

Activity
report
2020

Your trusted guide
to connect
in a changing world



Preface

bpost's role in Belgium's social and economic fabric is essential. We certainly proved it once again last year. But at the same time, we stepped up our transformation into an international and diverse company. We became a group that not only offers mail and parcel delivery, but also logistics omni-commerce solutions for the entire chain, worldwide.

With this activity report we would like to share the many stories underlining our transformation, stories about engaged people, about challenging projects, about innovative and sustainable initiatives.

Discover our view on trends and digitization. And how we give the best of ourselves every day, together with and for our customers. Because connecting people is what we are aiming for. In Belgium and all over the world. Yesterday, today and in the future.



“

What is unifying in the group are the noble goal, the universal values and the group's talent pool.”

Dirk Tirez,
Chief Executive Officer
ad interim bpost group



Colophon

bpost
Centre Monnaie – Muntcentrum
1000 Brussels
www.bpost.be

Investors
Tel: +32 2 276 29 85
corporate.bpost.be/investors
investor.relations@bpost.be

Press
Tel: +32 472 92 02 29
press.bpost.be
press.relations@bpost.be

Public Affairs
Tel: +32 478 90 99 04
public.affairs@bpost.be

Customer service
Tel: +32 22 012345

Editor-in-chief
Laurent Winnock

Content and coordination
Steve De Loor

**Concept, design,
production and printing**
Comfidens - comfidens.be

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CONNECTING TEAMS

bpost group is a growing company, leading more and more the way on the international scene. With both its mail and parcel delivery as well as its e-commerce logistics, bpost group is growing into a full-service provider. The purpose that unites all those services? Facilitating connection in a changing world. But what about connection within the bpost group itself?

“**B**y sharing our knowledge and experience worldwide, we create added value in e-commerce”

What makes bpost group unique?

Dirk Tirez, Chief Executive Officer a.i.: “We are evolving into a strategic holding company with diverse activities on different continents. The group consists of various companies, each with their own characteristics and commercial offer. What connects the group are the people, the values, the financial and strategic orientations and the talent management.”

Kathleen Van Beveren, CEO Parcels & Logistics Europe & Asia: “United, the companies in our group have much more leverage than if they were to operate individually. We make optimal use of all our capacities. And we do it by asking ourselves what competencies we have in-house, and how we can combine them into a one of a kind, complete offer?”

Dan Klenkar, Head of Sales at Radial: “An organization only exists according to the needs of the customer. We keep that in mind in everything we do. Thanks to the bpost group, Radial has grown even more into a leading omni-commerce company, and as bpost group we can help our customers scale around the world better than ever. By bringing together knowledge and experience, you achieve real synergy. And a meaningful differentiation in the market.”

Is bpost group more of an ecosystem than a single, large organization?

Klenkar: “All the individual companies are free to follow their own course, but we also want to avoid having to reinvent the wheel over and over again. Where possible, we look for synergy. This can be about how we approach customers or how we optimize our processes, but also about shared technology or a bundled purchasing strategy. As long as we all benefit from it, collaboration is relevant.”

Van Beveren: “We see that our customers - especially in e-commerce - are increasingly active worldwide. So, within the group, we work closely

together, in order to push boundaries. And in order to serve our customers even better.”

Klenkar: “We are increasingly asking ourselves: who are we as part of the bpost group? I think we have already broken down quite a few silos. And by communicating with each other and getting to know each other, we realize that together we can add massive value.”

How do you collaborate today?

Van Beveren: “Parcels & Logistics are present in the US, Europe and Asia. We work closely together with and within these entities on topics like offer, sales and operations, but also on engineering and legal themes.”

Tirez: “A good example is our global legal team that develops compliant business solutions for all logistics services in e-commerce. We efficiently share the knowledge and experience within the group for the benefit of our customers.”





Is there an overarching culture?

Sybille van Steenberghe, Programme Manager Group Culture, Values and Leadership: “The values that live in the different entities are nourished by a common soil. Today, we are focusing on defining the values for the group and the related leadership behaviors, and then bringing them to life in the organization, e.g. by developing a leadership programme. These values are the DNA of our organization, they make us unique and will help us to energize, retain and attract talent, but also to build a relationship of trust with our stakeholders.”

“What is unifying in the group are the noble goal, the universal values and the group’s talent pool.”

Dirk Tirez, Chief Executive Officer a.i.



“Standardization should not be an end in itself. You have to look at the whole process. The goal is to support our customers as well and as efficiently as possible.”

Kathleen Van Beveren,
CEO Parcels & Logistics Europe & Asia

Tirez: “We appreciate the various strategic initiatives in different countries. Autonomy is necessary to achieve long-term financial and strategic goals. What is unifying in the group are not the activities, which are sometimes very diverse, but the noble goal, the universal values and the group’s talent pool.”

