

First Sustainability Measurement and Management System (SMMS) results show posts' sustainability management proficiency efforts keep paying off

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Brussels, 16 November - On 12 November, the IPC Board endorsed the 2020 results of the new IPC Sustainability Measurement and Management System (SMMS) compared to the 2019 baseline for the participating postal operators. The results show a 9% increase in the overall Sustainability Management Proficiency score for all the posts participating in the programme.

Sustainability Management Proficiency (SMP) is one of the pillars of the IPC SMMS programme assessing four core management pillars (strategy and policy; embedding; measurement and evaluation; disclosure and reporting) for seven Focus Areas: climate change; health and safety; learning and development; sustainable procurement; resource efficiency, circular economy and air quality. The SMMS results are published in IPC's annual Postal Sector Sustainability Results, available as an [online-only report](#).

Although climate change and health and safety are the focus areas in which posts score the highest, air quality is the area in which the postal performance has increased the most.

Holger Winklbauer, IPC Chief Executive Officer commented: *"The good score of the posts in the Sustainability Management Proficiency reflects on the postal industry's*

commitment to contribute to all the pillars of society and the economy. The increase in the score also reflects the numerous initiatives taken by posts towards their employees and society during the pandemic, restating the essential social role played by the posts".

Sustainability Management Proficiency (SMP) assesses four management pillars. Sustainability Management Proficiency (SMP) is measured qualitatively through a 150+ question survey. Overall SMP scores and Focus Area scores are given in percentages. The SMMS assesses the following four core management pillars for each of the seven Focus Areas mentioned above:

Strategy & Policy: Effective sustainability strategies set clear goals and objectives, and a vision for the future. In the SMMS programme, posts are encouraged to develop tools that specifically address all of

the issues identified as relevant for the postal sector.

Embedding: This pillar assesses the methods by which posts embed their strategies and policies on the sustainability issues within their organisations. Posts are asked questions on topics such as management systems, certifications, employee engagement, and external initiatives.

Measurement & Evaluation: Data collection and verification is a central element of the SMMS programme. Posts are encouraged to develop data collection and coverage, to develop KPIs and use these in management decision making processes, to drive progress across the Focus Areas.

Disclosure & Reporting: An increasingly important area of corporate sustainability, public disclosure is how the postal sector communicates its progress and demonstrates transparency to stakeholders.

Posts improve SMP score against 2019 for all focus areas

Health & Safety

A collective score of 68.6% reflects that posts have good H&S management proficiency and that further improvement across the posts will be important in the upcoming years. As the COVID-19 pandemic continues to impact the world, protecting postal employees is more essential than ever. The growth of e-commerce, safety technology developments, and the use of alternative fuel/automated vehicles are all emerging trends that have an important bearing on the health and safety of the postal

workforce.

Learning & Development

The pandemic has not only put the postal workforce at considerable risk since early 2020, but also limited in-person training and internal communication due to lockdowns and travel restrictions. Participants have demonstrated a commitment to their workforces by continuing to prioritise L&D programmes throughout this challenging environment. Training in technical skills will continue play a prominent role due to the rise in e-commerce – accelerated even further by COVID-19 – and the digitisation of the postal industry. Soft skills and management training will also be a focus, not only to develop the next generation of managers but also to remain competitive in the modern labour marketplace, a major challenge for the postal sector. The participating posts collectively scored 64.7%, nearly four percentage points ahead of the overall SMP group score of 61.2%. This score reflects the group's focus on L&D management proficiency and its commitment to developing its workforce with 16 of the 20 participating posts having a dedicated L&D policy.

Resource Efficiency

Posts scored 57.3% in Resource Efficiency, just behind the average overall group SMP score of 61.2%. Opportunities for improvement include areas related to Strategy & Policy, such as having a dedicated policy that includes a commitment to performance improvement and a framework for achieving objectives. Making the investments needed to decarbonise the

vehicle fleet, while still meeting its duties to shareholders and customers will continue to be a challenge, but the significant improvements made since 2008 and the improvement in market trends observed in 2020 offer the post reasons for optimism. Decarbonising low carbon long haul transport will also be increasingly crucial to reduce the environmental impact of transport. Quantitative data on emissions, alternative vehicles and renewable energy use can be found in the [IPC Postal Sector Sustainability Results section](#) on the IPC website or on the [Green Postal Day](#) webpage.

