics company in the country, Österreichische Post is involved in a very energy-intensive business, which in turn leads to considerable environmental impact. In response to this the company set up its CO_2 NEUTRAL DELIVERY initiative, which aims to avoid emissions and increase efficiency, harness alternative sources of energy, and compensate for the energy that is used.

Under this programme Österreichische Post completed its first conversion of a lighting system to LEDs at its Vienna logistics centre in spring 2015, also taking the opportunity to fit an energy monitoring system for the building. Österreichische Post expects to have paid back its investment in around two and a half years. Moreover, during its 20-year life span the system is estimated to avoid over 4,800 tonnes of CO_2 emissions and save more than 26,300 MWh of electricity compared to a conventional lighting system. Annually, that works out to 240 tonnes of CO_2 and roughly 1,315 MWh.

Österreichische Post is planning to expand the programme in the coming years. Other lighting systems will be changed over the next years, with the Styria logistics centre next in line for conversion.

POST LUXEMBOURG
POST LUXEMBOURG GOES "LEAN AND GREEN"

In May 2015, POST Luxembourg was awarded the 'Lean and Green' label by the Luxembourg Cluster for Logistics.

With this label, POST Luxembourg commits itself to reduce its CO_2 emissions from logistics by at least 20% in five years (2015-2019). This objective will primarily be achieved through a gradual renewal of the fleet and eco-driving awareness courses.

It is anticipated that the label will help to change mentalities by developing a culture of responsible driving within POST Luxembourg. While the programme aligns with the company's overall CSR policy, it also fits with its aim of developing a 2015 CO_2 emissions inventory. On completion of this inventory a reduction plan will be developed and deployed in 2016, target reductions in emissions not only related to the vehicle fleet but from buildings as well.

More information about POST Luxembourg's CSR initiatives and objectives can be found in its 2014 CSR GRI G4 Report (www.postgroup.lu).

POST LUXEMBOURG WAS AWARDED THE 'LEAN AND GREEN' LABEL BY THE LUXEMBOURG CLUSTER FOR LOGISTICS

Posteitaliane

POSTE ITALIANE
MEASURED APPROACH CUTS POSTE ITALIANE'S ENERGY BILLS

ALONGSIDE THE BUILDING ENERGY MANAGEMENT SYSTEM (BEMS), POSTE ITALIANE HAS ALSO IMPLEMENTED A PHOTOVOLTAIC SYSTEM IN THE BARI MAIL SORTING CENTRE, WHICH PRODUCES ABOUT 29,400 KWH PER MONTH

Poste Italiane has saved around €3.5m by introducing a Building Energy Management System (BEMS) that controls energy consumption across its corporate buildings remotely. The system was put in place as part of a company-wide drive to reduce energy consumption from buildings, which accounts for more than two-thirds of Poste Italiane's carbon emissions.

The plan will see over 8,000 energy measuring devices installed in buildings, premises, and some equipment by the end of 2015. The 7,000 that have been fitted so far are already monitoring and collecting data for display in real time. Similar buildings are clustered to allow for better analysis, while decisions on relevant energy efficiency improvements are bolstered by information about the building's condition provided by a remotely accessible monitoring dashboard.

The programme has cut carbon dioxide emissions by around 7,000 tonnes per year and is on course to reduce yearly energy consumption by 18 GWh as building management becomes more tailored. In addition, the initiative has realised an immediate return on investment as the provision of measuring devices was included in the new maintenance contracts at no additional cost.

The next steps will be to identify ideal consumption profiles per site rather than using average usage figures from each cluster and also to build greater employee engagement.

E-LEARNING HELPS EMPLOYEES GET THE MESSAGE ON POSTEN NORGE'S ENVIRONMENTAL STRATEGY

Posten Norge's journey towards its goal of becoming an environmental leader in the industry has incorporated a range of commitments, including reducing CO_2 emissions by 40% by 2020. However, on top of its external commitments, the company also wanted to deliver the message of sustainability to all its employees.

To increase employees' knowledge and awareness about the group's environmental work, the company created a customised e-learning solution called Step by Step. Specifically developed by and for Posten Norge and its business service arm Bring, the course aims to ensure each person who completes it is aware of how the group works to reduce its environmental footprint. The course also presents an introduction to the general challenges facing the environment.

STEP BY STEP IS AN E-LEARNING SOLUTION AIMED AT INCREASING EMPLOYEES' KNOWLEDGE AND AWARENESS ABOUT THE GROUP'S ENVIRONMENTAL WORK

Step by Step makes use of a range of multimedia techniques, including video interviews with employees and Nordic climate experts, animations and short quizzes. To improve uptake, the course is available online in Norwegian, Swedish, Danish and English or can be completed as a group module for employees that do not have access to a computer at work. It consists of four modules and takes about 45 minutes to complete, with employees receiving a certificate at the end. On completion, each employee should not only be aware of the environmental steps Posten Norge is taking, but also be able to make good environmental decisions.

Since its launch at the start of 2015, feedback has been very positive, showing the green message has been well and truly received.

POSTI
HEADQUARTERS AWARDED GREEN OFFICE LABEL

POSTI'S HEADQUARTERS WERE AWARDED WWF FINLAND'S 'GREEN OFFICE' LABEL, A SYSTEM THAT ALLOWS THE COMPANY TO REDUCE ITS ENVIRONMENTAL LOAD WHILST ACHIEVING COST SAVINGS

Posti's environmental programme aims to reduce its carbon dioxide emissions by 30% by 2020, in relation to net sales (compared to 2007). The company has carried out various energy efficiency actions during the past few years that culminated with its headquarters being awarded WWF Finland's Green Office label in November 2014.

Green Office aims to motivate and inspire the staff to take part in everyday environmental actions and enhance their knowledge of environmental issues. These actions can include saving paper, intensifying recycling and sorting, saving energy and water, reducing consumption, using greener supplies and taking a more socially responsible attitude towards business in general.

WWF Green Office programme members commit to specific environmental targets and report annually on their key performance indicators, with Posti choosing to focus on waste management, energy saving and paper consumption and setting long-term targets for water consumption and commuting.

The programme has driven Posti to raise recycling levels above 90% and cut energy use by 7% over 2014. The company has also invested in more facilities for cyclists at its headquarters, introduced organic food at its employee restaurant, and uses 100% renewable electricity and 30% renewable heat in its Finnish operations.

"Environmental responsibility work is a joint effort that is carried out both behind the wheel and in the office," says Hannele Parkkinen, Corporate Responsibility Manager at Posti. "Green Office is a system that allows us to reduce our environmental load whilst achieving cost savings."

CLEANER VEHICLES GO THE EXTRA MILE FOR CITY LOGISTICS

After a year of preparation, PostNL launched a low-emissions logistics pilot project in the Dutch city of Delft at the beginning of 2015. The project is operated through Stadslogistiek (City Logistics), an independent subsidiary of PostNL.

The new service sees parcels and freight addressed to businesses and homes in the city centre dropped off at PostNL's distribution centre on the edge of town before being consolidated and delivered over the last mile in cleaner, quieter electric vehicles that reduce air and noise pollution. The same process works in reverse for parcels, freight and waste (like packaging material) transported out of the city. Stadslogistiek offers zero-emissions logistic services within the city centre for retailers and consumers.

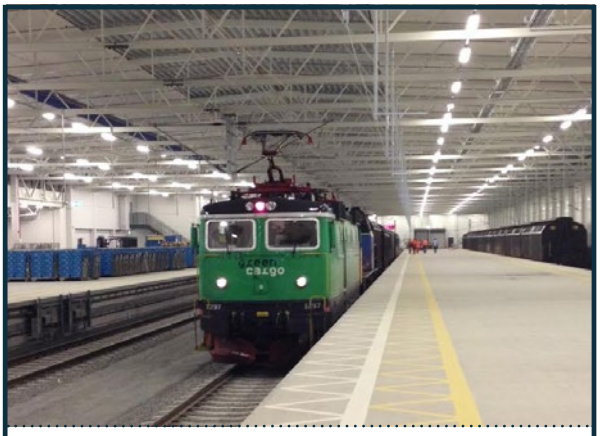
Laurens Tuinhout, director of Stadslogistiek, says the project is a response to the rapidly changing logistical needs of customers as well as growing environmental awareness: "E-Commerce is growing rapidly, and businesses and consumers are sending and receiving more and more parcels every year."

STADSLOGISTIEK OFFERS ZERO EMISSIONS LOGISTIC SERVICES WITHIN DELFT CITY CENTRE IN QUIET ELECTRIC VEHICLES THAT REDUCE AIR AND NOISE POLLUTION

The project was initially set up as a collaboration between the City of Delft and PostNL. However, Stadslogistiek aims to work closely with a range of partners and stakeholders, including business and consumers, local councils, interest groups and educational institutions, to spread the benefits to cities right across the Netherlands. In the future, the aim is to expand the range of services offered for parcels, pallets and roll containers, including same-day and time-bound delivery throughout the country.

postnord

GREEN SORTING CENTRE PACKAGING ENERGY AND EFFICIENCY SAVINGS



THE NEW ROSENBERG CENTRE IS SITUATED ALONG THE MAIN RAILWAY LINE IN SWEDEN, AND A GREAT DEAL OF MAIL VOLUMES ARE TRANSPORTED BY TRAINS POWERED FROM ECO-LABELLED SOURCES, REMOVING LORRIES FROM THE ROADS

A new sorting centre at Rosersberg, north of Stockholm, plays a major role in both meeting PostNord's climate and energy goals and helping it refocus on a changing business environment. The group's long-term environmental target is to decrease CO_2 emissions by 40% from 2009 to 2020, while at the same time it faces falling mail volumes, increasing parcel volumes and logistics as well as changing customer demands.

The 50,000 m^2 Rosersberg centre opened its doors in late 2014, consolidating mail services previously served by terminals in Uppsala, Tomteboda and Norrköping. It is equipped with new technology for sorting letters and flat and bulky items, involving automated and cost-efficient processing techniques. Consideration for staff health has also been important when investing in the project.

As well as being operationally efficient, PostNord has focused on making the building energy efficient too and is certified according to GreenBuilding. On the roof, solar panels cover an area of about 2,000 m^2 and are anticipated to provide around 4% of the terminal's electricity needs. The remaining electricity need is provided from eco-labelled sources.

The centre is also situated along the main railway line in Sweden, and a great deal of mail volumes are transported by trains powered from eco-labelled sources, removing lorries from the roads. PostNord expects more trains to be used in future, especially if there is a change in postal regulations for over-night delivery requirements.

Although the project will not become fully operational until the end of 2015, PostNord has reported good progress, with all the expected outcomes met to date.

SWISS POST
NEW SWISS POST HQ DELIVERS CUTTING EDGE GREEN INITIATIVES

In June 2015 Swiss Post officially opened its new headquarters in the Wankdorf City district of Berne. The new building embodies the company's drive to promote flexible and greener ways of working.

