

“Voices of our
Stakeholders”



**Postal Sector
Sustainability Report 2010**

International **Post**
Corporation

Contents

Introduction	2
Carbon management	4
Introducing the EMMS	4
Our 2020 goals	6
Carbon-related management	7
Carbon reduction performance	9
Including Scope 3	12
Voices of our stakeholders	13
Employees	14
Non-Governmental Organisations	17
Customers	18
Next steps	20
Assurance	22


Evidence of how we are achieving the sector goal of a 20% reduction in carbon dioxide emissions by 2020

Viewpoints on relevant issues and the performance of EMMS participating companies

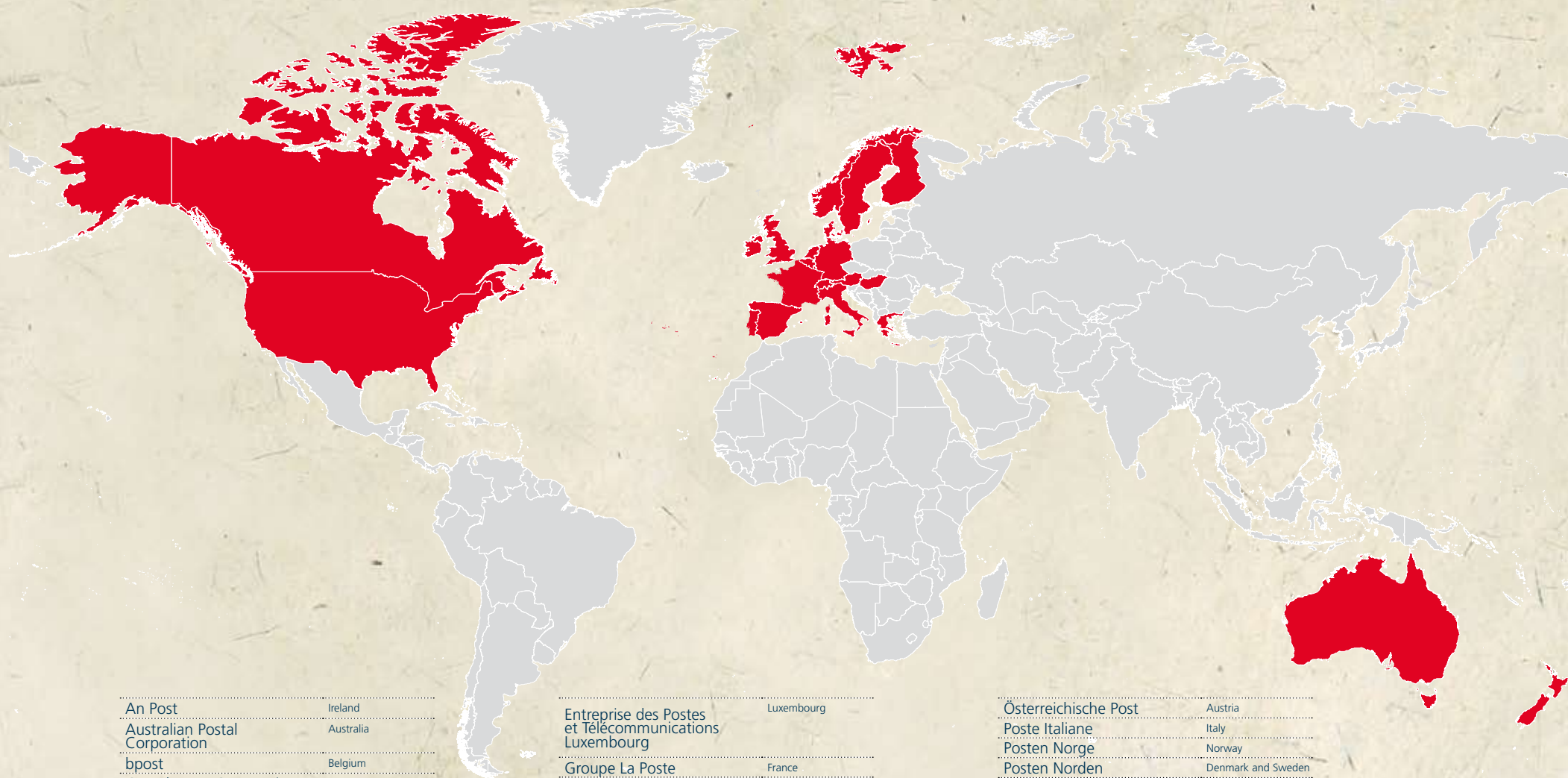
Our plans to evolve the EMMS and related work on sustainability during 2011

About the International Post Corporation

The International Post Corporation (IPC) is a cooperative association of 24 member postal operators in Europe, North America and the Asia-Pacific region. Over the past two decades IPC has collaborated with its members to upgrade the quality of mail service by developing technology systems that bring transparency to the mail processing system and delivery chain. It also manages the system for incentive-based payments between postal operators and creates business intelligence for its members, by providing a range of platforms for CEOs and senior management to exchange best practices, discuss strategy and engage in industry research. IPC represents the majority of the world's mail, with its members delivering about 80 percent of global postal volumes. They also account for nearly 2.4 million jobs. IPC is based in Brussels, Belgium and has an international staff of 63 representing more than 20 different nationalities. IPC is an organisation governed by a board comprised of CEOs from eleven member posts and the IPC Chief Executive Officer.

 www.ipc.be

EMMS participants



An Post	Ireland
Australian Postal Corporation	Australia
bpost	Belgium
Canada Post Corporation	Canada
Correos y Telégrafos	Spain
CTT Correios de Portugal	Portugal
Deutsche Post DHL	Germany

Entreprise des Postes et Télécommunications Luxembourg	Luxembourg
Groupe La Poste	France
Hellenic Post-ELTA	Greece
Itella Ltd	Finland
Magyar Posta Zrt	Hungary
New Zealand Post Ltd	New Zealand

Österreichische Post	Austria
Poste Italiane	Italy
Posten Norge	Norway
Posten Norden	Denmark and Sweden
Royal Mail Group Plc	United Kingdom
Swiss Post	Switzerland
TNT	The Netherlands
United States Postal Service	United States

Introduction from our Chairman and CEO

The launch of the first *IPC Postal Sector Sustainability Report* in December 2009 on the occasion of the Copenhagen UN Climate Change Conference (COP15) represented the first visible milestone in our efforts to develop an innovative, industry-wide Environmental Measurement and Monitoring System (EMMS). Born of our conviction that the postal industry must evolve in multiple ways beyond delivering mail, we today more than ever acknowledge the needs and expectations of our stakeholders and how they want to do business in the future. That means that the postal industry must continue to innovate not just in terms of products and services, but also by embracing sustainability as part of its core business model.