What about talent development in bpost group?

Yves Henet, Career Management Director: “Although we are all in different businesses, synergy is possible. What unites us is that talent makes the difference everywhere. We have a total of 2,700 managers. We want this group to grow and evolve by offering career and development opportunities. It is also important for us to always have the right person in the right place.”

Van Beveren: “Employees who start at a subsidiary immediately know that they are part of a group. And that, in the future, they can evolve to another organization within

the group. That is precisely the advantage: there are so many opportunities to grow. It is a perspective that we want to use even more.”

Henet: “With our group career management policy, we want to become a breeding ground for talent. It is important to match our employees’ ambitions with those of our entities and provide opportunities for growth. We need to know what kind of talent we have at our disposal and prepare people for the next step. It does not mean that we want to impose our career management approach, but we provide guidelines and processes that are helpful.”

Tirez: “One of our values is inclusion. We know that people get the best out of themselves when they can be their authentic selves. We go for diversity and inclusion. An important value for bpost leadership, wherever it is active, is empathy, with human interaction and helping employees achieve their ambition.”

What can bpost group do for customers?

Van Beveren: “We do everything we can to make our customers succeed. Separately or together. And always according to their needs. We want to create added value with our internal partnerships and coordination.”

“Talent makes the difference everywhere. We want the group to grow by offering career and development opportunities.”

Yves Henet, Career Management Director





“Values are the DNA of our organization, it is what connects us and makes us unique as a group.”

Sybille van Steenberghe,
Programme Manager Group Culture,
Values and Leadership

Klenkar: “Our customers’ needs are changing rapidly. Radial has always been a leader to help our clients grow by offering leading edge solutions that they may not even be aware of. Optimizing our omnichannel solutions during the corona pandemic is another example of this. The great advantage of our synergy is that we adapt quickly, inspire each other and together make our customers more successful.”

Tirez: “Our group’s impact grows when we show that we can optimally help our customers to grow. We can do this by sharing our knowledge, experience and skills around the world. Then we are a valuable logistics service provider in e-commerce solutions.”

What is the impact of this on the organization of bpost group?

Van Beveren: “There is a strong coordination that benefits our customers. But it also benefits the group, because we share knowl-

edge which makes us perform better together. We use the group’s experiences to inspire and grow. And we do that at different levels. We have identified 15 areas in which we can work together. We always aim for a good collaboration and knowledge sharing, and avoid complex and suffocating structures.”

van Steenberghe: “This collaboration is also growing organically. Our international leadership program will enable us to boost that exchange. It is an opportunity to recognize similarities, to be open to the differences and at the same time to learn much from each other.”

Is it also about sharing technology?

Van Beveren: “We try to share as much technology as possible and will do so even more strongly in the future. Although, sometimes, there are good reasons to choose a different technology, such as local differences or different customer needs.”

Klenkar: “There have been significant advances in fulfilment automation over the past 10 years, and as labour costs increase these solutions become more and more viable for third party operators. While each of our clients’ operating parameters are unique, we can leverage the experiences and expertise across each of our operating units to offer the most appropriate solutions for our clients. The key is to collaborate the learnings of each organization and find synergies and commonalities across businesses and regions. Additionally, having a common technology platform that our clients can leverage to enable their global expansion provides us with a unique competitive advantage versus our competition.”

Van Beveren: “Standardization should not be an end in itself. You have to look at the whole process, end to end. The goal is to support our customers as well and as efficiently as possible.”

What are the major challenges for bpost group?

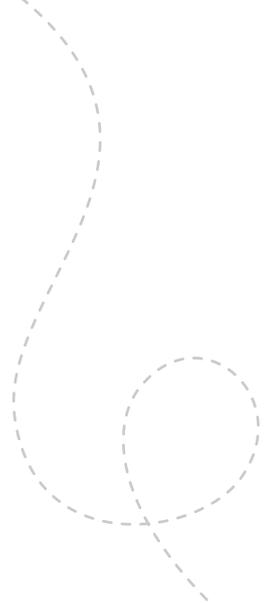
van Steenberghe: “To let the talent in our organizations grow and develop even better, offer opportunities and space for diversity. Those are major challenges.”

Tirez: “For the sake of group benefits, we share infrastructure, development and architecture in terms of technology. But there is a great deal of local autonomy for the commercialization of software services in e-commerce to best serve the customers.”

Van Beveren: “The speed at which we can grow is the biggest challenge. To support that, we must deploy the right resources, people and technology. We will make more and more use of the synergy that arises in this group. There is a major pitfall on both sides of the spectrum: if we let go of each other completely, we miss synergy and if we create a monster-like organization, we stifle creativity and autonomy. I believe we will maintain a healthy balance.”