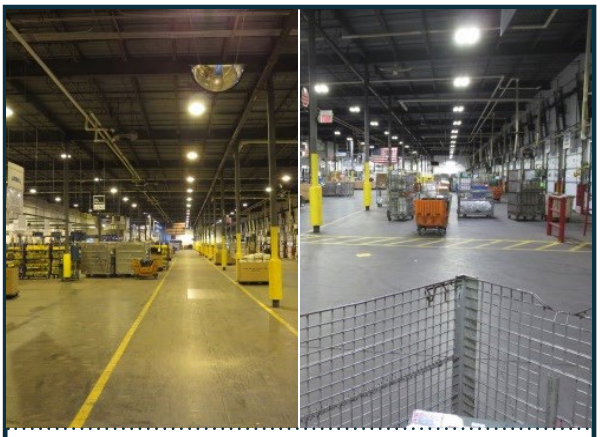
A range of green technologies have also been harnessed to ensure the new headquarters building is highly energy efficient. Using borehole heat exchangers, ground-sourced energy is captured to heat and cool the building, while an automatic system regulates air conditioning and flow of fresh air. The large window facades ensure optimal lighting conditions and blinds are centrally controlled. In addition, various sensors detect the position of the sun and measure the wind, rainfall and external temperature.

These investments of Swiss Prime Site, the owner of the building, saw the Swiss Post headquarters become the first office building in Switzerland to receive a Gold DGNB rating from the Swiss Sustainable Building Council. The DGNB system assesses buildings and urban neighbourhoods that fulfil the broad sustainability criteria, including technical, functional and social aspects, and planning, construction and implementation processes, as well as ecological and economic guidelines. Achieving a gold standard shows that the new building fulfils the highest level of sustainability requirements.

SWISS POST'S NEW HEADQUARTERS IN BERNE WAS THE FIRST OFFICE BUILDING IN SWITZERLAND TO RECEIVE A GOLD DGNB RATING FROM THE SWISS SUSTAINABLE BUILDING COUNCIL

Swiss Post's sustainability drive even extends to employee mobility: ten electric and hybrid vehicles have been provided to staff for business trips. Staff can also get to external meetings close to the headquarters quickly using Swiss Post's e-bikes and bicycles or the PubliBike bike rental station, which is also accessible to the public. The headquarters is also very easy to reach by public transport with over 30 connections per hour.

LED AND HVAC INTRODUCTION INCREASES PROVIDENCE RHODE ISLAND PROCESSING AND DISTRIBUTION CENTER ENERGY EFFICIENCY



PROVIDENCE RHODE ISLAND PROCESSING AND DISTRIBUTION CENTER: BRIGHTENING THE WORKSPACE

In 2014, The United States Postal Service began upgrading lighting at its Providence Rhode Island Processing and Distribution Center. The project, to be completed in 2015, involves a cross-functional team who are working with a local utility company to maximise energy efficiency incentives to introduce interior LED light fixtures and with wireless controls. A utility incentive payment allows for utility companies to work with large consumers to increase facility efficiency instead of the utility building more capacity.

This initiative will net a total annual saving of US$535,000 with a 5.3m kWh reduction in electricity use. This is equivalent to emissions from electricity use in 503 US homes each year. Prior to the upgrades the facility utilised 12.6m kWh of electricity annually. Firstly, the lighting upgrade will save 2m kWh per year and produce a return on investment of 60%. Utility data indicates that the lighting load has decreased by approximately 200,000 kWh per month and the US Postal Service has already received US$601,000 in incentive payments. Secondly, the initiative aims to save an additional 3.3m kWh from the HVAC upgrade with an incentive payment of US$55,000.

This initiative is one of the steps the US Postal Service is taking to achieve its goals of a 20% emissions reduction and a 30% reduction in energy intensity by 2020. Since 2003, it has reduced facility energy use by 31.4% and decreased its facility energy intensity (consumption per unit of floor space) by 32%.

IPC DRIVERS' CHALLENGE: CO_2 REDUCTION THROUGH EMPLOYEE ENGAGEMENT

On 03 March 2015, seven teams of highly qualified drivers from An Post (Ireland), bpost (Belgium), Correos (Spain), CTT Correios (Portugal), Posti (Finland), Posten Norge (Norway), and PostNord (Sweden-Denmark), took part in the third IPC Drivers' Challenge on the testing track of Nokian Tyres in Ivalo, Finland.

The combination of low temperatures, snow and icy roads challenged the teams to succeed in a series of tests related to car handling, eco-driving, safety and customer service. The Posti team excelled in all categories and took this year's IPC Drivers' Challenge trophy home, while An Post and Correos ranked second and third respectively.

All teams that participated in the IPC Drivers' Challenge consisted of a professional driver and a postal manager. The competition brought together drivers who had won domestic eco-driving challenges organised by their posts and had shown particular excellence in driving ecologically and safely while ensuring high-quality customer service. Some posts selected their champions based on day-to-day performance as well.

Tests in the third edition of the IPC Drivers' Challenge included:

- A theory test
- A driver daily car check
- A challenging combination of car handling exercises on a frozen lake, with certain elements being performed on pure ice,
- A 14 km long, snow covered open road eco-driving route with a number of customer service elements.

IPC'S DRIVERS' CHALLENGE 2015, HOSTED BY POSTI IN LAPLAND, FINLAND ON 03 MARCH 2015 BROUGHT TOGETHER BEST-IN-CLASS DRIVERS TO OVERCOME THE CHALLENGES OF ECO-DRIVING AND CAR HANDLING IN ICY WINTER CONDITIONS

Transport accounts for over 40% of total direct CO2 emissions by postal operators. Through a combination of measures, including eco-driving and an increased use of alternative fuels and vehicles, posts participating in the IPC sustainability programme have been able to save more than 447m litres of fuel over the six years into the programme, which results in important budgetary savings of more than €327m (US$434m*).

* Currency conversion from OECD (http://stats.oecd.org/index.aspx?queryid=169)

3. TECHNICAL ANALYSIS

In this chapter, we assess the results and analysis of the two core areas of the EMMS programme: Carbon Management Proficiency (CMP) and Carbon Performance Indicators (CPI). The fundamental principle of the EMMS programme is that a comprehensive approach to carbon management is key to achieving significant, systematic and sustainable year-on-year reductions in carbon emissions. Effective carbon management involves the implementation of appropriate business principles and systems, clear accountability at senior levels, effective employee engagement, and comprehensive and transparent public reporting to external stakeholders.

The first stage of the EMMS annual reporting involves the completion of a comprehensive Carbon Management Proficiency (CMP) questionnaire. This qualitative assessment evaluates participants' performance against ten management pillars. The second stage, Carbon Performance Indicators (CPI), is a quantitative assessment of participants' carbon efficiency. This process requires participants to report on their carbon emissions and other organisational data, including electricity consumption (renewable and non-renewable), transport modes and distances (own and outsourced), and numbers of alternative-fuel capable vehicles.

Since 2008, IPC has annually collected, analysed and transparently reported on these results in the form of publically available Sustainability Reports, which illustrate the EMMS group's progress towards our two targets, as well as other important performance areas. We ensure our data is accurate and credible through a third-party review from our external accountant, PwC, providing us with limited assurance.

Each participant in the programme is also provided with an individual analysis of their own CMP and CPI results in the form of customised, high-level scorecards and detailed assessments. A briefing deck is provided alongside these deliverables, which includes anonymised information about the performance of all of the programmes participants, enabling posts to benchmark their performance against the rest of the group. Each individual post is given their CMP rank in relation to the rest of the group, and receives a rating based on progress made towards improving their carbon management and progress towards reducing emissions. A Bronze rating is awarded to posts that have participated in this high-level voluntary programme, and Silver if they obtain a score of 75 or higher. Gold can only be achieved if posts have achieved a CMP score of 90 or above and have also reduced emissions in line with the average group carbon reduction results.

3.1 CARBON MANAGEMENT PROFICIENCY (CMP)

The CMP questionnaire considers the following ten management pillars:

1. Principles & Standards
2. Management & Strategy
3. Policy & Procedures
4. Employee Engagement
5. Activity
6. Measurement & Verification
7. Targets
8. Performance
9. Disclosure & Reporting
10. Value Chain Management

By responding to multiple choice and multi-select options within each of the pillars, participants can obtain a maximum of 100 points. During our plausibility review, responses are compared with those of the previous year in order to identify significant discrepancies in participants' responses such that we can ensure the questionnaire is completed consistently, and that we are provided with evidence of substantial improvements. Overall results are validated by our external auditor PwC, who also review the responses from several posts each year, along with their carbon performance indicators.

In the CMP section, we distinguish between the results of the 19 posts that began submitting completed questionnaires prior to 2012, and the group of 21 which includes the two new participants that reported for the first time in 2012.[4] This is because new participants' scores are typically relatively low in their first few of years of reporting. We are happy to note that the rate of improvement of the new participants is in line with the rate of improvement of the group as a whole. Through participation in the EMMS programme, we expect new participants to gradually improve their scores from this baseline.

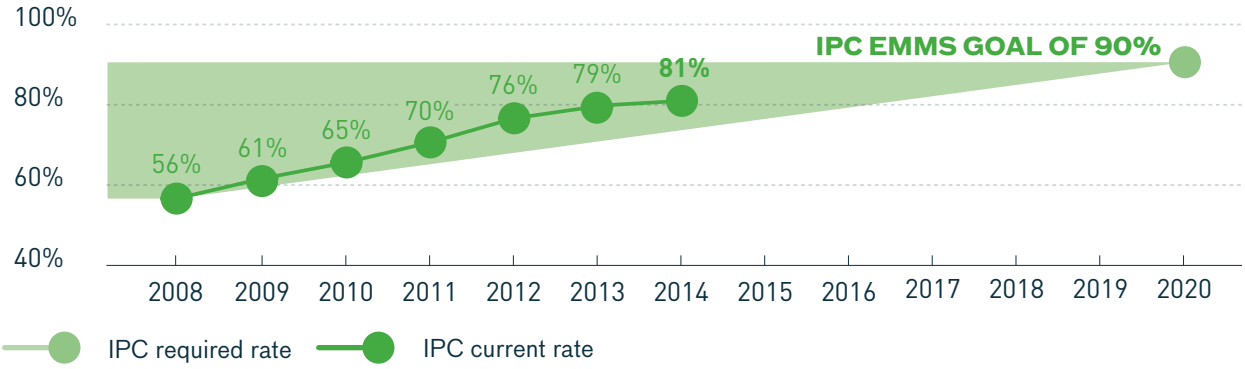
> "Through participation in the EMMS programme, we expect new participants to gradually improve their scores from this baseline.

4. In 2013 a total of 22 participants completed the questionnaire, including the two new participants

KEY RESULTS

The EMMS group is on target to reach its goal of a 90% CMP score by 2020. In 2014, participants achieved an average CMP score of 81%, improving on 2013's score of 79%. This is a result of improvements reported by 89% of participants. Overall, the group has now increased its score by 25 percentage points since 2008. Commendably, participants' corresponding annual average increase of 4.2% is considerably higher than the 2.8% required to reach the 2020 target. We are therefore confident that the group will achieve the 90% target ahead of schedule. If the two new participants are included, the group of 21 achieved an average CMP score of 77% (compared with 74% in 2013).

Figure 5: 2008 - 2014 Overall Carbon Management Proficiency results



LEADING PARTICIPANTS ALREADY SURPASSING 2020 TARGET

Several individual posts can be identified as clear leaders in carbon management proficiency. In addition to the four posts, all from the European region, that have already surpassed the 90% target, a further four posts have obtained average scores of at least 80%. Our highest-scoring participant scored 100% this year in six out of the ten management pillars, over 90% in three other pillars and 80% in a further pillar. The EMMS programme is a collaborative venture, and as such IPC strongly encourages best-practice sharing in order for posts to assist others in improving their approach to carbon management. Best-practice examples can be found in the Case Studies section of this report.

