

Postal sector achieves all its 2020 sustainability targets

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- Carbon management proficiency score passed 90 points in 2018
- CO₂ emissions reductions passed 20% since 2014
- €1.6bn saved cumulatively on fuel and electricity since 2008

Brussels, 08 November 2019 – The Postal Sector Sustainability Report 2019 published today highlights that the nineteen postal operators from four continents in the IPC sustainability programme have achieved both initial targets set by IPC's postal sector sustainability programme EMMS (Environmental Measurement and Monitoring System).

In 2009, EMMS participants set themselves two targets to reach collectively by 2020: to achieve a score of at least 90% in carbon management proficiency, and to reduce combined carbon emissions from own operations (Scope 1 – direct emissions from owned operations, including buildings and transport and Scope 2 – indirect emissions from purchased electricity) by 20%.

After achieving the emissions reduction target in 2014, new delivery efficiency targets were set to reduce total carbon emissions per letter mail and per parcel by 20% by 2025. These targets extended the scope of the EMMS programme to include outsourced transport (Scope 3). It was approved by the Science Based Target (SBT) initiative's Steering Committee in 2016. Posts remain on track to achieve these delivery efficiency targets.

Carbon Management Proficiency: 91 points

Carbon Management Proficiency covers management initiatives taken to obtain a comprehensive approach to carbon management, based on a 'plan-do-check-act' management systems approach with ten pillars (e.g. Policies & Procedures; Employee Engagement and Value Chain Management). EMMS participants achieved an overall Carbon Management Proficiency score of 91% in 2019, up 35 percentage points from the 2008 baseline.

Holger Winklbauer, CEO of IPC: "The posts participating in IPC's sustainability programme have achieved tremendous results over the last ten years. Posts continue their efforts in a challenging market situation. We all must continue to innovate, work together and maintain momentum. The collective approach has helped our participants to show leadership with one of the few, if not the only, global service sector-wide initiative responding to the risks posed by climate change."

Carbon emissions reductions: -27% since 2008



CO2. Over the ten years of the programme the accumulated saving equates to 13.3 TWh which, using a conservative factor for the cost of electricity, is roughly equivalent to €1,153m (US\$1,361m) saved over the period.

Delivery Efficiency Targets (2013 – 2025): important reductions per parcel, mail stable in challenging conditions

Since the targets were set, the participating posts have considerably improved delivery efficiency per parcel, reporting 485.6 grams of CO2 per item in 2018 compared to 565.3 grams per item in 2013 – a reduction of 14%. This figure has remained broadly stable since 2015. On an absolute basis, this represents a 36% increase in annual emissions associated with parcel deliveries in just four years, compared with a 58% increase in number of items delivered over the period.

Since 2013, the group's letter mail delivery efficiency has remained stable, at 36.2 grams of CO2 per item in 2018, compared to 36.3 grams in 2013 (a decrease of 0.2%). Underlying that trend is a 13.4% decline in letter mail volumes in that period, that is commensurate with the reduction in absolute letter mail emissions in that period (13.6%).

What is next: The Sustainability Measurement and Management System (SMMS)

Following ten years of reporting on carbon emissions and carbon management and having achieved the two original targets set in 2008, IPC has launched the expanded Sustainability Measurement and Management System (SMMS). The objectives of the SMMS are aligned with five of the most relevant UN Sustainable Development Goals for the postal sector: Decent work and economic growth (SDG 8); Industry, innovation and infrastructure (SDG 9);

Since 2008, the group has reduced its annual carbon emissions by 27% since 2008, from 8.83m tonnes to 6.43m tonnes. This equates to a total saving of more than 17m tonnes of carbon emissions over the period, which is equivalent to the annual emissions from 500,000 passenger vehicles, or 5.4 million barrels of oil - an impressive amount given the significant growth in parcel deliveries over the past decade, driven by the e-commerce boom. With a focus on improving energy efficiency, the group has also reduced Scope 2 emissions by 46% since 2008, and seven participants now report using 100% renewable electricity.

Since the beginning of the programme, the group has saved an accumulative 1.2m tonnes CO2 from own transport. This presents considerable financial benefits on top of the improved environmental impacts. Using a conservative conversion factor for diesel, the reduction in Scope 1 emissions from transport equates to 431m litres of fuel saved with an associated financial saving of approximately €433m (US\$511m).

Overall electricity use has decreased by 1.67 TWh – equivalent to 2,158,000 tonnes of



Sustainable cities and communities (SDG 11); Responsible consumption and production (SDG 12) and Climate action (SDG 13).

Winklbauer continues: "The global sustainability agenda has shifted over the last ten years and our opportunities to have a positive impact extend beyond reducing carbon emissions. Through reducing our use of natural resources and facilitating the transition to a more circular economy we will contribute to the objectives of the UN Sustainable Development Goals. The new SMMS programme provides a common measurement and reporting structure, designed to drive significant and systematic improvements. It draws on the underlying principle of the original EMMS, which is that collaboration is key for success. IPC will therefore provide ongoing opportunities for participants to share and engage with each other on their strategies, progress and achievements. The SMMS programme, much like the EMMS, is based upon internationally accepted standards, will be third-party audited and reported on transparently."

In 2019 participants will begin reporting on their activities and performance in the following focus areas: (Health and safety -SDG 8; Learning and development – SDG 8; Resource efficiency - SDG 9; Climate change – SDG 13; Air quality – SDG 11; Circular economy – SDG 11; Sustainable procurement – SDG 12).These focus areas have been decided upon following a two-year process involving research and consultation with internal and external stakeholders.

IPC published the Postal Sector Sustainability Report 2019 at the occasion of its Board meeting in Amsterdam, The Netherlands. The online version of the eleventh annual Postal Sector Sustainability Report can be consulted here. It also includes 17 best practice cases showcasing particularly successful environmental initiatives taken by EMMS participants. For a full download of the report please click <u>here</u>.

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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 businesscritical 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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