“As bpost group, we can help our customers scale around the world better than ever.”

Dan Klenkar, Head of Sales at Radial



“We are atypical and it makes us proud”

“Offering opportunities and knowledge to anyone eager to receive it, should be our company’s mantra,” declares Mark Michiels, Chief Human Resources Officer at bpost group.

With its strategic vision, bpost is leading the group and all its employees into a sustainable future. This vision is based on seven ambitions, including contributing to social cohesion and being an inclusive company that offers lifelong learning. “We invest a lot in training and development. We sometimes say that we do not discharge people, we just recharge their résumés,” says Mark Michiels, Chief Human Resources Officer. “We do not only recruit people for a job, we offer a lifelong employment, not only in Belgium but also abroad. At bpost you sign up for a full career path.”

What makes bpost group an attractive employer?

Mark Michiels: “People today want to know why they should accept to work for a certain company: they want purpose. Well, bpost plays a role in society. The corona crisis has made that clear, once again. People find it motivating to be useful, to make a difference. Too little is being said about this.

A second pole of attraction is what I call the lab effect. Our company is transforming from a traditional postal company to an international omni-commerce logistics group, expanding its activities throughout



Europe and far beyond. It is an incredibly fascinating process, especially for young people. People who apply for a job in our company look amazed and even more intrigued by the possibilities we offer.”

What distinguishes bpost group from other employers?

Michiels: “Although we are undergoing a transformation, we remain committed to our values. For example, we still offer contracts for an indefinite period. This makes us very atypical in the logistics sector and it makes us extremely proud. We want to prove that in doing so, we can remain being competitive in a sector where social rules are not always respected.

But I do not want to give a distorted picture either. The war for talent returns. We are convinced that it is beneficial for our company to take the training and the further development of people in our own hands.”

What efforts does bpost group make to train and develop people?

Michiels: “bpost boost includes various programs to give people professional opportunities. With Future Me, for example, we offer



bpost is more than just a single face

With the “The faces of bpost” campaign, bpost puts its employees in the spotlight. “We want to show how proud our employees are,” says Emily Van Delm, Group Talent Acquisition Strategy Manager. “In addition, we also aim to emphasize our team’s diversity. The faces were not chosen randomly: after an internal call to nominate colleagues, we received about 200 responses and made a balanced selection among the different functions at bpost.”

“The faces of bpost” became part of the employer branding campaign launched by the company in November 2020. Emily Van Delm: “The external campaign generated more than 5 million views on social media. 40 to 50,000 people clicked through to our website [wearebpost.be](https://www.wearebpost.be). Although it was not our initial goal (which was to promote pride in the work) it ultimately resulted in about 1,400 applications from people who want to be part of the bpost team.”

“People who apply for a job in our company look amazed by the possibilities we offer.”

Mark Michiels, Chief Human Resources Officer at bpost group



Support vulnerable groups together

DynaGroup, a bpost subsidiary, organizes all kinds of integration initiatives for young people from disadvantaged neighbourhoods. They do it in collaboration with a Dutch non-profit organization and call it Social2gether. "The young participants take a physical or virtual tour of our company via super brief internships," explains CEO Stephan van Mulken. "Thanks to our application trainings, they learn how to make a good impression on a potential boss. And during our Boss for One Day moments, they temporarily take over the reins of a manager."

DynaGroup has also been working together with an organization Ferm Werk for two years. "We focus on people who, for whatever reason, have a harder time finding a place in the labour market," says Stephan van Mulken. "We offer them an internship in our company, and hope that this will lead to a definitive employment contract. Through that channel we've already employed already led us to employ a number of logistics collaborators and technicians."

DynaGroup also asked its employees which charities they consider important. Stephan van Mulken: "That resulted in a lot of great reactions. Out of these proposals we selected five concrete charities, which we are supporting now."

people without a diploma - 90 percent of the young people who start in our company - the chance to finish their secondary education. We truly invest in careers. For example, we invest much more in lateral mobility and not just in promotions."