RESULTS BY PILLAR

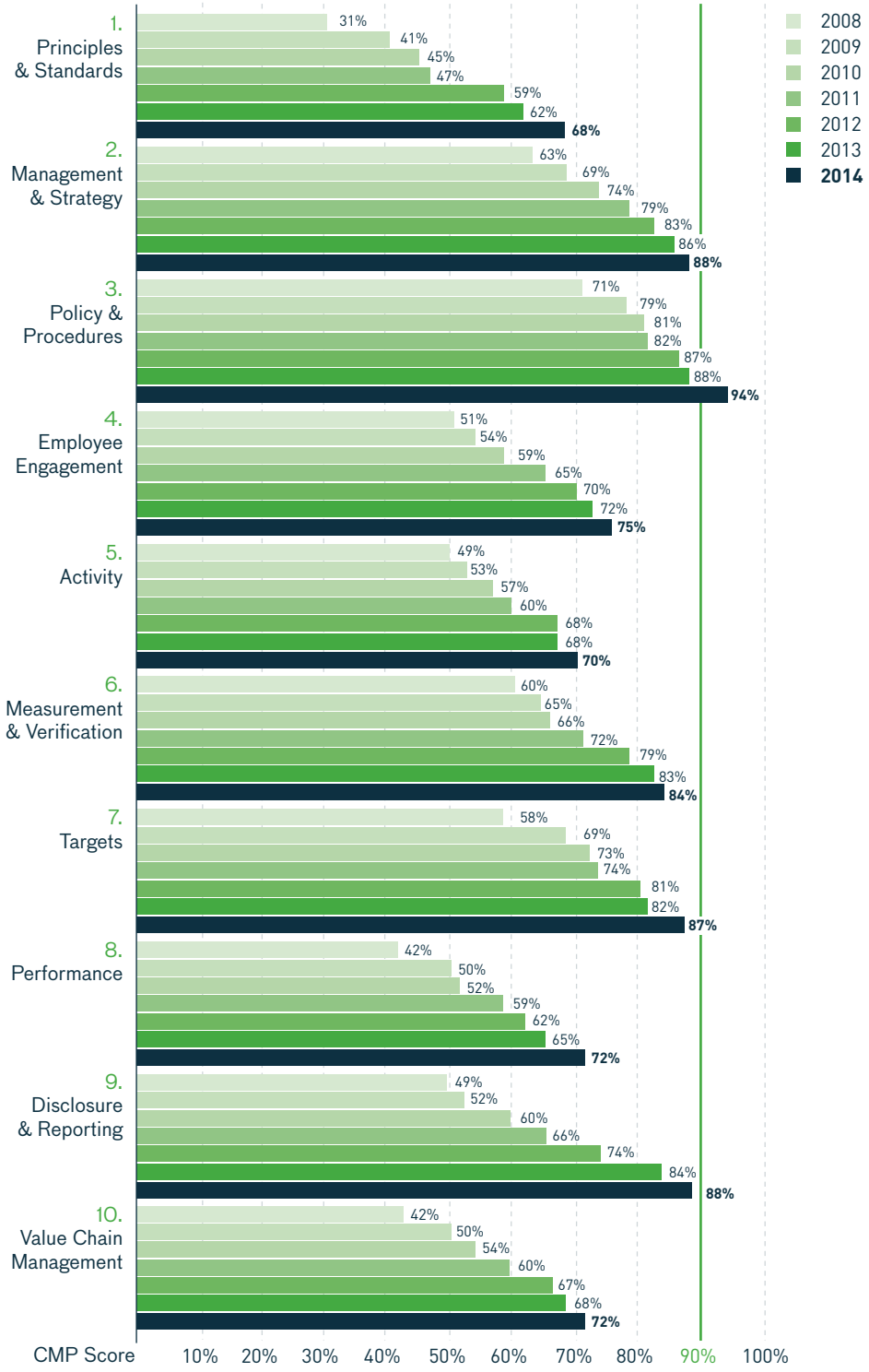
For the second year in a row, the group scored a minimum of at least 60% in all ten pillars. As in previous years, in 2014, the group performed best on issues relating to:

- Policy and Procedures (2014: 94%; 2013: 88%)
- Management and Strategy (2014: 88%; 2013: 86%)
- Disclosure and Reporting (2014: 88%; 2013: 84%)

In addition, despite already high performance in the Targets pillar, the group achieved a further increase of five percentage points in their score for this pillar this year (2014: 87%; 2013: 82%). This indicates that participants are continuing to make progress towards setting short- and long-term emissions reductions targets, both in line with and exceeding IPC targets, and are ensuring that defined strategies are in place for these targets to be met.

> “Participants are continuing to make progress.

Figure 6: 2008 – 2014 CMP results by pillar



Principles & Standards	14 posts (74%) have endorsed the United Nations Global Compact (UNGC). 13 participants (68%) submitted data to the Carbon Disclosure Project (CDP), while seven participants (37%) received a score of more than 85% for disclosure quality.
Management & Strategy	16 participants (84%) have a developed, documented and communicated environmental management system. 18 (95%) have defined responsibility at operational level and board / executive level. 13 posts (68%) have estimated future emissions and carried out emissions scenario modelling for future energy options.
Policy & Procedures	18 posts (95%) have made their carbon management policies publically available.
Employee Engagement	14 posts (74%) provide documented training to employees on the participant's carbon management policy. Nine posts (47%) have linked carbon management objectives to at least 90% of managers performance appraisals and performance-related pay schemes.
Activity	18 participants (95%) are purchasing or renewing at least some renewable energy for buildings – eight (42%) are purchasing / generating up to 100%. 14 posts (74%) diverted some amount of post from air travel in the last five years.
Measurement & Verification	All participants publically report energy and emissions indicators, enhancing transparency in the sector. 12 posts (63%) have indicators for CO_2 from the production of consumables in the supply chain.
Targets	18 posts (95%) have publically stated targets for the reduction of carbon emissions. Seven posts (37%) plan to be carbon neutral in the long term, of which five have set a defined date.
Performance	16 posts (84%) have achieved at least a 10% reduction in total company emissions per item since 2008. Of these, seven have achieved at least a 25% reduction, two at least a 50% reduction and one post is carbon neutral.
Disclosure & Reporting	17 posts (89%) at least reference the GRI G3 reporting guidelines. Eight posts (42%) are already referencing the new GRI G4 guidelines, well ahead of the deadline.
Value Chain Management	In 2008, EMMS participants typically rated their value chain management programmes as 'under development.' In 2014, 53% (2013: 40%) of participants impose specific energy or carbon requirements for suppliers. 12 posts (63%) have initiatives with both customers and suppliers to improve their carbon management.

IMPROVEMENT OPPORTUNITIES

As in previous years, the pillars which registered the lowest scores were:

- Principles and Standards (2014: 68%; 2013: 62%);
- Activity (2014: 70%; 2013: 68%);
- Performance (2014: 72%; 2013: 65%);
- Value Chain Management (2014: 72%; 2013: 68%).

Nevertheless, year-on-year improvements are evident across these four pillars, with an average improvement of 29 percentage points since 2008. Participants scored 75% in Employee Engagement and 84% in Measurement and Verification, bringing these scores closer to those in other pillars. Outlined below are some of the key areas for improvement within the lowest-scoring pillars, along with the challenges associated with achieving these improvements. This year, we selected several specific elements from the CMP to use as focus points during the annual June workshop with participants. These were Principles and Standards, Employee Engagement, and GRI G4 reporting. By inviting posts to share best practice we hope to encourage others to improve their scores, and reduce their carbon emissions as a result.

PRINCIPLES & STANDARDS

At 27 percentage points behind the highest-scoring pillar (Policy and Procedures), many participants are provided with opportunities to improve their performance in Principles and Standards. The score in this section (68%) has more than doubled from 31% in 2008. This reflects the additional consideration we have given this section since the start of the programme. Nonetheless, there is still room for improvement and we will continue our efforts to ensure further progress. In particular, as an active UN Global Compact (UNGC) participant we will also continue to encourage the remaining posts to become signatories. By committing to the UNGC's ten principles, which encompass human rights, labour, environment and anti-corruption issues, participants are provided with a strong framework to integrate into their business policies and practices. In 2014, 14 posts (74%) reported that they have endorsed the UNGC (15 when including the two new participants in the group), showing significant improvement from the six reported in 2008.

PERFORMANCE AND ACTIVITY

While participants have made steady improvement in both the Activity and Performance pillars, many posts face challenges in achieving further improvement in their emissions efficiency, particularly in terms of their efficiency per item. A significant difficulty facing posts in this respect is that there is a decreasing trend in the number of letters being delivered, whereas parcel delivery continues to increase steadily. Parcels have a higher carbon footprint than letter mail, and therefore this continual shift in the letter-to-parcel ratio makes achieving efficiency reductions per item more challenging. As we have now reached our absolute emissions reduction target set at the beginning of the programme (20% reduction by 2020), we have developed a new target for the group aimed at reducing the group's emissions per letter and per parcel. This is discussed in greater detail in the 'Carbon Emissions: Delivery Efficiency (2013-2025)' section of the report. Reporting against these indicators will enable us to identify the differences and provide greater transparency.

The limited progress of the group in achieving emissions efficiency to date can be attributed to a number of factors. One reason is that many participants have implemented more straightforward emissions reduction initiatives that have an immediate impact, such as increasing the use of green electricity and increasing fuel efficiency. While these initiatives have been successful in reducing emissions, considerable long-term investments are needed for posts to achieve more substantial emissions reductions from both road transport and buildings. For example, in order to achieve significant emissions reductions from buildings, posts should aim to reduce overall energy consumption and aim to source a 100% renewable energy supply.

In the 2014 reporting year, 42% of posts reported purchasing or generating between 75% and 100% renewable energy for buildings. While there is still room for improvement, it should be recognised that posts are making progress in this respect. For example, Posti's headquarters was awarded the Green Office label by WWF Finland in November 2014, which recognises the company's efficiency initiatives, including investing in the use of 100% renewable electricity and 30% renewable heating in its Finnish operations. Elsewhere, An Post reduced energy use by 9% in 2014 through sustainability initiatives implemented under application of the ISO 50001 Energy Management Standard. As part of the company's Green Power Purchase Plan, Correos (Spain) has committed to buying gradually increasing volumes of renewable electricity, with the goal of sourcing 50% of the company's energy from renewable sources. Another example is Österreichische Post, which as part of its CO_2 Neutral Delivery initiative completed its first conversion of a lighting system to LEDs at its Vienna logistics centre in 2015, while also fitting an energy monitoring system for the building. The construction of LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method) buildings also present opportunities for participants to improve their energy efficiency.

83,000
ALTERNATIVE-FUEL VEHICLES REPORTED IN 2014

In line with our emphasis on the development and deployment of alternative-fuel and alternative-fuel capable vehicles, participants this year reported the use of 83,000 vehicles of this type. This year, Australia Postal Corp introduced its first 100% electric commercial van, and also a number of biofuel-powered vehicles. Alongside more efficient logistics, these initiatives have already, over the past year, helped save 3% in fuel costs. Meanwhile, Le Groupe La Poste has piloted initiatives including running around 30,000 electric vehicles in France, representing one of the largest electric fleets globally. In addition, PostNL has introduced a new service, operated through the company's independent subsidiary Stadslogistiek (City Logistics), by which parcels and freight to be delivered within the city centre are transported by electric vehicles over the 'last mile', with the same system operating for transportation out of the city. Another example is bpost, who has implemented programmes to use alternative fuels in delivery fleets and to reduce CO_2 emissions from transport. These measures contributed to the group being awarded a 'Lean and Green' label in December 2014 (see Case Studies section for more information and further examples).