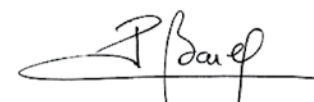
The first edition of our EMMS report focused on detailing the scope of the programme and the efforts of each of our participating members to enhance the sustainability of its business. With these ground rules in place, this year we wanted to shift our focus more onto our key stakeholders – both external and internal, whether customers, suppliers, employees, subcontractors, government agents or other civic or business partners. The International Post Corporation is driven by its commitment to respond to the needs of its stakeholders, and that is why we wanted to use this occasion to hear directly from them about the importance to each of striving for improved sustainability, as well as some of the efforts they have undertaken to that end. In that spirit, we are presenting the environmental performance results from our second full year of reporting under the banner of “Voice of our Stakeholders”.

We are pleased to report that nearly all participating posts have improved their carbon management scores in this second full year of reporting. Our analysis determined that the participating postal operators achieved a total absolute emissions reduction of 600,000 tonnes from 2008 to 2009. This is more than one-third of the required reduction to meet the IPC 20-2020 emission reduction target, and means that as an industry we are well on target to reach our goal.

EMMS participants are actively establishing carbon management strategies, reflected in the fact that most significant improvements have been registered in the area of reduced carbon emissions. Posts are identifying carbon-related environmental impact, setting clear targets, and, most importantly, devising concrete policies and procedures to significantly reduce emissions.

We are also delighted to welcome this year two new participating posts in the EMMS: Poste Italiane and Österreichische Post (Austrian Post). We are confident that in the future we will not only further expand the number of participating posts – beyond IPC members to posts in the Middle East, Africa and Latin America – but also extend the scope of our sustainability efforts and reporting to include wider sustainability issues such as waste management, to name just one.

We are very much encouraged by the progress that has been made this year upon last and would like to congratulate all participating posts on the great strides they have made to enhance their sustainability performance. We look forward to many more years of ever-improving performance, and invite you to listen, as we have done, to the multiple voices of our industry stakeholders.



Jean-Paul Bailly
IPC Chairman, Chairman
and CEO, Groupe La Poste



Dr. Herbert-Michael Zapf
President and CEO,
International Post Corporation



We are proud that Österreichische Post is working with other postal companies around the globe to meet this challenge to reduce the postal industry's carbon footprint. We have joined the other participants of the IPC EMMS because we want to assume our responsibility within the context of this international programme. Through the EMMS, we see a chance for all postal companies to speak with one voice.

Österreichische Post seriously and actively assumes responsibility for the environment, striving to achieve higher ecological efficiency in our mail processing and delivery operations and in providing ecological alternatives for our clients. For example, Austrian Post's pilot project, "eco-trainers", provided training to about 150 drivers in fuel-efficient driving techniques, and we have begun using natural gas-driven delivery vehicles as well as electric mopeds and bicycles.

We believe that the work we are already doing to be more environmentally sustainable fits in well with the goals of the EMMS programme. Indeed, the targets for CO₂ emission reductions Austrian Post has set for itself – 10 percent by 2012, along with other targets to reduce energy consumption by 10 percent by 2012 and to reduce its residual waste – tie in well with the collective postal industry target of a 20 percent reduction in CO₂ emissions by 2020 that the EMMS participants agreed to last year.

Dr. Georg Pötzl, CEO, Österreichische Post

Social responsibility is an essential and crucial part of the Poste Italiane strategy: our strong commitment to environmental protection has led to a number of initiatives and decisions at both the strategic and operational level. Among these, I would like to mention the ongoing effort to reduce greenhouse gas emissions, to optimise energy consumption and, at the same time, to substantially increase the percentage of renewable energy supply, thus contributing energy savings and reducing greenhouse gas emissions. In this respect, it is also worth mentioning the considerable expansion of Poste Italiane's fleet of electric and hybrid vehicles, which is currently the largest methane fleet in Europe

and which has enabled us to also improve the quality of life of the Poste Italiane employees and of the community as a whole.



*Mr. Massimo Sarini,
CEO, Poste Italiane*

Carbon management

Introducing the EMMS

The member posts of IPC manage over 100,000 facilities, around 520,000 transport vehicles and 2.4 million employees worldwide. Collectively, these posts emit a significant amount of CO₂ from fuel combustion and the use of energy to power equipment as well as to heat and cool buildings. This makes energy consumption and carbon dioxide emissions a significant operational and strategic risk for the postal sector. We are addressing these impacts and combatting global climate change through our sector-wide Environmental Measurement and Monitoring System (EMMS).

IPC developed the EMMS in 2008 in direct response to requests from CEOs throughout the postal industry who asked IPC to implement a common carbon measurement and reporting framework in line with stakeholder expectations. Our members helped pilot the system in 2008, and we implemented the full programme in 2009 to capture data and progress for the 2008 calendar and financial reporting year.

Presented to stakeholders in Copenhagen

Last year, IPC and CEOs of member companies presented the results of this work to the world's media in Copenhagen to coincide with the United Nations Climate Change Conference 2009 (COP 15). During 2010 IPC has continued to work proactively with each of the participating postal operators to collect data and share learning on best practices. This publication represents the second year that we are formally reporting EMMS results with verified and consistent data for participating posts.

"I welcome this global commitment by an entire service sector as an example of the vision and leadership required at all levels to effectively combat climate change, and I encourage the postal sector to continue to set an example."