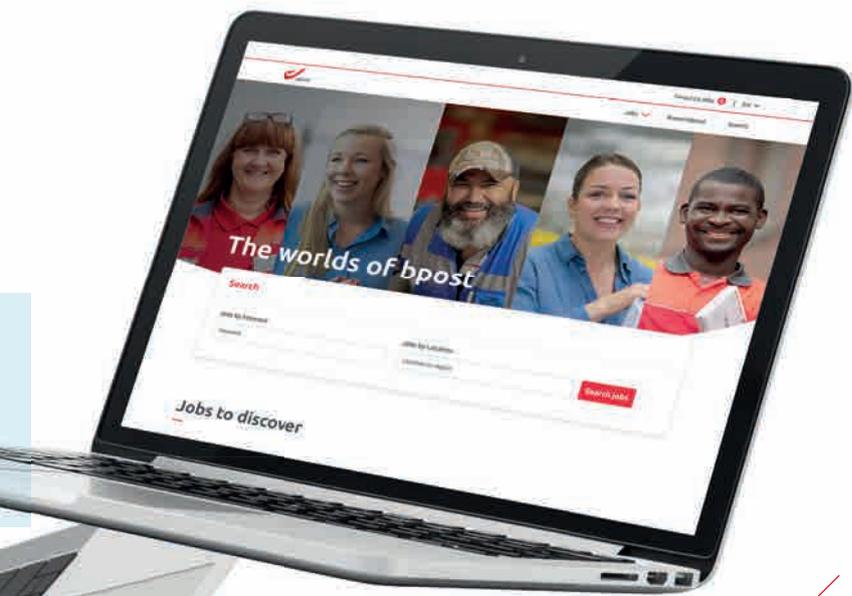
White collar employees and management staff are also given every possible opportunity. We strongly believe that different experiences make people stronger, that they help them to evolve and further their careers. We truly invest in careers. For example, we invest much more in lateral mobility and not just in promotions."

How does bpost group communicate all this to the labour market?

Michiels: "We invest heavily in employer branding. Because there is a big difference between the attractiveness of the

"We want to prove that we can be competitive in an industry where social rules are not always respected."

Mark Michiels, Chief Human Resources Officer at bpost group



250 jobseekers

More than 250 jobseekers in Flanders have already embarked on the new route to start as a postal and parcel employee.

With a little help from your bpost boost

Helping people to (re) launch their career at bpost. Offering people some support on their career path. That is bpost boost's ambition. The project concretises one of the company's strategic pillars: to offer lifelong learning as an inclusive company.

"A small-scale pilot project, in which a small group of candidates were quickly and efficiently trained to become valuable mail and parcel employees, laid the foundation for the integrated learning organization bpost boost," says Martine Daenen, director bpost Academy. "Together with several Belgian public organizations, bpost boost provides the recruitment, selection, training and guidance for participants in the company's various training courses."

In the meantime, more than 250 jobseekers in Flanders have already embarked on the new route to start as a postal and parcel employee. "In March this was extended to Wallonia and afterwards we want to set up this program in Brussels and the German-speaking region."

"In addition, bpost boost wants to offer up- and reskilling activities to employees within bpost. We will integrate existing programs such as Future Me - in which employees are guided to obtain their secondary education diploma - but also develop new training pathways. For example, we expect a different set of skills for future postmen and sorters, and we want to pay special attention to it. At the same time, we want to share the expertise we gain with bpost boost with other companies: they could also benefit from the influx of trained employees. We are now investigating such collaborations."

jobs at bpost and how they are perceived. People still think of us as a rather closed and archaic public company. But we are one of the few international groups headquartered in Brussels. Too few people are aware of this fact.

For example, with 'The faces of bpost' we reach a lot of young people on social media. This campaign also aims at emphasizing our diversity. Diversity in the many possible jobs we offer, but also diversity in the people we employ. Our asset is our inclusive approach and that is also a value that we want to convey as a company. We want to be a reflection of our customers."

You have just completed a large survey on well-being in Belgium. What did it teach you?

Michiels: "Every year we ask our employees how enthusiastic and committed they still are. The results this year were surprising. During the covid period, a kind of solidarity arose in our society. Postmen and women were seen as heroes, people who continued to provide their services despite everything. That has created a sense of pride, which we also see in the results. Yet we cannot deny that our people have been under severe pressure."

What are you going to do to boost the well-being of your employees?

Michiels: "Four priorities emerged from the survey. The first is equal opportunity. This value is also included in our group strategy. The second priority is the flow of ideas. We think it has an immense value for the company. The third priority is to encourage everything that has to do with education. Offering opportunities and knowledge to anyone eager to receive it, should be our company's mantra. The fourth and final priority is career opportunities. We also want to put much more emphasis on the possibilities of internal mobility."



“**D**iversity means that everyone knows that his or her voice counts”

No window dressing at bpost group when it comes to diversity and inclusion. But a sincere belief that each one can be him or herself and fit in. Regardless of who you are, where you come from, how you see the world or what your options are.

A few decades ago, bpost group was already a diverse group. Why this renewed attention for this topic, especially in recent years?

Bernard Vanneste: “In line with the rest of our society, bpost is evolving from diverse to super diverse. Experience tells us - and this is also confirmed by various studies - that the different backgrounds bring new expertise. It also improves operational performance. And, moreover, it makes you understand much better what that diverse society requires of you.”

Why is diversity a strategic theme for bpost group?

