

IPC publishes first online sustainability report featuring the first-year results of the new Sustainability Measurement and Management System (SMMS)

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The first-year results of the new IPC Sustainability Measurement and Management System (SMMS) will be used to set a baseline for the reporting of participating posts. Following eleven years of reporting against environmental indicators, the group will now report on topics across a broad range of sustainability topics. The SMMS results will be in IPC's annual Sustainability Report, for the first time published as an online-only report

The full report can be read <u>here</u>.

The Sustainability Measurement and Management System (SMMS)

The IPC SMMS programme was launched in 2019 to address the sustainability objectives of the postal sector for the next ten years, aligned with the Sustainable Development Goals (SDGs). It expands on the 2009-2019 Environmental Measurement and Monitoring System (EMMS) programme, which focused on reducing carbon emissions, and broadens the remit to the seven sustainability focus areas most relevant for the postal sector:

- Health and safety
- Learning and development
- Resource efficiency
- Climate change
- Air quality
- Circular economy

• Sustainable procurement

In the original EMMS programme, two ambitious targets were set to drive postal sector progress on carbon management and carbon emissions:

- Achieve a 20% reduction in collective Scope 1 & 2 carbon emissions by 2020, compared to a 2008 baseline – achieved in 2014
- Achieve 90% in Carbon Management Proficiency (CMP) – achieved in 2018

Following eleven years of reporting on carbon emissions and carbon management and having achieved the two original targets set in 2008, the aim of the SMMS is to build on the success and experience of the EMMS to inform our approach going forward. The seven sustainability focus areas were decided upon following a two-year process involving research, consultation with internal and external stakeholders and multiple



iterations. They are aligned with the SDGs, identified by IPC's stakeholders and SMMS participants as most relevant to the postal sector.

Reporting is undertaken annually on the preceding year's data. Each of the 19 participating posts is assessed through qualitative and quantitative elements.

Sustainability Management Proficiency (SMP) is measured qualitatively through a 150+ question survey. Overall SMP scores and Focus Area scores on Strategy & Policy, Embedding, Measurement & Evaluation and Disclosure & Reporting are given in percentages. Data from 2019 will be used as the baseline.

Sustainability Management Proficiency (SMP) is measured qualitatively through a 150+ question survey. Overall SMP scores and Focus Area scores on Strategy & Policy, Embedding, Measurement & Evaluation and Disclosure & Reporting are given in percentages. Data from 2019 will be used as the baseline. In the Sustainability Performance Indicators (SPI) Tool, participants submit data on topics such as electricity use, carbon emissions, destination of waste, and vehicle types. All data is evaluated through multiple rounds of plausibility checks and supplementary evidence is reviewed, to ensure high levels of consistency. In addition, we ensure our data is accurate and credible through a third-party review from

our external accountant, PwC.



Posts continue to improve on existing indicators

Renewable Electricity and Alternative Vehicles

The group has successfully increased its use of renewable electricity from 14% of total electricity use in 2012 to 31% in 2019. Seven posts now use 100% renewable electricity, and a further six use more than 90%. The SMMS group has grown its collective alternative-fuel vehicle fleet from 65,000 (12% of total vehicles) in 2012 to over 130,000 (22%) in 2019, a particularly impressive feat given the challenging market conditions. Reported electric vehicles also increased from 2018 by more than 4,600, now comprising 15% of total vehicles in 2019.

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Carbon emissions

In 2019, posts reported a 31% reduction in Scope 1 and 2 emissions compared to the 2008 baseline. This equates to year-on-year decrease of 218,000 tonnes (4%) from 2018. Since 2008, the group's cumulative reduction in emissions now equals 18.1 million tonnes CO2.

Delivery Efficiency

Having reached the absolute emissions reduction target in 2014, participants collectively agreed on a delivery efficiency target, measuring the carbon emissions associated with each delivery, and also expanding the scope to include outsourced transport, to achieve a 20% reduction in Scope 1, 2 and 3 (from own operations and outsourced transport) carbon emissions per letter mail and per parcel by 2025, from a 2013 baseline year.

In 2019, the group reported a 3% increase in grams CO2 per item for both letter mail and parcels, compared to 2018. Since the 2013 baseline, this equates to an increase of 7% for letter mail, but a decrease of 8% for parcels. These trends highlight the challenges posts face in reducing the carbon intensity of letter mail deliveries in a climate of falling letter mail demand.



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Circular economy

In 2019, participants reused or recycled an impressive 47% of total non-hazardous waste. Five posts have publicly stated targets on waste/circular economy, and a further five have internal targets. Some posts may be more advanced in their circular economy transition than others, given regional differences in regulation and evolving legislation around waste.

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 25 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.

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