Yvo de Boer, Former Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC)

www.ipc.be/en/Services/Sustainability/COP15.aspx

www.unfccc.int

Questionnaire and scorecards

Each year, participating postal operators complete a holistic questionnaire as part of an annual self-assessment exercise. This includes reporting on performance trends, sector averages and company scores for both carbon management proficiency as well as a suite of 20 carbon performance indicators in five categories: Overall Sector Indicators, Scope 1, Scope 2, Scope 3 and Activity Indicators. The results are subject to review by IPC and Maplecroft, an independent advisory company specialising in global risks management, to ensure reliability and consistency of data. The review also acts as a useful check that promotes constructive feedback, monitoring and continuous improvement of the programme for future years. Our review and verification processes use the ISO 14001 and ISO 14064 (carbon accounting) standards. Results are presented to participants as individual scorecards for each company.



Australian Postal Corporation



Itella Ltd

Process improvements in 2010

The 2010 EMMS cycle included a number of new developments. Most notable was the introduction of an interactive calculator that enables more consistent accounting by automatically computing scores for each of the 20 carbon performance indicators. This was supported by an updated guidance document including more detailed insight on the definition of scopes as well as emissions factors for different countries, modes of transport and fuel types. The EMMS 2010 also includes further accounting requirements, external review and reporting on Scope 3 emissions (p11).

Scope of this report

This year IPC welcomed two new participants, Österreichische Post and Poste Italiane, bringing the total number of posts participating in the EMMS up to 22 out of 24 IPC members. Many of these participants also increased the scope of their submissions by including subsidiaries or other parts of their business such as newspaper delivery and direct marketing services (see Annex p24). Figures presented in this report continue to reflect the mail and parcel services of participating companies. Express and logistics services, while included in the EMMS programme, are not included in this report. All carbon performance data in this report relates to the original members (excluding Österreichische Post and Poste Italiane) unless explicitly indicated, to facilitate year-on-year comparison.

This report provides an overview of the environmental performance of participating operators from the postal sector for the calendar year 01 January to 31 December 2009. A certain amount of estimation in measurement has proven necessary and unavoidable in limited cases; for instance, some IPC members may have been obliged to make estimations in certain performance areas in order to ensure that data covers the same scope and are comparable. In such cases, every care has been taken by the reporting postal operator to ensure that estimations are as accurate and realistic as possible.

In reporting performance, IPC also provides the range of coverage of the data provided. Coverage is calculated on the following basis: the percentage of the business, as quantified by operational revenue, that reports data on a certain indicator, divided by the total revenue of all EMMS participants. The key data table on p10 details the coverage range for each indicator.

IPC has taken all reasonable steps to ensure the information published in this report is accurate to the best of its knowledge, based on the data provided. This report was reviewed and approved by the management of IPC, including relevant discipline experts and senior managers. PricewaterhouseCoopers has reviewed the data provided in this report and – where satisfied that the metrics used are sufficiently robust, quantifiable and verifiable – has guaranteed the accuracy of those figures; this quality assurance is indicated by a rhombus symbol (◊) accompanying the relevant reporting category. The results can be found in the Assurance Report on p22.

Figure 1: The EMMS 2010 Scorecards include more than 800 data points



Our 2020 goals

IPC represents approximately 80 percent of total global mail volume. In 2009 we set two sector goals together with our members. This table and following pages present a summary of our performance against these goals as well as next steps.¹

Indicator	Baseline	Goal 2020	Improvement	Performance (2009)	Status
Management proficiency	56 percent	>90 percent	> 34 percentage points	61 percent	✓ On target

Pilot implementation of the EMMS in 2008 (using 2007 data) produced an average management proficiency score of 52 percent. Last year our *Postal Sector Sustainability Report 2009* reported this figure improving to 56 percent. This four percentage point increase motivated the determination of a tough sector target of 90 percentage points by 2020. This year, participating member companies achieved a score of 61 percent, providing further evidence that our proposed 34 percentage point improvement is both realistic and attainable. Over 95 percent of participating members saw improvements in their performance. Constant improvement at this rate will see attainment of our 2010 goal five years earlier than scheduled (i.e. in 2015).

Indicator	Baseline	Goal 2020	Improvement	Performance (2009)	Status
Performance data	8,360,000 tonnes	6,688,000 tonnes	20 percent	7,763,000 tonnes	✓ On target

In December 2009 the CEOs of our member posts identified the sector goal as a 20 percent absolute carbon dioxide (CO₂) emissions reduction by 2020 (relating to Scope 1 and Scope 2 emissions) based on 2008 figures. This current carbon performance goal of 20 percent aligns with the collective targets of member companies as of December 2009. This last year saw a CO₂ emissions reduction of 600,000 tonnes, significantly more than the required annual reduction of 140,000 tonnes. We remain convinced that, with the EMMS system in place, and with continued support from our members who provide annual monitoring and reporting, participants will be able to comply with (and ideally exceed) both the IPC emissions reductions goal as well as targets set by international organisations and governments.



Groupe La Post



bpost

¹ Setting appropriate targets or emissions reductions is dependent on a number of factors: country and region, climate, regulations, the percent of green electricity in national grids, outsourcing strategies of each company as well as the risk appetite of individual businesses and their shareholders.