Bernard Vanneste (Diversity & Inclusion manager bpost): “People with diverse backgrounds, cultures, experiences and dreams work here. To give you an idea, on some operational sites more than 40 nationalities are working together. That diversity is really unique to our group. Facilitating a culture where everyone respects and trusts each other is good for everyone’s well-being, and ultimately for our company too.”

“In line with the rest of our society, bpost is evolving from diverse to super diverse.”

Bernard Vanneste,
Diversity & Inclusion manager at bpost group



“Creating a place where everyone can be their best self”

To create a culture in which diversity and inclusion are daily practice, bpost group organizes programs and training courses. “We want to exchange best practices and learn from each other. Each with our local challenges, but with the same goal in mind: creating a place where everyone can be their best self,” says Bernard Vanneste.

In 2020 and in collaboration with the equal opportunities centre Unia, a one-day training for managers in Brussels and Antwerp was organized. “It was a full day of working on super diversity, and how to deal with racism and sexism as a manager. We are now rolling it out to other locations.”

“In addition, we have developed an e-learning, in which our own employees explain how to lead a diverse team, and what inclusivity means in practice. A toolbox with clear rules and processes is important. But it is just as important to absorb and breathe out the inclusive culture. Sometimes the right way is not the easiest.”

“The Radial Executive Leadership team felt it was important to hear the voices of our Black community.”

Patty Seltzer,
Director of Learning and Development at Radial

Patty Seltzer (Director of Learning and Development at Radial, bpost’s US e-commerce subsidiary): “In the past, organizations looked at diversity in an almost statistical way. For example, diversity in hiring was more of a ‘check-the box’ exercise – only looking at a candidate’s gender, ethnicity and so on. But diversity is more than statistics. It’s about understanding the whole person and the unique experiences that influence who we are.

Our vision tells us that diversity means that you ensure that everyone has their place in the organization and that everyone knows that his or her voice counts. You do this by creating a culture that makes inclusion possible. Not everyone has to be the best at bpost group, but everyone should be able to be their best self.”

What are the biggest challenges in this shift to an inclusive culture?

Bernard Vanneste: “Creating diversity and inclusion is not just HR’s responsibility, but the entire company’s responsibility. The support of managers in the operational field is indispensable. Due to the corona crisis, the focus was and remains very much on the operational side. Keeping diversity and inclusion on the agenda remains a major challenge, but we notice that nobody needs to be convinced of their importance anymore.”

In the US, how did you deal with the Black Lives Matter protests following George Floyd’s death in May 2020?

Patty Seltzer: “This past summer illuminated how racism and social injustice continue to exist in the US. The Radial Executive Leadership team felt it was important to hear the voices of our Black community and to develop a deeper understanding of their personal experience with racism and social injustice. They held safe, respectful, listening sessions to hear employees’ stories and perspectives.”

Is pursuing diversity a top-down matter?

Patty Seltzer: “It moves in both directions. For example, today, in various Radial distribution centres there are diversity boards with calendars and information recognizing the holidays of different nationalities and celebrating the cultures of those who work there. That does not come from ‘above’, but grows organically thanks to the initiative of our employees. I think that it is fantastic how Radial respects our local internal communities.”

CONNECTING DATA

Every day, bpost group processes millions of mail items for millions of recipients. And every day, as the linchpin of a large logistics machine, tens of thousands of employees make that happen. Such processing generates large amounts of data. With well-managed data, bpost group creates insights that help improve its operations and serve the customer better, of course, with attention to data protection and respect for privacy rules.

D

ata as building blocks for business

“We aim to integrate our operational data with our commercial data as much as possible,” explains Michel Defloor, Head of Marketing Last Mile Bene Parcels B2C. “A very simple example: a truck that regularly has a breakdown (operational data) can have an impact on customer satisfaction (commercial data). If you can find interfaces and make connections between our thousands of complex and less complex data flows, you will make informed decisions and not rely solely on your gut feeling. Smart use of data paves the way for greater transparency, improved efficiency and higher customer satisfaction, all of which has a direct effect on sales.”

The transition from fragmented to centralized data management is one of bpost group’s major challenges. “Today, a lot of our data is still managed and stored in separate places. We are gradually eliminating this fragmentation. Because, only by linking and interweaving data flows you will gain better insight in your business and enrich the customer journey,” says Jérôme Gutknecht, Data Director.

How does bpost group already make smart use of data today? Let us give you five practical examples.

1 Profiling customers with SelectPost

SelectPost is a large database with information about more than 1.3 million Belgian households. “Because the database contains variables on a multitude of subjects (leisure, mobility, shopping, ...), advertisers can tailor their marketing budgets very precisely



“Today, a lot of our data is still managed and stored in separate places. We are gradually eliminating this fragmentation.”

Jérôme Gutknecht,
Data Director



1.3 million

SelectPost is a large database with information about more than 1.3 million Belgian households.