We recognise that challenges remain in terms of implementing emissions reductions initiatives. For example, a lack of national infrastructure may impact the economic viability of some developments, such as a lack of ports to charge electric vehicles, while posts may also be constrained by the nature of the routes that vehicles must travel. Meanwhile, climatic and regional differences can hinder investigation of potential alternative

energy sources. For example, in the process of achieving their target to increase usage of green energy in buildings to 60% of global demand, Deutsche Post DHL Group identified a lack of availability of green electricity products in some country and regional markets (see Case Studies section for more information). However, there are options that may be available to alleviate these difficulties in order for posts to proactively drive developments. For example, subsidies may be available from governments on certain alternative-fuel vehicle models, which could improve their financial viability. Another option could be for posts to further collaborate with external organisations, such as manufacturers, governments, and other major transport users.

Progress has been made by the group towards reducing emissions from air transport. This is of significance, considering that air freight results in five times more carbon emissions than road freight. Of the EMMS participants, 74% reported a reduction in the transportation of mail by air travel in the last five years, while 58% reported reductions in excess of 25% and/or had achieved a maximum possible reduction. Of particular consideration is that the group aims to use the full capacity of aeroplanes, which we evaluate by requiring EMMS participants to report on the total number of dedicated compared to shared flights for air freight. Notably, in 2014 the EMMS group showed commitment to more efficient use of air transport, reporting 9,000 dedicated flights compared to 2,126,000 shared passenger flights.

Additional options available to posts to improve their carbon efficiency could be to develop low carbon products and services. For example, CTT Correios de Portugal's Correio Verde initiative provides customers with the option of choosing a more sustainable delivery service. In addition, posts could engage in external carbon management or climate initiatives and partnerships, such as the UNFCCC's Climate Neutral Now and the WWF Climate Savers initiatives.

VALUE CHAIN MANAGEMENT

In order to progress the EMMS programme we aim to renew our emphasis on the importance of reducing Scope 1, 2 and 3 emissions, while increasing our focus on efficiency. As such, posts will need to ensure that they are engaging with stakeholders across all of their operations, including suppliers and sub-contractors, and that appropriate standards and requirements regarding carbon management are in place and are effectively communicated and assessed. Only ten posts currently have specific energy or carbon standards or requirements of their suppliers, while only nine posts commit to actively favour suppliers and sub-contractors with lower carbon footprint or effective carbon management in place. Participants will need to engage with transportation sub-contractors especially, in order to reduce Scope 3 emissions. In particular, since air transport accounts for 29% of Scope 3 emissions, as a priority posts will need to engage with their air transport sub-contractors.

Posts should also further engage with their own employees and customers. CTT Correios de Portugal, for example, launched an initiative allowing customers to choose a greener delivery service and to vote on environmental, carbon-offsetting projects the company supports. In terms of employee engagement, Posten Norge launched an e-learning course in 2015 to increase employees' knowledge of the company's environmental strategy. See Case Studies section for these, and other, examples of posts' initiatives in this area.

3.2 CARBON EMISSIONS: TOTAL VOLUMES PROGRAMME 2008-2020

METHODOLOGY AND DEFINITIONS

The Carbon Performance Indicator (CPI) section of the EMMS enables IPC to assess quantitative elements of participants' carbon management, including carbon emissions and electricity use. The results presented in this report focus on primarily mail and parcel activities, excluding peripheral express and logistics services. We track emissions reductions according to international greenhouse gas accounting standards, in particular the World Resources Institute Greenhouse Gas Protocol. In line with this protocol, we refer to direct and indirect emissions using the following Scope 1, Scope 2 and Scope 3 terminology.

Scope 1	All direct GHG emissions, including those from buildings and transport owned by the company
Scope 2	Indirect GHG emissions, from consumption of purchased electricity, heat or steam
Scope 3	Other indirect emissions, including transport-related activities by vehicles not owned or controlled by the reporting entity, business travel and employee commuting, outsourced activities, etc.

Since the boundaries of Scope 3 emissions are potentially very broad, IPC produces a guidance document outlining specific reporting procedures which is communicated to all participants. Building on the framework set out in the GHG Protocol Corporate Standard this provides a consistent set of parameters for industry-wide reporting of Scope 3 emissions. Our current focus is primarily on transport-related impacts. In response to participant feedback and analysis of past years' data, we continue to use a well-defined data collection coverage that encompasses the following four core categories. Collectively, these make up over 95% of total Scope 3 emissions:

- Outsourced or sub-contracted road transport
- Outsourced or sub-contracted air transport
- Employee commuting
- Business travel

The further 11 GHG Protocol categories, such as capital goods and use of sold goods, were excluded as they are currently considered immaterial to the postal sector.

In order for our EMMS participants to better understand the upstream and downstream carbon emission implications of their corporate activities, we believe that it is important to collect Scope 3 inventories. The above sources are examined in our performance monitoring system as part of our commitment to continuous improvement and in order to build a more comprehensive and accurate account of carbon emissions across the EMMS group.

Unfortunately, several posts are currently unable to collect data on employee commuting for privacy/legal reasons. Where appropriate, national averages have been used instead. As a result, in these cases, company mitigation activities focused on employee commuting will not result in measurable decreases in emissions from this source. As this is a significant source of Scope 3 emissions, we will continue to strive for more complete reporting of all participants.

Although IPC recognises sub-contractors as having primary responsibility for their carbon emissions, we know that EMMS participants can have a positive influence on this section of the value chain. Moreover, posts should not be achieving Scope 1 reductions at the expense of increasing the impact of Scope 3 through outsourcing and sub-contraction. To this end, for the third year we are also drawing attention to the combined totals of all three scopes (whereas previously Scope 1 and 2 have been combined and Scope 3 provided separately). This is also reflected in our support of participants in examining Scope 3 emissions mitigation strategies.

As discussed in the EMMS section of this report, over the duration of the programme there have been a number of changes to the composition of the group of participants. Five new participants have joined since 2009, two posts have merged to make one post, while three posts did not submit any data to the programme in the 2014 reporting year. In previous years we have excluded new participants from the group results. However, as we aim to ensure that the programme remains dynamic and progressive, this year the aggregated results of the 21 participants that reported in the 2014 reporting year are presented (unless otherwise stated). Figures from posts that did not report data for this year have therefore been excluded, including data for previous years (back to and including the baseline year), in order that a direct comparison may be made. We believe that this will enable us to more accurately track the reporting group's progress towards the EMMS target. In order to achieve this we have used the earliest data reported by the new participants and assumed this figure to be stable for all previous years to enable us to estimate 2008 baseline figures. To ensure transparency and to recognise the progress of all of the programme's past participants we provide the results of the original group's achievement towards the target in the Annex section, which takes into account the latest reported data projected forward to the 2014 reporting year. You will see that the progress of this group is very much in line with that of the current reporting group, both reaching 20%, illustrating the consistency of the methodology.

SCOPE 1

In 2014, total Scope 1 emissions amounted to 3,851,000 tonnes – a decrease of 70,000 tonnes (or 2%) compared with 2013 emissions. This was driven by a 9% decrease in emissions produced from buildings as heating and a 6% decrease in emissions from air transport. Between 2012 and 2013 we saw an increase in heating, which may be attributed to the exceptionally harsh winters that were experienced by many posts. The observed decrease in emissions from heating between 2013 and 2014 may be related, at least in part, to the more moderate winter conditions experienced this reporting year in certain parts of the world where participants are located. With the implementation of our half-year scanning exercise we will continue to closely monitor the impact of climatic changes on the group's emissions.

Scope 1 emissions have also decreased over the period during which the programme has been running. By comparing the 2014 figure to the 2008 baseline, we find that posts' own transport emissions have decreased by 154,000 tonnes (5%) over the course of the programme, while emissions from heating have decreased by 410,000 tonnes (35%). Overall, total Scope 1 emissions (which includes the Scope 1 Other category) have decreased by 533,000 tonnes (12%) since 2008.

Table 2: Carbon performance data in tonnes of CO_2 (table subject to PwC limited assurance assignment)

Indicator	2008 baseline	2013	2014
Scope 1: Transport (vehicles, aviation, rail)	3,200,000	3,060,000	3,045,000
Scope 1: Heating (gas, heating, fuel, oil, steam)	1,184,000	851,000	774,000
Other Scope 1	-	9,000	31,000
Scope 2: Electricity (including electric vehicles)	4,495,000	3,106,000	3,080,000
Other Scope 2	-	125,000	119,000
Sub-total: Scope 1 and 2	8,879,000	7,152,000	7,050,000
Scope 3a: Outsourced road and air transport	-	7,593,000	7,502,000
Sub-total: Scope 1, 2 and 3a	-	14,745,000	14,553,000
Scope 3b: Employee commuting and business travel	-	3,137,000	2,786,000
TOTAL		**17,883,000**	**17,339,000**
CO_2 emissions in grams per item (Scope 1 and 2)	28	26	26
CO_2 emissions in grams per item (Scope 1, 2 and 3a)	-	53	53
CO_2 emissions in grams per item (Scope 1, 2 and 3)	-	64	64
Percent of renewable electricity used in buildings	15%	16%	16%
Percent of alternative vehicles in fleet	10%	13%	13%

Please see Annex for more information on indicator definitions, details on reporting participants and the PwC assurance report.

SCOPE 2

Since 2013, Scope 2 emissions have reduced by 32,000 tonnes (1%). This was largely a result of the significant decrease in emissions from electricity used in buildings (26,000 tonnes, or 1%). A contributing factor to this was the overall reduction in the group's electricity consumption, in combination with an increase in the proportion of renewable electricity used.

The group has maintained steady progress towards reducing Scope 2 emissions since the start of the programme, illustrated by a decrease of 1,296,000 tonnes (29%) since 2008. This decrease has been driven by the reduction in electricity consumption from 9.95 TWh in 2008 to 7.95 TWh in 2014 (see Chapter 1: EMMS for related financial savings). US Postal Service, for example, in 2014 began upgrading the lighting at one of its processing and distribution centres, which will result in an estimated total annual saving of 5.3 GWh in electricity use. Meanwhile, Poste Italiane has introduced a Building Energy Management System (BEMS), which will involve installation by the end of 2015 of 8,000 energy measuring devices across its corporate buildings in order to control energy consumption. A total of 7,000 have already been fitted, and the initiative is expected to reduce total annual electricity use in buildings by approximately 3%. New Zealand Post also cut building energy use by 14% between 2012 and 2015 by implementing measures such as using smart meters to manage energy use.

SCOPE 3

Total Scope 3 emissions reduced by 442,000 tonnes (or 4%) between 2013 and 2014. This was driven by decreases reported in employee commuting (363,000 tonnes, or 12%) and also sub-contracted air transport (317,000 tonnes, or 9%). However, counteracting this decrease was an increase in sub-contracted road transport of 5%. We expect there to be an increase in subcontracting as posts strive to remain competitive amid the rising trend in parcel delivery. With this in mind, and in line with IPC's intention to place greater emphasis on efficiency, our new efficiency target includes Scope 3 road and air transport (see the 'Carbon Emissions: Delivery Efficiency (2013-2025)' section of the report).