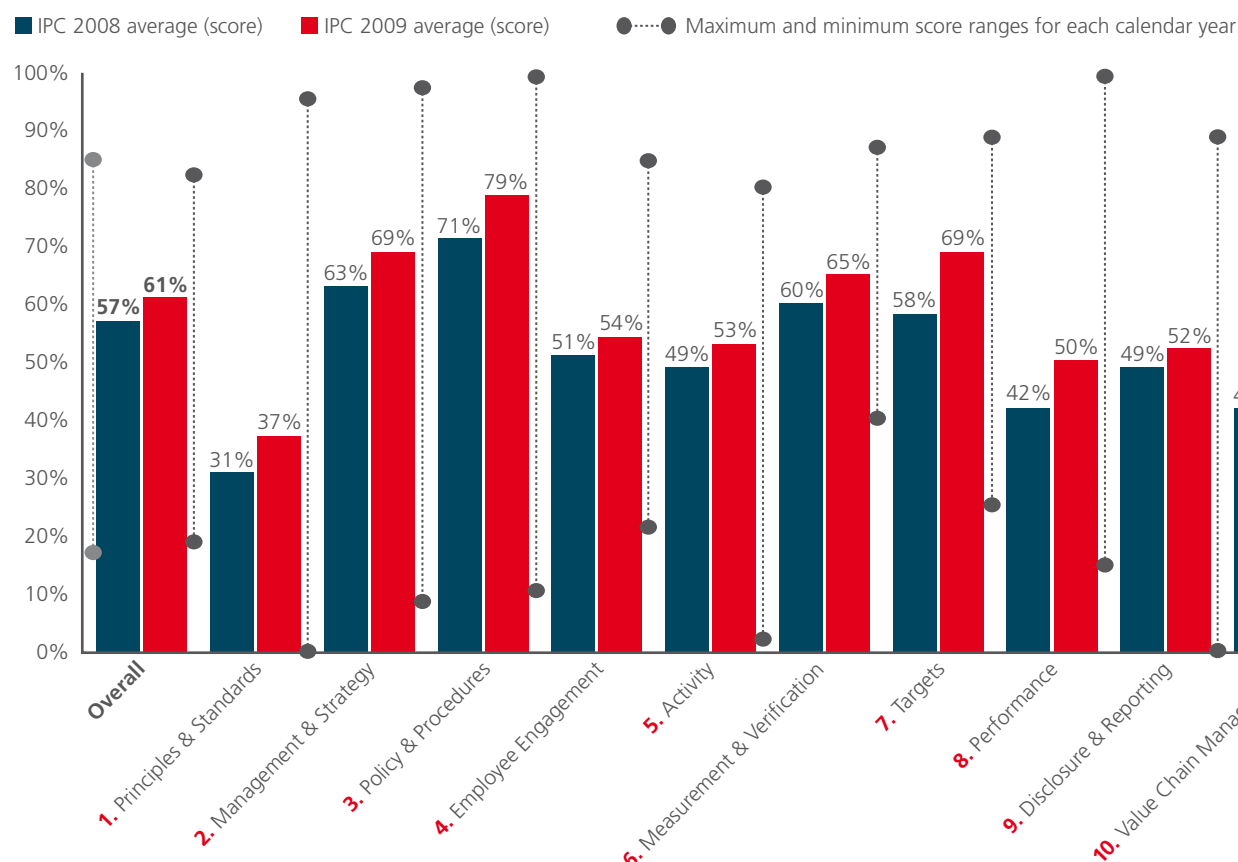
Carbon-related management

The EMMS tool measures carbon management proficiency across ten areas aligned with IPC's plan-do-check-act management systems approach. In 2009, IPC members achieved an average management proficiency score of 61 percent. This represents a five percentage point increase on 2008 and indicates a significant appreciation of energy and carbon emissions as a priority for business. Scores ranged between 83 and 20 percentage points with 95 percent of last year's participants showing improved scores (Figure 2). The current rate of improvement in management proficiency (five percentage points per annum) significantly exceeds the required rate to meet our sector goal of 90 percent by 2020.

Areas of strength

IPC companies performed best on issues relating to policy and procedure (79 percent), management and strategy (69 percent), target setting (69 percent) and measurement and verification (65 percent). This represents a significant positive shift in performance with more than 95 percent of companies now having either internal or external targets for the reduction of greenhouse gas emissions. Over 76 percent of participants already have targets in place that are at least in line with the sector 20 by 2020 reduction goal (known as the "20-2020 reduction goal"). More than 14 percent have made a commitment to be carbon neutral. Responsibility for climate change, carbon management and emissions is clearly defined for almost all participating posts, with many also having individual energy and carbon metrics in senior manager performance appraisals and performance-related pay schemes.

Figure 2: Range and average carbon management proficiency scores by section



Areas for improvement

There was significant variance in the range of performance. The three areas that registered the lowest scores were: principles and standards; performance and disclosure, and reporting. Despite lower scores in these areas, however, another two companies signed up to the United Nations Global Compact in 2009, and all three of these areas saw marked improvements upon 2008 figures.



Magyar Posta Zrt

Beyond the "low hanging fruit"

Comparatively poorer scores for performance relate partly to declining mail volumes throughout the sector. This makes sustained emissions reductions per unit of turnover challenging. It relates also to many companies having already implemented quick-win emissions reductions, such as switching to green electricity and implementing more efficient transportation methods. Further reductions for leading participants require infrastructure investment such as the development of LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method) buildings, the replacement of road with rail transport or increased use of alternative fuel vehicle fleets. Such initiatives require detailed cost-benefit analysis as well as the availability of appropriate national infrastructures, such as the suitability of rail networks and timetables. Many members are also exploring and testing alternative energies including solar power, geothermal and wind in both buildings and vehicles. Ongoing engagement with IPC members suggests the availability and uptake of alternative vehicles is likely to increase in future years following significant piloting as well as negotiations with vehicle manufacturers to develop designs that suit specific postal routes.

Progress in value chain management

In 2009 we identified the value chain management of emissions as one of the weakest performing areas. In the context of our EMMS programme this relates entirely to energy consumption and Scope 3 emissions from secondary or subcontracted transport. In 2008 EMMS participants typically rated their value chain management programmes as "under development". In 2009 85 percent had developed either general environmental or specific energy or carbon requirements for suppliers. These are being progressively rolled out for all primary contracts and sub-contractors. Over 95 percent of participants are now actively communicating with customers or suppliers on carbon management issues.

Carbon reduction performance

Carbon performance data is evaluated across 20 indicators and six areas of the postal business to reflect the diversity of IPC members: mail, parcels, express (national and international), logistics, retail outlets and financial services. This includes Scope 1, Scope 2 and Scope 3 emissions in line with international greenhouse gas accounting standards, in particular the World Resources Institute Greenhouse Gas Protocol. Indicators are presented alongside absolute emissions reduction figures, in order to provide participants with insight into the carbon efficiencies for different parts of their business. This promotes continuous improvement by enabling focused emission-savings activities.