3 Develop new services and solutions

It is a well-known phenomenon: parcels that are not delivered because no one is at home. “Thanks to the data collected on successful and unsuccessful deliveries we gain insight into our customers’ time schedule, revealing when which customers are or are not at home,” indicates Michel Defloor as an example. “In addition, we also use this data to send our customers an email or letter in which we motivate them to indicate their delivery preferences in their bpost account or in the bpost app. This yields a double profit: fewer unsuccessful deliveries for us and less resentment from the customer (“Gosh, missed my parcel’s delivery”).”

4 Customer loyalty

The bpost group uses data to retain customers in various ways. For example, in 2020 you had the chatbots in the Where is my parcel? and Do My Move (forward addressed correspondence to a new address) applications. “These are data-driven interactions that allow us to better serve our customers. And satisfied customers are loyal customers,” says Jérôme Gutknecht. “We are continuing to develop our My bpost app to simplify many procedures and to include new services, such as the integration of SelectPost and the development of a number of partnerships. In this way, we optimize our service based on our knowledge of our customers.”

5 Data for operational excellence

“To train and coach employees, we also use data, for example, customer satisfaction data and operational data,” says Michel Defloor. “And data also shows us where we need to expand the network. For example, bpost invests heavily in parcel lockers where you can drop and pick-up parcels day and night. Thanks to socio-demographic and other data, we can determine where new lockers are needed and how large they should be.”

to their target audience. All data is entered by the consumer himself and is up-to-date,” explains Jérôme Gutknecht. “Based on the data, companies can inform their target group about their products, services and promotions, adapted to the specific profile of each customer. SelectPost also helps bpost with its own marketing and the development of its own range of services.”

2 Identify B2B prospects

“In our lead scoring model, we analyse companies that are not yet customers of certain bpost services, but may be interested in them,” explains Jérôme Gutknecht. “By filtering our data, we have generated a list of common characteristics of companies that use our services successfully. A search engine then crawls the internet and combines search results with data from bpost and public data to find similar companies that also meet those characteristics. These companies are therefore ideal new customers. Our sales employees then use those results to convince them.”

The My bpost app was completely redesigned in 2020. As part of its strategic line, bpost is aiming for 5 million downloads by the end of 2021. But that is just the tip of the iceberg when it comes to digital innovations.

A new app to keep improving customer satisfaction

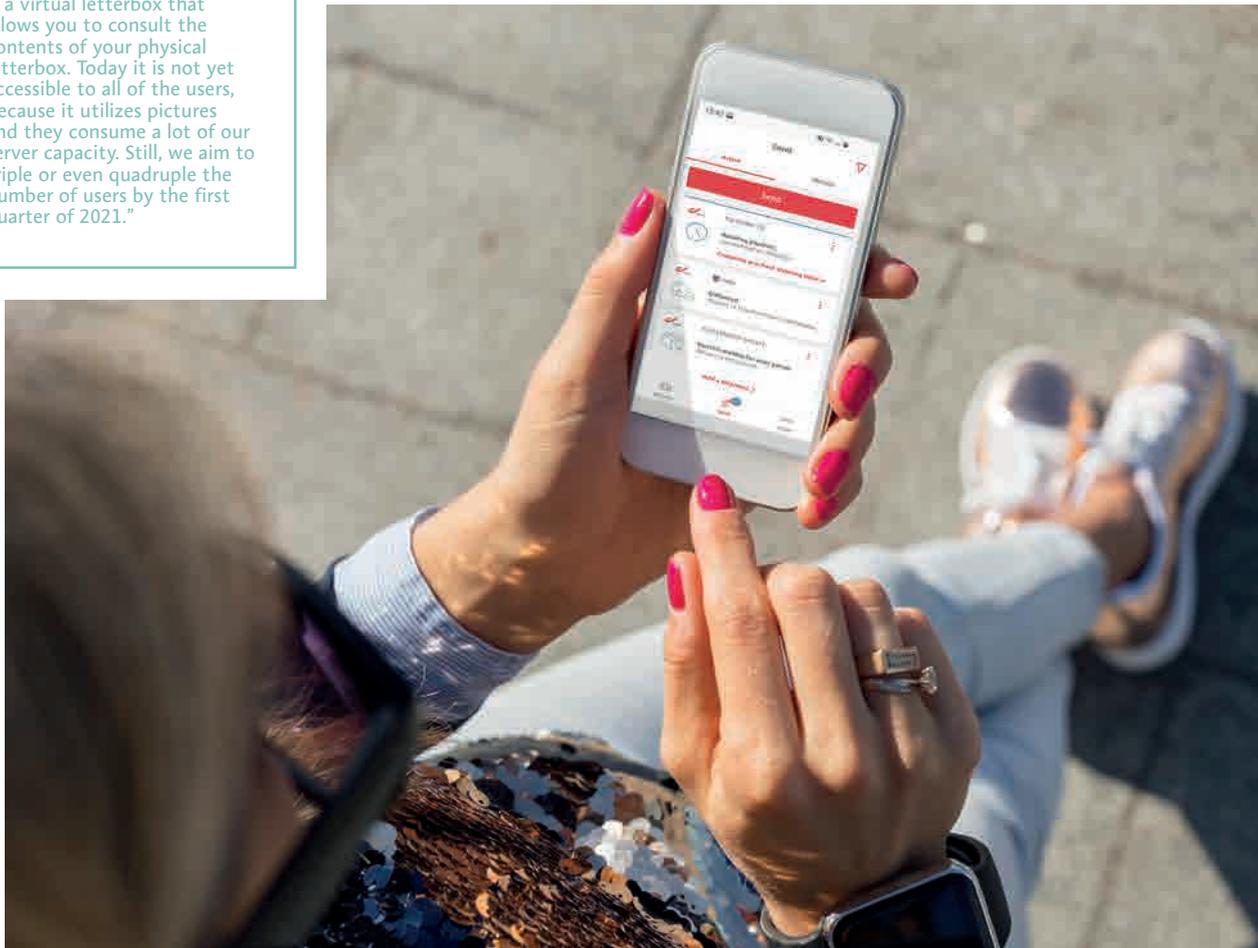
“The new design also provided the opportunity to create a unified visual identity,” says Olivier Scohier, Senior Manager Product Development. “We also switched to a different technology, making uploads faster, creating more flexibility and clarity and improving the stability from 98 to 99.9%.” The app is in the top 5 of customer reviews, and even reached number 1 in the app stores several times (see insert).