OVERALL EMISSIONS

SCOPE 1 AND 2: 2008 - 2014

This year, the group reached the target of a 20% reduction in Scope 1 and 2 carbon emissions from the 2008 baseline with an overall reduction of 20.6%. A significant reduction was made in Scope 2 electricity (31%), and also in Scope 1 heating (35%). The overall reduction in Scope 1 and 2 emissions since the start of the programme represents a group annual average decrease of 305,000 tonnes since 2008.

Notably, Scope 2 emissions reductions have been occurring at a faster rate than Scope 1 reductions. Over the last six years, Scope 1 emissions have reduced at an average of 89,000 tonnes per year while Scope 2 emissions have reduced at an average of 216,000 tonnes – over twice the rate of Scope 1. As mentioned previously, significant reductions in Scope 2 emissions have primarily been attributed to a reduction in emissions produced by electricity, which can be achieved by switching to purchasing electricity from pre-existing renewable energy sources, and by infrastructure developments on buildings. Examples include upgrading to more efficient lighting and installing photovoltaic systems (solar panels). PostNord installed solar panels over an area of around 2,000 m² on the roof of its new sorting centre at Roserberg (opened in late 2014), which are expected to provide around 4% of the terminal's electricity requirement. Furthermore, a number of posts report a reduction in the number of buildings, which has contributed to lowering energy consumption.

Reducing emissions from transport, which makes up a significant proportion of Scope 1 emissions, is often found to be more challenging for posts. For example, many posts have encountered challenges moving to renewable energy sources for emissions intensive forms of road transport, such as heavy goods vehicles. E-vehicles and scooters are a popular choice in urban areas as charging stations can be installed in a more concentrated area and their range and loads need not to be extensive. However, with increasing amounts of parcels to be delivered it is likely that posts will need to use larger vehicles and often across large distances, such that electric models are not necessarily suitable or available. There is a small amount of usage of other renewable energy sources, such as biogas, however, not yet on a scale that would have significant impact on group results (see Alternative Vehicles section). While research, development, and piloting of new models are occurring in partnership with manufacturers, the investment required is often substantial, which can be prohibitive for some posts. This is often the case if the fuel is not widely available through national infrastructure. IPC recognises that many posts are leading the way in renewable energy technologies, and will continue to support posts in reducing emissions from these two key sources.

In addition, changing driving behaviour and encouraging eco-driving can make a significant contribution to reducing emissions from transport. A number of posts are already making progress in this respect, and have introduced eco-driving initiatives for drivers. POST Luxembourg has committed to reducing emissions through promoting responsible driving and introducing eco-driving awareness courses, as well as a gradually renewing its fleet. IPC highlighted the importance of driving in an economic and fuel-efficient manner at its most recent Drivers' Challenge in Lapland, Finland, in order to further encourage posts to invest in eco-driving initiatives.

Despite different rates of reduction in own transport and electricity emissions, both offer significant financial benefits. Since the start of the programme, reductions in electricity consumption have resulted in savings of €577m (US$765m), while reductions in fuel consumption have saved the group €327m (US$434m). These figures illustrate that carbon emissions mitigation methods to drive down Scope 1 and 2 emissions offer significant financial benefits, illustrating a clear incentive to reduce emissions from this source.

SCOPE 1 AND 2: A CLOSE LOOK AT 2013-2014

This year saw a decrease in the group's emissions from the previous year, with Scope 1 and 2 carbon emissions amounting to 7,050,000 tonnes compared to 7,152,000 tonnes in 2013. This was as a result of the considerable progress made in Scope 1 heating and Scope 2 electricity.

Table 3: 2013 and 2014 Scope 1 and 2 emissions sources in tonnes of CO_2

Indicator	2013	2014
Scope 1: Transport (vehicles, aviation, rail)	3,060,000	3,045,000
Scope 1: Heating (gas, heating, fuel, oil, steam)	851,000	774,000
Other Scope 1	9,000	31,000
Scope 2: Electricity (including electric vehicles)	3,106,000	3,080,000
Other Scope 2	125,000	119,000

In addition, in 2014 participants reported offsetting 1,819,000 tonnes of carbon emissions through projects with Verified Emissions Reduction (VERs) and / or Certified Emissions Reduction (CERs) standards.

COMBINED SCOPE 1, 2 AND 3: 2013 - 2014

Scope 1, 2 and 3 combined emissions have decreased by 544,000 tonnes since 2013. This reduction has been achieved on the back of the Scope 1 and 2 emissions reductions as well as reductions in employee commuting and outsourced air transport. Despite the overall decrease in Scope 3 outsourced transport emissions, we identified a substantial increase in emissions from outsourced road transport. In addition, emissions from business travel increased by 12,000 tonnes between the reporting years. IPC recommends that posts implement measures to address emissions from business travel. Swiss Post, for example, has provided ten electric and hybrid vehicles to be used by their staff for business trips, and also have e-bikes and bicycles available for use over shorter distances.

3.3 CARBON EMISSIONS: DELIVERY EFFICIENY (2013-2025)

Having achieved our 2020 reduction target for total volumes of carbon emissions, we must continue minimising the postal sector's carbon footprint by placing a greater emphasis on efficiency and broadening the coverage of the programme's target to include Scope 3 emissions generated by sub-contracted and outsourced transport. Parcel volumes are increasing, largely due to the rise in e-Commerce, which is leading to a greater need for transport and therefore greater outsourcing. Recognising this trend, we have developed a new target for the EMMS programme to reduce total carbon dioxide emissions (Scope 1, 2 and 3) per letter mail and per parcel by 20% by 2025, from a 2013 baseline.

> We must continue minimising the postal sector's carbon footprint by placing a greater emphasis on efficiency and broadening the coverage of the programme's target to include Scope 3 emissions generated by sub-contracted and outsourced transport.

The new efficiency target (or intensity reduction target) was determined through careful and considered participant consultation in 2014. After multiple surveys and webinar discussions, it became clear that the most appropriate intensity indicator relates to items, separated into letter mail and parcels. The target timeframe was determined to start with a baseline year of 2013 and a final year of 2025. IPC recommended an intensity reduction target of 20%, which was endorsed by the IPC Board in November 2014.

In order to ensure that this target aligns with the latest climate science, IPC undertook a study in collaboration with Ecofys to calculate a science-based target using current and projected group operational data. Ecofys is the organisation that provided the technical support for CDP, WRI and WWF in the development of the Sectoral Decarbonisation Approach (SDA), which is a methodology that allows companies to set emission reduction targets in line with a 2°C decarbonisation scenario. The SDA methodology was developed in light of Science Based Targets, a joint initiative by CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and WWF, intended to increase corporate ambition on climate action. Based on these calculations, IPC's 20% efficiency target ensures that its emission reductions are in line with the reductions that are required to meet the Intergovernmental Panel on Climate Change's (IPCC) recommended goal of limiting global warming to 2°C.

The target includes Scope 1, 2 and 3 (outsourced or sub-contracted road and air transport). It does not include business travel and employee commuting. IPC and EMMS participants agree that these represent substantial parts of the sector's carbon footprint, despite not being related to core business processes. However, after lengthy discussion it became clear that they needed to be excluded from the group target-setting, although figures will continue to be reported. One of the key reasons was that many posts in Europe cannot get data on employee commuting for privacy reasons and therefore have to use national estimates, which jeopardises the robustness of the data. Emissions reduction efforts would therefore not be reflected in figures. The feasibility of including business travel and employee commuting in a group target will be continually assessed. IPC also encourages posts to set individual company targets for these emissions, implement measures to achieve them and share best practice.

We are also aware of the constraints that some participants face in this new phase of the programme. National regulations under which our participants operate often include a Universal Service Obligation (USO) to make daily deliveries to every household by law. The ability of participants to improve the efficiency of their operations may therefore be impeded by such regulations. Further challenges to efficiency improvements stem from other politically driven positions, such as an obligation to retain post offices in each town or village, or having an imposed obligatory minimum distance between street post boxes.

Nonetheless, it is clear from previous sections of the report that there are still considerable opportunities for posts to make progress in minimising their carbon footprint. The scope for increasing the proportion of electricity from renewable sources, for example, is significant. We are therefore confident that this is an achievable, while challenging, target.

> “There are still considerable opportunities for posts to make progress in minimising their carbon footprint.

The below figures show the average annual improvement in efficiency, per letter mail and per parcel, required to reached the 20% targets by 2025, from a 2013 baseline. As shown in Table 4, the 20% target for delivery efficiency improvements correspond to carbon dioxide emissions of 29.8 grams per letter mail item and 404.0 grams per parcel item.

Table 4: Comparison of letter mail and parcel delivery efficiency for 2013 and 2014

Delivery efficiency	2013	2014	2025 Target
Letter mail delivery efficiency (grams of CO_2 per item)	37.3	37.5	29.8
Parcel delivery efficiency (grams of CO_2 per item)	505.0	468.7	404.0

Letter mail efficiency has effectively remained stable between 2013 and 2014, with the decrease in items (2.3%) being slightly greater than the decrease in carbon emissions (1.7%). As shown in Figure 7, letter mail delivery efficiency moved from 37.3 grams per item in 2013 to 37.5 grams per item in 2014. However, we do see a significant improvement in parcels efficiency; 468.7 grams per item in 2014 compared with 505.0 grams per item in 2013. While emissions have remained stable, the number of parcels delivered increased by just over 7%. For details of the methodologies used by participants to allocate their emissions to letter mail and to parcel categories see Annex Table: ‘Allocation methodologies for letter mail and parcel emissions’.