"WRI welcomes the development of sector initiatives and guidance that build on the WRI/WBCSD Greenhouse Gas Protocol. Additional guidance allows companies to more effectively measure and manage their emissions and identify new actions for responding to climate change."

David Rich, Associate, Greenhouse Gas Protocol Initiative, World Resources Institute

Overall sector indicators

Total Scope 1 and Scope 2 carbon emissions from EMMS members in 2009 amounted to 7,763,000 tonnes (2008: 8,360,000 tonnes) (Figure 3). This seven percent reduction excludes the increased scope and additional emissions associated with the inclusion of two new postal operators in 2009. Including emissions from these operators increases the sector output to 8,143,000 tonnes. More than 75 percent of participants achieved significant emission reductions. The size of this reduction means IPC EMMS participants are clearly on target to meet the 20-2020 reduction goal.

Emissions sources

About 53 percent of Scope 1 and Scope 2 emissions (3,927,000 tonnes) are indirect and associated with the electricity used in buildings, including sorting centres, post offices and administrative operations. Direct emissions from hydrocarbons (mainly diesel) consumed in transport activities during the year amounted to 2,857,000 tonnes (2008: 2,948,000 tonnes). Together this equates to an average of 0.064 tonnes CO₂ per €1,000 turnover. For the mail divisions of each company, this figure averaged 0.037 tonnes CO₂ per €1,000 turnover with the most efficient posts achieving as little as 0.012 and the least efficient being closer to 0.115 tonnes CO₂ per €1,000 turnover.

 www.ghgprotocol.org



Magyar Posta Zrt



New Zealand Post Ltd



Poste Italiane

Figure 3: Carbon performance data

Indicator	Original members		Original members		Extended group	
	2008	Coverage	2009	Coverage	2009	Coverage
CO₂ emissions in tonnes						
Scope 1: Transport (vehicles, aviation, rail) ◇	2,948,000 tonnes	100 percent	2,857,000 tonnes	100 percent	3,008,000	100 percent
Scope 1: Heating (gas, heating fuel, oil, steam) ◇	1,164,000 tonnes	100 percent	979,000 tonnes	100 percent	1,057,000	100 percent
Scope 2: Electricity (including electric vehicles) ◇	4,248,000 tonnes	100 percent	3,927,000 tonnes	100 percent	4,062,000	100 percent
TOTAL	8,360,000 tonnes	100 percent	7,763,000 tonnes	100 percent	8,143,000	100 percent
Overall sector indicators						
Total CO ₂ in tonnes per 1,000 euro turnover ◇	0.067	100 percent	0.064	100 percent	0.058	100 percent
Total CO ₂ in grammes per item – mail and parcels ◇	29	84 percent	25	100 percent	25	88 percent
Activity indicators						
Percent of renewable electricity used in buildings ◇	13 percent	93 percent	9 percent	100 percent	11 percent	100 percent
Percent of renewable energy used in buildings ◇	8 percent	79 percent	7 percent	100 percent	9 percent	100 percent
Percent of alternative vehicles in fleet ◇	10 percent	100 percent	11 percent	100 percent	11 percent	100 percent

Note: Figures per €1,000 turnover were calculated using average annual currency conversion statistics sourced from the Organisation for Economic Co-operation and Development (OECD). The rhombus symbol (◇) denotes data on which PwC has provided limited assurance (p22).



Figure 4: Scope 3 carbon emissions

Indicator	Original members		Extended group	
	2009	Coverage	2009	Coverage
Business travel	392,000 tonnes	92 percent	392,000 tonnes	80 percent
Company cars	20,000 tonnes	7 percent	20,000 tonnes	6 percent
Drivers/Owners	54,000 tonnes	13 percent	54,000 tonnes	12 percent
Employee commuting	3,045,000 tonnes	58 percent	3,045,000 tonnes	50 percent
Outsourced or sub-contracted road transport	3,730,000 tonnes	89 percent	3,748,000 tonnes	78 percent
Outsourced or sub-contracted rail transport	40,000 tonnes	59 percent	40,000 tonnes	68 percent
Outsourced or sub-contracted ship transport	12,000 tonnes	37 percent	12,000 tonnes	43 percent
Outsourced or sub-contracted air transport	2,704,000 tonnes	86 percent	2,704,000 tonnes	74 percent
Waste disposal to landfill	17,000 tonnes	5 percent	17,000 tonnes	5 percent
TOTAL	10,014,000 tonnes		10,032,000 tonnes	

Emissions per item

In 2009 we reported emissions per item of mail to average at 15 grammes per item. Emissions per parcel averaged at around 360 grammes per item. This increase in emissions was attributed mainly to the increased size and weight of parcels, and because they are sometimes being delivered on more polluting modes of transport e.g. via moped or van versus on foot or bicycle. We continued our efforts to measure emissions per item of mail and parcel in 2010 but have chosen not to publish updates in this report as there remain challenges separating mail and parcels in our accounting exercises. Thirty-two percent of the postal providers were unable to distinguish emissions from mail versus parcel deliveries due to the significant shared infrastructures and sorting facilities.

Activity indicators

The percentage of renewable electricity used in buildings and for electric vehicles varied significantly between operators, with increasing numbers of EMMS members (55 percent) purchasing green electricity. Eighteen percent of members supplemented this with energy from other renewable sources including geothermal, solar and wind power. When combined with renewable electricity, these sustainable energy sources accounted for seven percent of all energy used by IPC members. Note, these calculations relate to acknowledged additional emissions reductions only and do not include standard "green" energy currently included in the grids of host countries due to hydropower or other lower carbon sources.



Including Scope 3

The EMMS programme follows a logical best practice route to lasting and effective emissions reductions beyond 2020. It started with stakeholder research, then developed and deployed a measurement system that focused firstly on Scope 1 and Scope 2 emissions. The EMMS 2010 also included our initial assessment of sector Scope 3 emissions.