My Mail is getting more powerful

bpost wants to further integrate the “letter mail” aspect into the app. “My Mail is a virtual letterbox that allows you to consult the contents of your physical letterbox. Today it is not yet accessible to all of the users, because it utilizes pictures and they consume a lot of our server capacity. Still, we aim to triple or even quadruple the number of users by the first quarter of 2021.”

The parcel boom

Since 2020, consumers can also send parcels via the My bpost app. This is useful, because the parcel volume increased enormously due to the corona pandemic.” We were able to handle that boom thanks



“The My bpost app is in the top 5 of customer reviews, and even reached number 1 in the app stores several times.”

Olivier Scohier, Senior Manager Product Development at bpost group

to both the new Mobi - the device that allows the postman to register all his actions - and the My bpost app,” says Olivier Scohier. “We also tried new delivery methods.”

Initially developed for B2C customers, this service delivers strong added value: complete information, a delivery timeframe and the progressive management of preferences.” This allowed us to reduce the number of undelivered parcels due to the customers’ absence from home. A good thing, because it costs us a lot of money and it is a waste of time for the customer. In addition, the

number of calls to our contact centres has also decreased.”

One of My bpost’s new functionalities is the chatbot that is available for all delivery streams. It can answer customers’ questions, day and night, seven days a week.

Items to check

“After delivery, we receive our customers’ satisfaction score. And it is very high. Customers are given the option to check predefined items, because it is faster than filling in a comment box,” says Olivier Scohier. “That provides us with a lot of interesting information.”

By 2022, Mobile Postcard and DoMyMove will also be part of the app and bpost will further deepen the integration of My Mail and Sign For Me. Finally, bpost is also investigating the possibility to pay import duties in advance via My bpost. “We want to cover bpost’s full societal role,” concludes Olivier Scohier.

My bpost in numbers

More than
1 million
downloads

More than
55 percent
active users

Up to
28,000 downloads
per week

More than
10 million parcels
tracked in 2020

More than
251,000 users
indicated their delivery preferences in 2020



Sign For Me, the registered mail without restrictions

In 2021, the Sign For Me function will also be included in the My bpost app. It is already operational in various test zones. “We worked on the automation process to make it easier to deliver registered mail,” says Anne Gosset, Senior Product Manager.” The postman scans the code and receives the instructions on his Mobi terminal. He immediately knows what options are available to him: to put the mail straight away in the letterbox, to ring at the door, and so on. In four distribution zones, he can put the registered mail directly in the letterbox if the customer wishes it and has registered for the service. Finally, we have also simplified the registration at the counter. The counter clerk suggests using Sign For Me to anyone who collects registered mail at the counter.”