Figure 7: Letter mail; carbon emissions intensity pathway towards a 20% improvement in delivery efficiency (grams CO_2 per item)

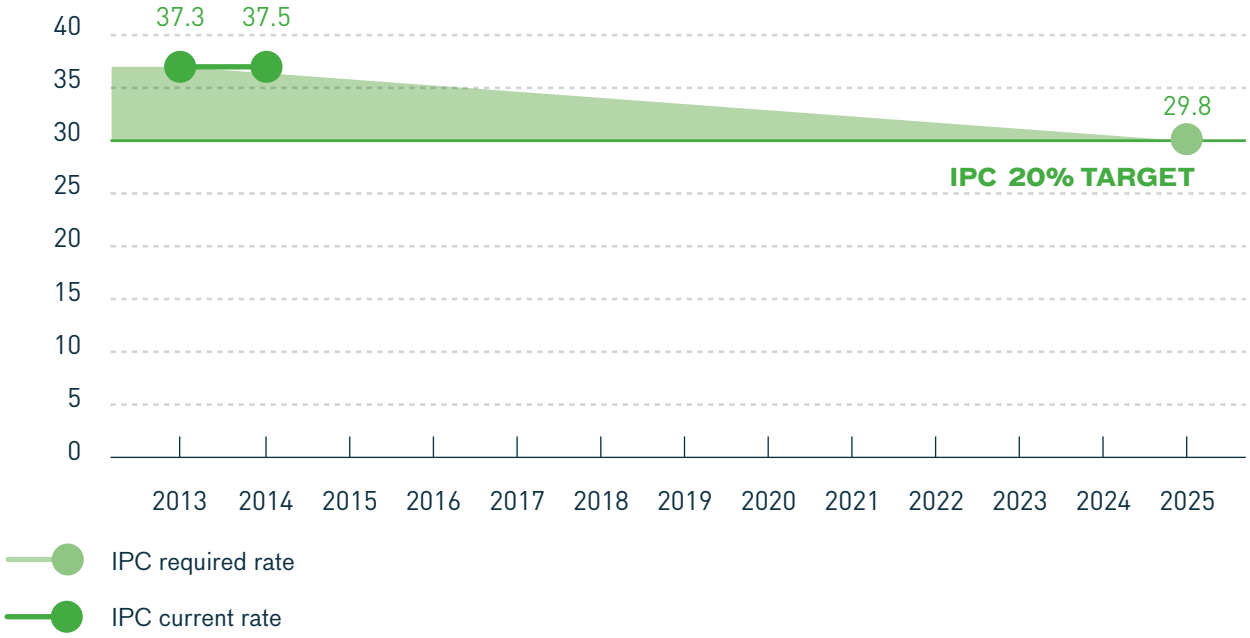
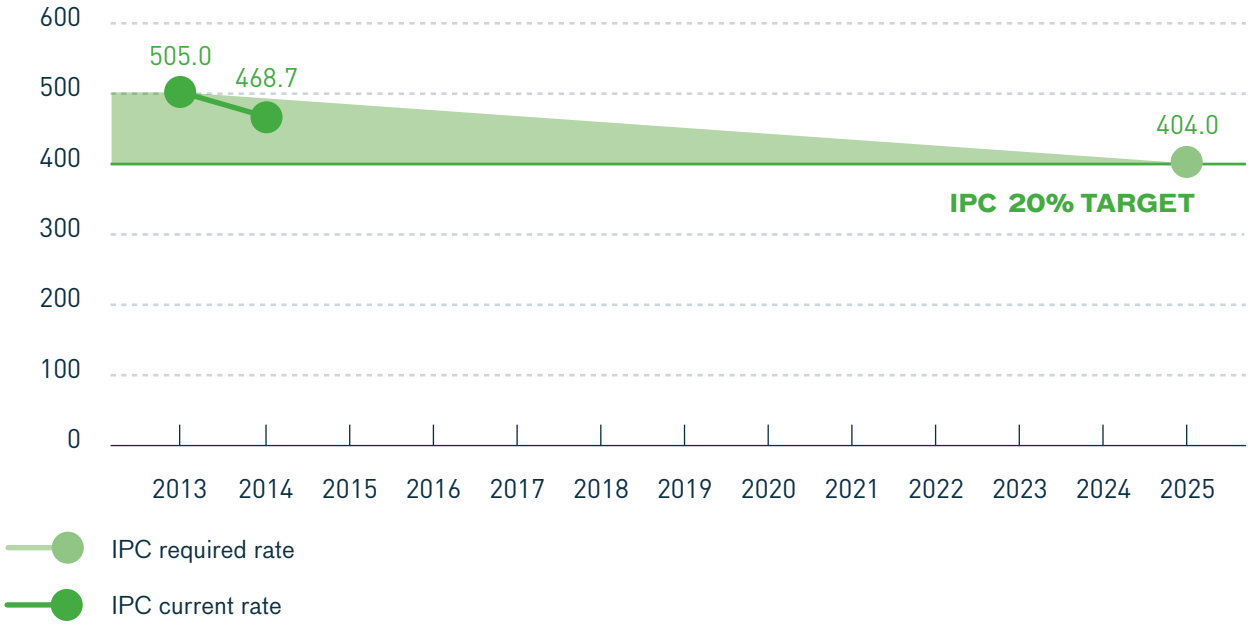


Figure 8: Parcel; carbon emissions intensity pathway towards a 20% improvement in delivery efficiency (grams CO_2 per item)



3.4 ACTIVITY INDICATORS

RENEWABLE ELECTRICITY

This year the group reported that 16% of total electricity used was considered green electricity (2013: 16%). The use of renewable electricity has contributed to the significant decrease in Scope 2 electricity emissions (see Scope 2 section). However, 3m tonnes of these emissions remain to be reduced, providing participants with opportunities to reduce emissions using measures such as switching to a green electricity provider, or developing their own green energy supplies (see Case Studies section for measures posts are already taking). If this maximum reduction in Scope 2 electricity emissions is achieved, the total Scope 1 and 2 emissions could be reduced by up to a further 35% of the 2008 baseline, in addition to the 20% reduction that has already been accomplished.

The percentage of renewable electricity used in buildings varies throughout the group. In 2014, 20 (95%) of the current group of EMMS participants reported purchasing or generating some form of green electricity in their CMP Questionnaire. Of these, four use solely renewable electricity. IPC therefore encourages participants to further their efforts to switch to purchased or self-generated renewable electricity in order to achieve immediate and substantial emissions reduction. Australia Post, for example, has introduced 478 kW of solar power at 17 sites around the country. For this, and other examples of posts that are implementing green electricity initiatives, see Case Studies section.

New reporting guidance for Scope 2 emissions has been introduced by the Greenhouse Gas Protocol in February 2015. This guidance aligns with the existing EMMS programme ethos by supporting the attribution of zero carbon emissions to renewable/green electricity use, when using a market-based reporting approach.

ALTERNATIVE-FUEL AND ALTERNATIVE-FUEL CAPABLE VEHICLES

EMMS participants were required for the fourth year running to provide disclosure and categorisation of their alternative-fuel vehicles. We asked participants to report the numbers of alternative vehicles under the following 11 categories: CNG, LNG, LPG, E85, M85, Electric, Hybrid, Hydrogen, Bioethanol, Bicycles, and Other. Normal bicycles (self-propelled vehicles) have been excluded from 2012, 2013, and 2014 figure to enable better comparison between trends in technology use and development. E-bicycles are included under electric vehicles.

IPC is in favour of delivery by bicycle or foot in consideration of employee health. We also prefer for vans and cars to be replaced with normal bicycles instead of electric models, and for normal bicycles not to be replaced with e-bicycles. We hope that this should result in the removal of unsustainable models from fleets, thereby reducing the total number of vehicles as opposed to shifting numbers from the non-alternative to alternative category.

Since 2012 the total number of vehicles has increased by 59,000, while the total number of alternative-fuel / alternative-fuel capable vehicle has increased by 10,000. Comparison of 2013 and 2014 vehicle figures shows that the total number of vehicles decreased by 6,000, while alternative-fuel / alternative-fuel capable vehicles increased by 400. This suggests that more sustainable models are being used to replace non-alternative varieties and/or that non-alternate vehicles are being removed from the fleet and not replaced. Alternative vehicles now account for 12.9% of the group's combined fleet.

Table 5: 2012 – 2014 comparison of % of alternative-fuel / alternative-fuel capable vehicles

	2012	2013	2014
Total vehicles	585,000	651,000	645,000
Total alternative-fuel / alternative-fuel capable vehicles	73,000	83,000	83,000
% of alternative-fuel vehicles / alternative-fuel capable vehicles in current EMMS group	12.5%	12.7%	12.9%

The number of electric vehicles reported increased by 3,000 between 2013 and 2014, such that electric vehicles now account for 30% of all alternative-fuel vehicles / alternative-fuel capable vehicles (2013: 26%). This is as a result of increases reported by a number of participants. For example, Deutsche Post DHL has introduced more electric vehicles to the company's fleet as part of its GoGreen programme (see the Case Studies section for more information and for other examples).

None of the participants are reporting the use of any M85- (methane-) or hydrogen-powered vehicles, which could be a result of factors such as purchase costs, availability of national infrastructure, energy efficiency, and range. IPC aims to continue to encourage posts to use alternative-fuel capable vehicles, through best practice sharing and initiatives such as the international IPC Drivers' Challenge. In addition, with increasing number of parcels to be delivered, there is a greater requirement for large vehicles and trucks. IPC therefore will focus more on large vehicles and trucks, which is currently under-developed in terms of alternative-fuel models.

Table 6: 2013 – 2014 comparison of alternative-fuel / alternative fuel-capable vehicles types

Type	2013	2014	2013-2014 Change
E85 (Ethanol fuel blend)	39,000	39,000	0
Electric (bicycle, scooter, van)	22,000	25,000	3,000
Others – including hybrid, Compressed Natural Gas (CNG) and Liquid Propane Gas (LPG)	22,000	19,000	-3,000
Total alternative-fuel / alternative-fuel capable vehicles	83,000	83,000	0

4. ANNEXES

EMMS GROUPS

Over the duration of the programme there have been a number of changes to the composition of the group of participants. Five new participants have joined since 2009, two posts have merged to make one post, while three posts did not submit any data to the programme in the 2014 reporting year. In order to reflect these changes in the group's composition and to accurately track the reporting group's progress towards the 20% reduction target we have defined two separate groups:

CURRENT GROUP

The 'current group' includes the 21 posts that submitted data to the programme in the 2014 reporting year. In order to establish baseline figures for new participants, their earliest submissions have been assumed to be stable for all previous years back to, and including, 2008. The group excludes all historic data from posts that did not report data in the 2014 reporting year. It is the current group that we report on in the main section of the report.

ORIGINAL GROUP

The 'original group' includes the 20 posts that reported in 2009. For posts which are no longer submitting data, their latest submissions have been assumed to be stable for all subsequent years up to, and including, the 2014 reporting year.

PROGRESS TOWARDS TARGET: SCOPE 1 AND 2 EMISSIONS

To ensure transparency and to recognise the progress of all of the programme's past and present participants, we provide the results of the current and original groups' progress towards the target. These figures are provided below (emissions figures reported in tonnes) and demonstrate that both groups have achieved the 20% reduction target this year:

	2008 Baseline	Target	2013 total	2008-2013 reduction	2014 total	2008-2014 reduction
ORIGINAL	8,360,000	6,688,000	6,754,000	-19.2%	6,648,000	-20.5%
CURRENT	8,879,000	7,103,000	7,152,000	-19.4%	7,050,000	-20.6%

INDICATOR DEFINITIONS

TOTAL CO_2 IN GRAMS PER ITEM (SCOPE 1 AND 2):

Calculation of CO_2 emissions from all Scope 1 and Scope 2 sources. The emissions of CO_2 expressed in grams are then divided by the total number of items processed.

TOTAL CO_2 IN GRAMS PER ITEM (SCOPE 1, 2 AND 3A – OUTSOURCED TRANSPORT):

Calculation of CO_2 emissions from all Scope 1 and Scope 2 sources, and Scope 3 outsourced transport. The emissions of CO_2 expressed in grams are then divided by the total number of items processed.

TOTAL CO_2 IN GRAMS PER ITEM (SCOPE 1, 2 AND 3 – OUTSOURCED TRANSPORT, EMPLOYEE COMMUTING, BUSINESS TRAVEL):

Calculation of CO_2 emissions from all Scope 1, Scope 2, and Scope 3 (including outsourced transport, employee commuting, and business travel) sources. The emissions of CO_2 expressed in grams are then divided by the total number of items processed.

DELIVERY EFFICIENCY: TOTAL CO_2 IN GRAMS PER LETTER MAIL AND PER PARCEL (SCOPE 1, 2 AND 3A – OUTSOURCED TRANSPORT):

Calculation of CO_2 emissions from Scope 1 and Scope 2 sources, and Scope 3 outsourced transport per letter mail and per parcel. The emissions of CO_2 expressed in grams are divided by the total number of letter mail and of parcel items processed. For details of the methodologies used by participants to allocate emissions either to letter mail or to parcel categories see Annex Table: 'Allocation methodologies for letter mail and parcel emissions'.