The inclusion of Scope 3 emissions forms part of our commitment to continuous improvement by including fuller and more accurate accounts of member greenhouse gas emissions. This includes those emissions associated with supply chains, distribution networks and ultimately even product lifecycles. Our current focus is primarily on transport-related Scope 3 categories (Figure 4, p11).

Eighteen of the 22 participating companies (86 percent) submitted some Scope 3 emissions data. This included emissions relating to sub-contracted road and other transport, business travel and company cars. Participants also included emissions relating to employee commuting and waste disposal to landfill. About 37 percent of the total 10,014,000 tonnes were linked directly to sub-contracted road transport. A further 30 percent are associated with employee commuting.

The EMMS 2011 will see more reporting of Scope 3 emissions in line with the emerging GHG Protocol Product and Scope 3 Standards. This in turn will enable increased sector reporting and disclosures in the *IPC Postal Sector Sustainability Report 2011*.



United States
Postal Service

Voices of our stakeholders

The first part of this report provides an account and evidence of how we continue to respond to environmental issues responsibly and proficiently. It does this through the presentation of our EMMS 2010 results. This second section of the report presents the “voices” of our stakeholders, including customers, employees and non-governmental organisations, stakeholder groups and governments, in the form of quotations collected by each of the EMMS member posts. Together these voices provide insight into the shared commitment of our stakeholders and the partnerships we are developing together to further reduce emissions.



Customers

"We believe that a purposeful and responsible focus on environmental sustainability will result in financial savings, greenhouse gas emissions reductions and will contribute to the improved health and vitality of the communities where we live, work and play. We value Canada Post greatly as a supplier and are confident our joint efforts will make the world a better place now and for future generations."

Eadie Ferretti, Global Supply Chain
Management Executive, Bank of America



Eadie Ferretti

"Deutsche Post's GOGREEN products are a valuable addition to our climate protection program. Our goal is to reduce CO₂ emissions from all Allianz companies by 20 percent by 2012."

Thomas Pleines,
CEO Allianz
Versicherungs AG

Deutsche Post DHL



Deutsche Post's
GOGREEN product

"Itella Green service suits us perfectly because we take environmental issues into account in our daily operations and decision-making. By using roll containers (instead of pallets) in transportation, we save time in collecting and packaging and create less packaging waste. It is also easier to move roll containers than pallets in stores."

Harri Bergman, Executive Vice President of Pentik Oy



Harri Bergman

"We have worked together with Swiss Post for some time and know that it has been firmly committed to sustainability for many years. At Transa, all our parcels are sent in a carbon-neutral way using Swiss Post's "pro-clima" service, which fits in very well with our corporate philosophy. The energy we use to process and carry our parcels should not impact on the environment with additional CO₂ emissions."



Gerben Meijer

"Eneco works towards a sustainable future with affordable and available energy for everybody. TNT is our sustainable partner in postal services and supplies additional services that helps us realise our goal in reducing CO₂ emissions. By thinking along with their customers, TNT is adding value. Together we change processes and TNT offers solutions to make these changes possible. The result is less traffic, less paper and more cooperation."



Gerben Meijer, Manager, Internal Sustainability, Eneco



Philipp Schnell

*Philipp Schnell,
CEO, Transa*

"The agreement signed with Poste Italiane to boost alternative mobility is an important step towards development of electric mobility and towards the implementation of "zero emission services" in our country. In this respect, these two leading Italian companies, both having a strong, capillary presence throughout the national territory, have decided to join forces in a common strategy for concrete and shared environmental protection."

Posteitaliane

Fulvio Conti, CEO, Enel



*Poste Italiane "Free Duck"
electric quadricycle*

Employees



"As an employee of Österreichische Post, it is important to me to know that the Post is not just implementing its own [sustainability] programme. We are working together with others [in the postal industry]. This is important because we think it helps us gain greater awareness and achieve much more impact."

*Harald Hagenauer,
Head of Investor Relations &
Corporate Social Responsibility,
Austrian Post*



Harald Hagenauer



"The Postal Service has demonstrated a commitment to sustainability principles, with senior leadership taking quite an active, hands-on role in bringing sustainability initiatives to market. I am excited to be involved with expansion of these and other sustainability projects in the future."

*Daniel J. Barrett, Manager, Return
Solutions, United States Postal Service*



Daniel J. Barrett

"Correos has launched a new Energy Efficiency Plan that will be the first step in reaching the Emissions Reduction objective agreed in Copenhagen. This Plan aims to implement some responsible consumption habits and wants all the employees to get involved, so that they contribute, with small gestures, to sustainable and efficient energy consumption, which is the only way to reach the target of emission reduction in 2020."



Alberto Lafuente, CEO, Correos y Telégrafos



Alberto Lafuente

"Royal Mail is pleased to have worked with IPC on the development of the EMMS programme and we are pleased with the improvements and trends confirmed by this year's audit."



Steve Boorman, Director, Corporate Responsibility, Royal Mail



Steve Boorman

"It is not accidental that green is one of the basic colours of the [Hungarian] Post. Being a small human on small feet, I definitely would like to have an even smaller ecological footprint. Working at Magyar Posta, I feel I can achieve this."



Ferenc Molnár, NLC (National Logistics Centre) Environmental Representative, Magyar Posta



Ferenc Molnár

Employees

"By testing electric bicycles, which P&T Luxembourg intends to reintroduce as a complementary means of distribution to car and walking-rounds, I participated in one of the projects initiated by P&T Luxembourg to translate its sustainability strategy into action. We all know that transport is responsible for a large part of CO₂ emissions, so thinking about what we could do differently and testing alternative and environmentally friendly means of transport specifically adapted to our business is clearly a step forward."



*Georges Fonseca, Postman,
Luxembourg City, P&T Luxembourg*



Georges Fonseca

"To reduce the impact of local transport (collection and distribution), the Mail Division is gradually equipping itself with electric vehicles. Beside the environmental benefits and vast fuel savings, we need to keep access to the heart of the cities to deliver. It's also a way to improve postmen's working conditions. And lastly, we hope to contribute to a competitive, economically-viable industrial production chain with a market potential of more than 100,000 vehicles."