Climate Change Climate Change was the highest scoring Focus Area out of the seven with 71.7%, reflecting the participating posts' continued dedication to this issue. All 20 participating posts have a strategic focus on greenhouse gas emissions and 19 posts have discussed current and/or future climate change strategies with their supplier groups. Given the size of the participant's collective fleets, reducing the environmental impact of the group's vehicles will be a continued focus going forward. As the impacts of Climate Change such as the natural disasters experienced in 2020 - 2021 continue to increase and impact businesses, postal engagement with suppliers on ways to reduce carbon emissions will continue to be critical in order to decrease Scope 3 emissions, which contribute the majority of the group's total carbon emissions (71% of Scope 1, 2 and 3).

Air Quality

Air Quality was the most improved Focus Area out of the seven, with the overall score of 49.2% presenting an increase of more than 13 percentage points from 2019. 14 out of 20 participating posts operate smart city solutions, or initiatives involving cooperation and development with other stakeholders to improve urban air quality. It is also important also to note the positive impact COVID has had on air quality. As cities stopped during its peak in the spring of 2020, there were significant improvements in air quality in major cities across the globe. This has caused a major focus on the need to implement longer term initiatives to achieve more sustained improvements.

Circular Economy

The participating posts showed impressive commitment to the issue in 2020, improving its score by almost 10 points on 2019 to 56.4%. Participants again scored best in questions related to Strategy and Policy. This is reflective of the importance of waste management to the sector from both a sustainability perspective and as part of a broader business strategy. In 2020, participants reused or recycled an impressive 46% of total non-hazardous waste.

Optimising routes and the use of reverse logistics will be key components of a circular economy, such as reducing unnecessary fuel consumption, and providing facilities for returning containers at post offices. The postal sector can also leverage its position to engage with government and other

industries to drive change.

Recyclable or sustainably produced packaging continues to be a focus for consumers.

Sustainable Procurement

The group scored 60.5% in Sustainable Procurement and best in questions related to Strategy and Policy, reflective of the prevalent use of subcontractors in the postal sector, and the importance that the group places on sustainable supply chain management. 16 posts out of 20 have a dedicated sustainable procurement policy in place.

Impacts of COVID-19 have caused global organisations to rethink their business with a focus on digital, resilience and transparent supply chains.

These management efforts all contribute to systematically addressing the impact of global climate change and collaborating to reduce carbon emissions across the sector. More details can be found in the IPC Postal Sector Sustainability Results Section on our website.

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 and Sustainable procurement. These focus areas are aligned with the following UN SDGs, identified by our stakeholders and SMMS participants as most relevant to the postal sector:

- SDG 8 - Decent work and economic growth
- SDG 9 - Industry, innovation and infrastructure
- SDG 11 - Sustainable cities and communities
- SDG 12 - Responsible consumption and production
- SDG 13 - Climate action

As such, the SMMS programme is designed to further the postal sector's contribution to global sustainable development, focusing on the areas in which it can have the most impact.

In 2020, participating posts were: An Post, Austrian Post, Australian Postal Corp, bpost, Correos, CTT Portugal Post, Deutsche Post DHL Group, Le Groupe La Poste, New Zealand Post Group, POST Luxembourg, Poste Italiane, Posten Norge, Posti, PostNL, PostNord Denmark, PostNord Sweden, Royal Mail

Group Plc, South African Post Office, Swiss Post, United States Postal Service.

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 190 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. Throughout the COVID-19 crisis, IPC has positioned itself as a crucial coordination platform between posts worldwide and put in place operational solutions to ensure the continuity of cross-border mail flows.

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