PERCENTAGE OF RENEWABLE ELECTRICITY USED IN BUILDINGS:

The percentage of additional electricity purchased or self-generated that is obtained from 'green' sources, i.e. it does not typically include green electricity already present in the national grid.

PERCENTAGE OF ALTERNATIVE VEHICLES IN FLEET:

Includes the total number of alternative-fuel vehicles within the owned vehicle fleet. This number is expressed as a percentage of the total number of vehicles that are owned by the company. Alternative vehicles are vehicles that run on fuels other than standard petrol and diesel. This includes electric vehicles, hydrogen vehicles, vehicles that run exclusively on biofuels or that that run on LPG and CNG. It excludes vehicles that run on bio/mineral fuel mixes that are at or below the nationally agreed minimum content of bio/mineral fuel. It also excludes (non-electric) bicycles.

POSTAL SECTOR SCORECARD

IPC EMMS Sector Scorecard 2015

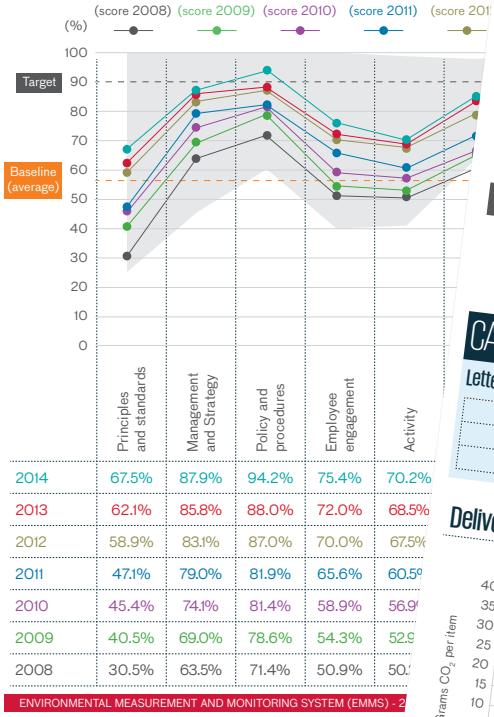
International Post Corporation

EMMS participants	21
Participating postal organisations	An Post, Australian Postal Corp, bpost, Correos y Telégrafos, CTT Correios de Portugal, Deutsche Post DHL, Empresa Brasileira de Correios e Telégrafos, Le Groupe La Poste, New Zealand Post, Nigerian Postal Service, Österreichische Post, Poste Italiane, Posten Norge, Posti, PostNL, PostNord, Post Luxembourg, Royal Mail Group, South African Post Office, S… …Post, United States Postal Service
Postal volume (items)	272,012 million
Building area	
No. of employees	1,768,000
No. of vehicles	

CARBON MANAGEMENT PROFICIENCY

	2008	2009	2010	20
Carbon management proficiency	56.4/100	61.3/100	64.9/100	69.9/
IPC Leader	84.9/100	83.3/100	87.9/100	90.4
IPC Lowest	19.1/100	20.4/100	21.4/100	31.7

Annual progress in line with IPC CMP target to achieve a 90% score by 2020



2014	67.5%	87.9%	94.2%	75.4%	70.2%
2013	62.1%	85.8%	88.0%	72.0%	68.5%
2012	58.9%	83.1%	87.0%	70.0%	67.5%
2011	47.1%	79.0%	81.9%	65.6%	60.5%
2010	45.4%	74.1%	81.4%	58.9%	56.9%
2009	40.5%	69.0%	78.6%	54.3%	52.9
2008	30.5%	63.5%	71.4%	50.9%	50.1

ENVIRONMENTAL MEASUREMENT AND MONITORING SYSTEM (EMMS) - 2

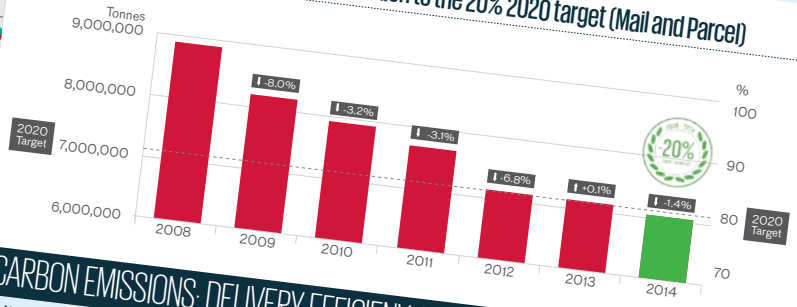
IPC EMMS Sector Scorecard 2015

International Post Corporation

CARBON EMISSIONS (Mail & Parcel): TOTAL VOLUMES (Tonnes of CO_2)

Scope	2008	2009	2010	2011	2012	2013	2014
1&2	8,879,000	8,172,000	7,912,000	7,665,000	7,145,000	7,152,000	7,050,000
3	-	-	-	10,891,000	11,176,000	10,731,000	10,289,000

Emissions reductions (Scope 1 & 2) in relation to the 20% 2020 target (Mail and Parcel)

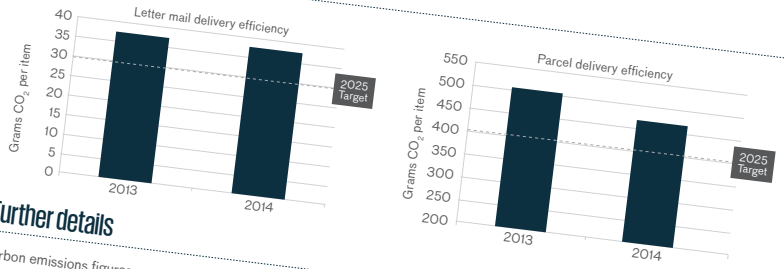


CARBON EMISSIONS: DELIVERY EFFICIENY (2013-2025)

Letter mail and parcel delivery efficiency - grams CO_2 per item (Scope 1, 2 and 3 - outsourced transport)

	2013	2014	2025 Target
Letter mail	37.3	37.5	29.8
Parcel	505.0	468.7	404.0

Delivery Efficiency



Further details

Carbon emissions figures presented reflect the core mail and parcel operations of our participants, and exclude information relating to express and logistics services. Carbon emissions data presented relates to the current group of EMMS participants. For more information please see the 2015 IPC Postal Sector Sustainability Report at www.ipc.be

ENVIRONMENTAL MEASUREMENT AND MONITORING SYSTEM (EMMS) - 2015_DEF

EXCLUSIONS AND ESTIMATIONS

The table below provides details of the EMMS programme participants, including their submissions to the programme in 2014, EMMS joining year, inclusion in the original and/or current group, and any exclusions and estimations relevant to their reporting.

EMMS Participant	Carbon Management Proficiency (CMP)	Carbon Performance Indicators (CPI)	EMMS joining date	Group	Exclusions & estimations
An Post	✔	✔	2008	Current and Original	Excludes subsidiaries, and sub contracted retail and delivery service units
Australian Postal Corporation	✔	✔	2008	Current and Original	Excludes subsidiaries and joint ventures.
bpost	✔	✔	2008	Current and Original	
Canada Post Corporation	✖	✖	2008	Original	
Correos	✔	✔	2008	Current and Original	
CTT Correios de Portugal	✔	✔	2008	Current and Original	Excludes sub-contracted air transport for express-international.
Deutsche Post DHL Group	✔	✔	2008	Current and Original	Exclusion of express and logistics business
Empresa Brasileira de Correios e Telégrafos	✔	✔	2012	Current	
Hellenic Post ELTA	✖	✖	2008	Original	
Le Groupe La Poste	✔	✔	2008	Current and Original	Excludes small subsidiaries.
Magyar Posta Zrt	✖	✖	2008	Original	
New Zealand Post Ltd	✔	✔	2008	Current and Original	Excludes associate companies and express/ logistics operations in Australia
Nigerian Postal Service	✔	✔	2012	Current	Carbon emissions are based on estimations
Österreichische Post	✔	✔	2009	Current	Excludes Scherübl and all subsidiaries outside Austria.
POST Luxembourg	✔	✔	2008	Current and Original	
Poste Italiane	✔	✔	2009	Current	
Posten Norge	✔	✔	2008	Current and Original	
Posti	✔	✔	2008	Current and Original	Excludes Russian mail communication
PostNL	✔	✔	2008	Current and Original	
PostNord	✔	✔	2008	Current and Original	Energy consumption related to buildings is for 8% based on estimations. Express and logistics included.
Royal Mail Group Plc	✔	✔	2008	Current and Original	Excludes subsidiaries and joint ventures.
South African Post Office	✔	✔	2010	Current	Electricity consumption based on estimations
Swiss Post	✔	✔	2008	Current and Original	
United States Postal Service	✔	✔	2008	Current and Original	20% of electricity consumption is estimated; 26% of natural gas consumption is estimated; 100% of renewable electricity is estimated

ALLOCATION METHODOLOGIES FOR LETTER MAIL AND PARCEL EMISSIONS

The table below provides details of the methodologies used by EMMS participants to calculate and allocate their emissions to letter mail and parcel categories.