GROUPE LA POSTE

*Muriel Barnéoud, Assistant
Vice President, Groupe La Poste
Mail Branch*



Muriel Barnéoud

Government and Non-Governmental Organisations



Damien Vincent

"WWF congratulates bpost for committing to reduce its CO₂ emissions by 35 percent from now to 2012, in comparison to the level of 2007. This is going to contribute to the global objective of the postal world. bpost has also committed to use 100 percent recycled or re-used paper for internal use."



Damien Vincent, Vice President, World Wildlife Fund, Belgium

"Sustainability is now an important factor in every part of our work and lives and will continue to be so into the future. The New Zealand Post Group recognises this and is a leader in sustainability issues. We at Business New Zealand are on the same journey, as every business in New Zealand needs to act with sustainability in mind. As a landmark New Zealand company, the New Zealand Post Group represents New Zealand to many overseas customers. The company's goals such as reducing greenhouse gas emissions by 12 percent by the end of 2012 set an important example. Business NZ fully supports the activities the New Zealand Post Group is taking towards sustainable future. The fact that you reduced your green house-gas emissions by 3.6 percent between 2008-2009 shows your actions are starting to work."



Phil O'Reilly

Phil O'Reilly, Chief Executive, Business New Zealand

"For Norwegian industry, leading the work of finding concrete solutions to climate problems also represents many opportunities. Companies, including Posten Norge, will use and develop new products and services and must include climate assessment in their strategies to reduce the environmental impact of daily operations."



Posten Norge

NHO Confederation of Norwegian Enterprise, Industry Climate Action Plan

"Australia Post's second stand-alone Corporate Responsibility Report demonstrates the organisation's commitment to transparency and continuous improvement. It is factual, balanced in tone and easy to read. We are proud of the progress Australia Post is making on corporate responsibility and its efforts to be more accountable."



Members of the Australian Postal Corporation Stakeholder Council

Australian Postal Corporation Stakeholder Council

Next steps

Improving the EMMS programme

IPC plans to implement a number of improvements to the EMMS programme in the remainder of 2010 and in 2011. These include the development of an interactive web-based carbon calculator, an enhanced EMMS tool and further clarity on how to measure and manage Scope 3 emissions. The carbon calculator will form part of an online EMMS questionnaire and will be piloted towards the end of 2010. Initial use of the calculator will be voluntary, and will use a flexible platform that accommodates differences in country emissions factors, data collection and calculation processes. Implementation of the calculator will also be supported by an enhanced EMMS guidance document that includes more insight on Scope 3 accounting. The latter will also be the subject of a member workshop that aims to address the practicalities of obtaining Scope 3 data, influencing suppliers and contractors, engaging with other departments internally to effect change (e.g. supply chain function) and further defines Scope 3 criteria for the sector.

Greener products and transport

Next year will also see the development of further supporting resources that promote continuous improvement. This includes a suite of “fact finding” briefings on green products and services, green transport and green buildings. Each document will include case studies of business engagement from different geographies, insight into related programmes, examples of key recent events and technologies (e.g. electric vehicles) as well as narrative assessment and recommendations for how member companies might improve their performance. These documents will also be used to promote sector-wide discussion on common standards and metrics, and to understand better how postal sector companies compare to other proactive global businesses and sectors.

Further environmental research

EMMS participants also requested the progressive extension of our environmental programme into other areas beyond carbon management. This includes further research on the relevance of waste, biodiversity and water management to the sector. Waste management and waste diversion have clear links to Scope 3 greenhouse gas emissions and will thus also form an active part of our Scope 3 accounting review. Biodiversity is of particular interest as it forms the “currency” of mail and parcels, with letters being printed on paper and parcel packaging consuming significant natural resources. Many EMMS participants also invest in carbon offset-related projects or tree planting initiatives that support biodiversity conservation. Water management represents a further emerging risk for the sector. Each of these research items will focus on bilateral impact assessment as a means of determining the most appropriate next steps i.e. the impact of posts on each issue area, and vice versa. We will also explore stakeholder viewpoints for each area and investigate the relative footprint for our sector versus related and more exposed industries.



USPS



New Zealand Post



Poste Italiane



Posten Norden



To the members of the board of the International
Post Corporation

PricewaterhouseCoopers
Bedrijfsrevisoren
PricewaterhouseCoopers
Reviseurs d'Entreprises
Risk Assurance Services
Woluwe Garden
Woluwedael 18
B-1932 Sint-Stevens-Woluwe
Telephone +32 (0)2 710 4211
Facsimile +32 (0)2 710 4299
www.pwc.com

INDEPENDENT ASSURANCE REPORT ON THE POSTAL SECTOR SUSTAINABILITY REPORT 2010

This report has been prepared in accordance with the terms of our engagement contract dated 15 May 2009, whereby we have been engaged to express a conclusion in connection with the Postal Sector Sustainability Report 2010 (the "Sustainability Report") for the calendar year 2009 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 ("the Subject Matter information"), in accordance with the criteria stated in the EMMS Guidelines issued by the Association (summarized on page 24) ("the Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter information, 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 Subject Matter information.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the EMMS indicators marked with a rhombus symbol (◊) set forth in the Sustainability Report (page 10) based on our work performed. Our assurance report has been made in accordance with the terms of our engagement. We do not accept or assume and deny any liability or duty of care to anyone else, except to the Association for our work, for this report, or for the conclusions that we have reached.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical 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 the EMMS indicators of the Sustainability Report marked with a rhombus symbol (◊) has been prepared, in all material respects, in accordance with the Criteria issued by the Association.

The objective of a limited-assurance engagement is to reduce the assurance risk to an acceptably low level in the circumstances of the engagement as the basis for a negative form of expression of our conclusion on the Subject Matter information.

The scope of our work included, amongst others the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating EMMS indicators at IPC level and at member level ;

PricewaterhouseCoopers Bedrijfsrevisoren coöperatieve vennootschap met beperkte aansprakelijkheid, burgerlijke vennootschap met handelsvorm
PricewaterhouseCoopers Reviseurs d'Entreprises société coopérative à responsabilité limitée, société civile à forme commerciale
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedael 18, B-1932 Sint-Stevens-Woluwe
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING 310-1381195-01



- conducting interviews with responsible officers, at IPC and member level;
- inspecting internal and external documents.

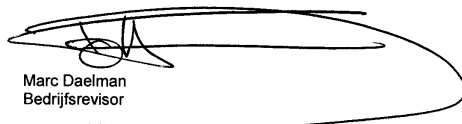
We have evaluated the EMMS indicators against the Criteria. The accuracy and completeness of the EMMS indicators are subject to inherent limitations given their nature and methods for determining, calculating or estimating such indicators. Our Assurance Report should therefore be read in connection with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

Conclusion

Based on our work, as described in this Assurance Report, nothing has come to our attention that causes us to believe that the EMMS indicators in the Sustainability Report marked with a rhombus symbol (◊), has not been prepared, in all material respects, in accordance with the Criteria issued by the Association.

Brussels, Belgium, 17 September 2010

PricewaterhouseCoopers Bedrijfsrevisoren bvba
Represented by



Marc Daelman
Bedrijfsrevisor

Annex

Exclusions and estimations

Company	Boundary	Period	Exclusions and Estimations
An Post	National	CY 2009	
Australian Postal Corporation	National	CY 2009	
bpost	National	CY 2009	
Canada Post Corporation	National	CY 2009	Energy consumption related to buildings is for 10% based on estimations. Excludes subsidiaries.
Correos y Telégrafos	National	CY 2009	Energy consumption related to building is for 27% based on estimations.
CTT Correios de Portugal	National	CY 2009	
Deutsche Post DHL	Multi-national	CY 2009	Exclusion of express business (in both CO ₂ and turnover) and logistics.
Groupe La Poste	Multi-national	CY 2009	
Hellenic Post-ELTA	National	CY 2009	
Itella Ltd	Multi-national	CY 2009	Exclusion of express business (in both CO ₂ and turnover) and logistics.
Magyar Posta	National	CY 2009	
New Zealand Post	Multi-national	CY 2009	
Österreichische Post	National	CY 2009	
P&T Luxembourg	National	CY 2009	
Poste Italiane	National	CY 2009	
Posten Norge	National	CY 2009	
Posten Norden	Multi-national	CY 2009	Posten AB and Post Danmark A/S merged in 2009 and submitted joint EMMS data in 2010.
Royal Mail Group	National	CY 2009	GLS excluded from reported figures. Energy consumption related to buildings is for 13% based on estimations.
Swiss Post	National	CY 2009	
TNT	Global	CY 2009	Energy consumption related to buildings is for 5% based on estimations. Exclusion of express business (in both CO ₂ and turnover).
United States Postal Service	National	CY 2009	Energy consumption related to buildings is for 25% based on estimations. Renewable electricity is 100% estimated.

Indicator definitions

Total CO₂ in tonnes per €1,000 turnover: Includes the total CO₂ emissions from all Scope 1 and Scope 2 sources for all areas of business divided by the total company turnover in euro and multiplied by 1,000 to determine emissions per €1,000.

Total CO₂ in grammes per item: Calculation of CO₂ emissions from all Scope 1 and Scope 2 sources. The emissions of CO₂ expressed in grammes is then divided by the total number of items processed.

Percentage of renewable energy used in buildings: Includes the total amount of renewable energy used in buildings from all sources of purchased and self-generated renewable energy (e.g. solar, wind, hydro, geothermal). Nuclear power, peat, and natural gas are not considered renewable energy sources. This figure is expressed as a percentage of total energy used in all buildings. The total energy should include the energy from all sources including, for example, electricity, oil and natural gas. A separate indicator is presented on the percentage of renewable electricity used in buildings. This indicator focuses only on the percentage of additional electricity purchased that is obtained from “green” sources, i.e. 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.

IPC is carbon neutral

Our carbon footprint

In 2009, IPC's activities generated 623 tonnes of CO₂ (2008: 1,019 tonnes). This was mainly due to Scope 3 business travel undertaken to visit our member companies, with most of the remainder being attributed to heating. The significant reduction from 2009 was largely due to the purchase of renewable electricity, which has now been excluded from the total. This equates to approximately 9.9 tonnes CO₂ per full time employee (2008: 16.6 tonnes) and represents an almost 40 percent reduction on the previous year.

Offsetting our emissions

IPC partnered with the Climate Neutral Group again in 2010 to offset our emissions at the InfraVest Changbin Wind Farm Project Gold Standard project in Taiwan. The emissions associated with this report have also been offset by the Climate Neutral Group.

 www.climateneutralgroup.nl

Acknowledgements

Publisher: International Post Corporation (IPC), Markets and Communication Department, 44 Avenue du Bourget, 1130 Brussels, Belgium

Project leaders: Pieter Reitsma, Manager, CSR, IPC; Amy Cohen, Communications, IPC; Kevin Franklin, Maplecroft

Design: Maplecroft, The Towers, Bath BA1 5JZ, United Kingdom

Content: Developed by IPC and the communications and sustainability teams from 22 postal organisations including: Andy Trott, Debbie Spring, Michael Rauch, Wim De Belie, Joris Van Valckenborgh, Robert Boutin, Andre Belanger, Brian Hayes, Søren Boas, Hanna Kaustia, Stéphanie Scoupe, Winfried Haeser, Eleni Triviza, Koppány Matyási, Aileen Mooney, Barney Whelan, Antonio Marasco, Paul Peckels, John Bateson, Colin Campbell, Odd-Olaf Schei, Luis Paulo, Santiago Muñoz Cumplido, Jesus Vicente Evangelio Rodriguez, Susanna Fink, Saskia Guenther, Rob Rijk, Leontien van der Tholen, Chantal van Schaik, Sylvie Sasaki, Judith O'Donnell, Emil Dzuray and Sam Pulcrano

Photography: Provided by each of the 22 EMMS participants

Paper: Cyclus Offset 100 percent recycled



Climate Neutral Group 



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