Post	Items	Building emissions	Transport emissions	Subcontractor emissions
An Post	Actual	Allocation is based on split in revenue between letter mail and parcel operations.	Allocation is based on split in revenue between letter mail and parcel operations.	Allocation is based on split in revenue between letter mail and parcel operations.
Australia Post	Actual	Allocation is based on costs (at an individual product level) between letter mail and parcel operations.	Allocation is based on finance expenditure (at an individual product level) between letter mail and parcel operations.	Allocations are based on expenditure and the finance allocations process. For the StarTrack business the allocation is based on a combination of expenditure and revenue allocation.
bpost	Actual	Actual data is used for large building emissions while an estimate is used to calculate emissions for the minority of small buildings. To allocation emissions, square metres are re-invoiced to the different business units.	Business activities are assigned to either letter mail or parcels. Volumes (items and kg) used to calculate emissions. Weight is calculated by multiplying sales volumes by the maximum weight possible, resulting in an overestimation.	Business activities are assigned to either letter mail or parcels. Volumes (items and kg) used to calculate emissions. Weight is calculated by multiplying sales volumes by the maximum weight possible, resulting in an overestimation.
Brazil Post	Actual	Items percentage splits are used to allocate emissions.	Items percentage splits are used to estimate emissions.	Allocation is based on estimated kilometres travelled for road and average fuel consumption per vehicle type, and number of hours of operation for air.
Correos	Actual	Emissions are based on cost allocations between letter mail and parcels operations.	Emissions are based on cost allocations between letter mail and parcels operations.	Emissions are based on cost allocations between letter mail and parcels operations.
CTT Correios de Portugal		Allocation is based on number of items.	Allocation is based on weight.	Allocation is based on weight.
Deutsche Post DHL Group	Actual	Buildings are allocated to either letter mail or parcel operations and following this allocation, energy use data, m^2 area data and costs are assigned to the individual units, enabling emissions calculations.	The allocation is being performed on a vehicle level and where vehicles transport both letter mail and parcels, costs and fuel use data are allocated to the responsible unit who would then recharge the other.	Kilometer data forms the basis for the allocation of subcontracted road emissions (adjusted for the specific truck types). Emissions for domestic air travel are calculated using fuel data from the airline partner. Emissions for international air travel are calculated on an individual trip level taking into consideration specific routing, aircraft type and load utilisation.
Le Groupe La Poste	Actual	Letter mail and Parcel have their own delivery organisation and process.	Letter mail and parcel have their own delivery organisation and process. In certain circumstances when maintaining two channels of transportation is not economically efficient, all is allocated to letter mail and then re-allocated to parcel at the end of the year. Air transportation: the split is done according to freight rates (weight and number of items). Emissions are calculated using kilometer and jet-fuel consumption. International air or maritime transportation: the allocation is done according to the carrying weight.	Letter mail and parcel have their own delivery organisation and process. In certain circumstances when maintaining two channels of transportation is not economically efficient, all is allocated to letter mail and then re-allocated to parcel at the end of the year. Air transportation: the split is done according to freight rates (weight and number of items). Emissions are calculated using kilometer and jet-fuel consumption. International air or maritime transportation: the allocation is done according to the carrying weight.
New Zealand Post	Actual	Most of the buildings in the network are sole purpose i.e. they are either for letter mail or for parcels. If they are dual use emissions are allocated to the letter mail side of the business (rather than parcels).	The company allocates the emissions from domestic air freight and ground fuel (both related to delivery) between letter mail and parcels. This is done using the financial control method drawing on cost information from within the business.	The company allocates the emissions from domestic air freight and ground fuel (both related to delivery) between letter mail and parcels. This is done using the financial control method drawing on cost information from within the business.
Nigerian Postal Service	NA	Assumed that all items fall under letter mail.	Assumed that all items fall under letter mail.	Assumed that all items fall under letter mail.
Österreichische Post	Actual	Buildings are assigned to the respective division and the energy consumed is split according to the number of square meters (settled payment unit).	Vehicles are assigned to either the letter mail or parcels division. When vehicles are used for both letter mail and parcels cost allocation is used to split the emissions.	Subcontractor emissions for letter mail are based on kilometer data. Emissions for parcel subcontractors are estimated using the number of kilometres travelled, derived by a ratio calculation comparing parcel numbers with the subcontractor parcel numbers.
POST Luxembourg	Actual	Allocation is based on revenue split between mail and parcel operations.	Where not directly allocated to a category, emissions are allocated based on the actual numbers of items and distinction between letter mail and parcel divisions through the delivery stage.	Where not directly allocated to a category, emissions are allocated based on the actual numbers of items and distinction between letter mail and parcel divisions through the delivery stage.
Poste Italiane	Actual	Allocation is based on revenue split.	Allocation is based on revenue split.	Allocation is based on revenue split.
Posten Norge	Actual	Allocation of emissions is based on m^2 usage of letter mail and parcel divisions.	Emissions from business activities is clearly assigned to letter mail, parcel (etc.) categories.	Business activities are assigned to either letter mail or parcel. Volumes (items and kg) used to calculate emissions. Weight is calculated by multiplying sales volumes by the maximum weight.
Posti	Estimation	Buildings are assigned to either letter mail or parcel divisions using an estimation based on actual figures.	Allocation based on actual volumes of items and distinction between letter mail and parcel divisions through the process stage.	Allocation based on actual volumes of items and distinction between letter mail and parcel divisions through the process stage.
PostNL	Actual	Emissions based on clear separation of letter mail and parcel divisions.	Emissions based on clear separation of letter mail and parcel divisions.	Emissions based on clear separation of letter mail and parcel divisions. Subcontractor emissions estimated using km data and subcontractor invoices / transport costs.
PostNord	Actual	Allocation is based on actual weight of letter mail and parcels.	Allocation is based on actual weight of letter mail and parcels.	Allocation is based on actual weight of letter mail and parcels.
Royal Mail Group	Actual	Allocation is based on revenue split.	Allocation is based on revenue split.	Allocation is based on revenue split.
South African Post Office	Actual	Allocation is based on actual weight of letter mail and parcels.	Allocation is based on actual weight of letter mail and parcels.	Allocation is based on actual weight of letter mail and parcels.
Swiss Post	Actual	Emissions from business activities clearly assigned to letter mail, parcel (etc.) categories. Building emissions are calculated using meter readings and split among different business units based on their assigned area.	Emissions from business activities clearly assigned to letter mail, parcel (etc.) categories. Transport emissions are calculated using the actual fuel use per business unit.	Emissions from business activities clearly assigned to letter mail, parcel (etc.) categories. Transport emissions are calculated using fuel use that is stipulated in the contract with the subcontractor.
US Postal Service	Actual	Allocation is based on revenue split.	Allocation is based on revenue split.	Allocation is based on revenue split.

To the members of the board of the International Post Corporation, Amsterdam

INDEPENDENT ASSURANCE REPORT ON THE 2015 IPC POSTAL SECTOR SUSTAINABILITY REPORT

This report has been prepared in accordance with the terms of our engagement contract dated 8 December 2014, whereby we have been engaged to issue an independent limited assurance report in connection with the Postal Sector Sustainability Report 2015 (the "Sustainability Report") as of and for the year ended 31 December 2014 of International Post Corporation (the "Association").

MANAGEMENT'S RESPONSIBILITY

The Board of Directors of the Association is responsible for the preparation of the Sustainability Report in accordance with the criteria stated in the Environmental Measurement and Monitoring System (EMMS) Guidelines issued by the Association (summarised on page 44 and 45) ("the Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Sustainability Report, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual Sustainability disclosures which are reasonable in the circumstances. Furthermore, management's responsibility includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Sustainability Report.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an independent conclusion about the indicators disclosed on page 46 of the Sustainability Report ("the Subject Matter Information") based on our work performed. We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether nothing has come to our attention that causes us to believe that the Subject Matter Information is not fairly stated, in all material aspects, based on the Criteria.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information set forth in the Sustainability Report. The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated. The scope of our work comprised, amongst others the following procedures:

- Assessing and testing the design and functioning of the systems and processes used for datagathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information at Association level and at member level;
- Conducting interviews with responsible officers at Association and member level (6 IPC EMMS participants were visited: An Post, bpost, Poste Italiane, Post Luxembourg, Royal Mail Group, United States Postal Service);
- Inspecting internal and external documents.

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Risk Assurance Services
Maatschappelijke zetel/Siège social:Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / RBS BE89 7205 4043 3185 - BIC ABNABEBR

We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and methods for determining, calculating or estimating such information. Our Limited Assurance Report should therefore be read in connection with the Criteria.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our audit firm applies International Standard on Quality Control (ISQC) n° 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

CONCLUSION

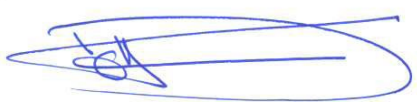
Based on our work, as described in this Independent Limited Assurance Report, nothing has come to our attention that causes us to believe that the Subject Matter Information, is not fairly stated, in all material respects, in accordance with the Criteria.

RESTRICTION ON USE AND DISTRIBUTION OF OUR REPORT

Our assurance report has been made in accordance with the terms of our engagement contract. Our report is intended solely for the use of the Association's Board of Directors in connection with the Subject Matter Information set forth in the Sustainability Report as of and for the year ended 31 December 2014 and should not be used for any other purpose. We do not accept, or assume responsibility to anyone else, except to the Association for our work, for this report, or for the conclusions that we have reached.

Sint-Stevens-Woluwe, 9 November 2015

PwC Bedrijfsrevisoren bcvba
Represented by



Marc Daelman*
Registered auditor

* Marc Daelman BVBA
Board Member represented by its fixed representatives
Marc Daelman

IPC'S SUSTAINABILITY PERFORMANCE

IPC is an active member of the United Nations Global Compact, and as such is committed to taking a precautionary approach to environmental challenges, engaging in initiatives to promote environmental responsibility and encouraging the use of environmentally friendly technology. While this report focuses on how we put this into practice through our efforts with EMMS participants, we also ensure our own operations are in line with these commitments.

OUR OWN CARBON EMISSIONS REDUCTION MEASURES AND RESULTS

In 2014, our own carbon emissions amounted to 687 tonnes CO_2, a 13% decrease from 789 tonnes in 2013. Of these emissions, 58% were associated with business air travel, while 35% were associated with road travel (business and commuting). The remaining 7% were associated with electricity use, heating, paper usage etc. In order to help reduce business travel, we place an emphasis on the use of alternative options, such as teleconferencing and remote presentation technologies (for example, WebEx and web-conferencing techniques).

ICROA
INTERNATIONAL CARBON REDUCTION AND OFFSET ALLIANCE

THE GLOBAL COMPACT
WE SUPPORT

Climate Neutral Group

Cookstove Project in Uganda

CARBON EMISSIONS COMPENSATED

For the 7th consecutive year we have partnered with the Climate Neutral Group to compensate our carbon emissions. The last five years of emissions have been fully offset with Gold Standard credits from Cookstove projects in Africa. In 2014, credits were used from the Cookstove Project in Uganda. This project has a positive impact on both climate and local communities. In co-operation with local communities, efficient charcoal ovens are developed and made available for the poorest households. Production and sales of the ovens takes place through a network of local companies, and regular awareness campaigns are developed to promote the use of efficient stoves. By replacing traditional cooking with fuel efficient stoves, carbon emissions are reduced and carbon credits generated. Revenues from carbon credits sales are invested in upscaling the project in order to provide maximum access to the stoves, while also creating jobs for local employees producing the stoves. This project allows households in Uganda to cut fuel bills by over a third, and therefore makes a significant contribution to poverty alleviation in the region.

WASTE MANAGE EFFORTS

Reductions in paper use are driven through the continued implementation of a minimal printing policy and – unless there are good and pressing reasons – IPC encourages the printing of documents in black and white and on double-sided paper only. Our printing paper is 100% Forest Stewardship Council (FSC) and EU Ecolabel certified. We provide recycling facilities in our communal areas so that employees can recycle glass, cardboard and plastic.

ACKNOWLEDGEMENTS

Publisher
International Post Corporation, 44 Avenue du Bourget, 1130 Brussels, Belgium

Project leaders
Pieter Reitsma, Manager Sustainability, IPC; Eva Wouters, Manager International Media & PR, IPC

Review team
Herbert Götz, Director Marketing, IPC; Mark Harrison, Head of Markets, IPC; Thierry Dieu, Head of Communications, IPC; Andrew Anderson, Online Communication Project Manager, IPC; Alice Newman, Researcher, Environment and Climate Change, Verisk Maplecroft; Richard Hewston, Principal Analyst, Environment and Climate Change, Verisk Maplecroft; Justus Koek, Sustainability Auditor, PwC

Content
Developed by IPC and the sustainability and communications teams from the 21 participating postal organisations

Design
Arte Sjok - Antwerp, Belgium

Photography
Provided by each of the participating postal organisations

Paper
Printed on FSC certified paper

IPC PUBLICATIONS

IPC produces a broad range of publications and electronic information that provide insight into the complex and evolving postal sector. For more information, please visit our web site at www.ipc.be or write to publications@ipc.be.

INTERNATIONAL POST CORPORATION
SUSTAINABILITY REPORT

International Post Corporation

Avenue du Bourget 44
1130 Brussels, Belgium

Tel +32 (0)2 724 72 11
Fax +32 (0)2 724 72 32

www.ipc.be
info@ipc.be