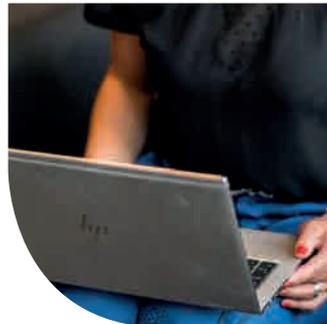
Mobi’s new look

The new Mobi devices were rolled out over the entire Belgian territory during the second half of 2020. “Their main advantage is their very intuitive operation. As a result, temporary workers and interns can start working with it immediately without prior training,” emphasizes Olivier Scohier.” By using the QR code on the Mobi, the customer can pay directly via his Bancontact app. So he no longer needs cash if he has to pay to receive a shipment, such as a new license plate, for example.”

bpost group's strategic vision also includes some solid financial objectives: more than compensate the profit losses from the declining mail activities by writing a new growth story.

“**W**e transform to ensure our growth”

In recent years, the decline in traditional mail has put pressure on bpost's profits. Changing customer needs are accelerating the mail volume decline, while e-commerce is increasingly gaining ground. “The corona crisis has clearly shown how an acceleration of the business transformation can look like, with spectacular growth rates for the Parcels & Logistics activities,” says CFO Leen Geirnaerd.



What are bpost's financial ambitions?

Leen Geirnaerd: “Our ambition is more than compensate for the ebit loss due to the decline in postal activities in the 2021-2026 trajectory. We are busy writing a new growth story, although, of course, we cannot predict exactly when our e-commerce logistics business will become more profitable than the traditional mail business. For this we also depend on external factors, including the pace of companies' digitization and the growth of e-commerce.”

What does the new course mean for capital needs?

Geirnaerd: “In order to accelerate the growth of the Parcels & Logistics activities, additional investments are required, for example, in sorting capacity or in new warehouses and their equipment. Additional financial resources are also required to make the switch from negative to positive working capital. Sending letters is traditionally financed in advance, e.g. the purchase of stamps. Newspaper delivery is also pre-financed. That is not the case for parcel delivery and logistics e-commerce services, where payment follows later.”

“Over the past year, bpost group has shown that we can compensate the loss of profits from our traditional activities. The momentum is now to speed up that evolution even more.”

Leen Geirnaerd, CFO bpost group



What kind of investments do you see as a priority in the coming years?

Geirnaerd: “Our strategic priority is to further expand the e-commerce logistics business in Europe. Targeted acquisitions can also accelerate growth. To facilitate growth, we must also invest in more sorting capacity for last mile parcel delivery in Belgium. And to be clear, investments will also be needed in traditional mail activities to optimize the network as letter mail volumes continue to shrink.”

What is the size of all these investments?

Geirnaerd: “We prefer not to pin ourselves down on that. The starting point is mainly that we want to maintain our investment grade credit rating. Every investment or fantastic acquisition opportunity will be tested against it and will have to fit within that framework. It would be very cool to loudly proclaim how big our war chest is. But with every investment decision, the free cash flow and debt position will determine how much additional debt we can incur. This is an important safety net for a company in full transition. In addition, a strong credit rating guarantees that we have easier access to the financial market and that we can more easily take out loans with longer terms and at lower interest rates.”

How will the dividend policy be revised?

Geirnaerd: “The dividend policy of the past years was no longer sustainable, given the investments we need to transform our business. At the same time, we naturally still want to provide an attractive annual return to our shareholders. That is why we have opted for a flexible pay-out ratio of between 30 and 50 percent of net profit, using the international IFRS accounting standard. With such a flexible pay-out ratio, we can match the dividend with the company’s cash needs. This gives us the necessary space to manoeuvre during the transformation of our business. In addition, the distribution of an interim dividend has also been cancelled and the annual dividend will be paid in one go, which is an important simplification.”

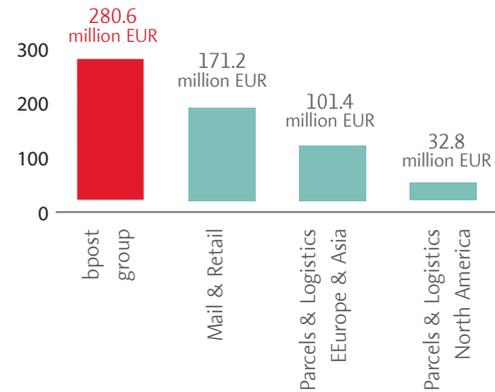
Isn't that new dividend policy less favourable to shareholders, who often invested in bpost because it was a generous dividend payer?

Geirnaerd: “For the shareholder’s return, the dividend is only one aspect. Price evolution is also important. Profits have declined in recent years. By investing and transforming from a traditional postal company to an omni-commerce group, we want to increase profits again. If that transformation is successful, we will become a growth company that is valued much more favourably on the stock exchange than a traditional postal company. That also creates added value for shareholders. The past year has shown that we can compensate for the loss of profits from our traditional activities. The momentum is now to speed up that evolution even more.”

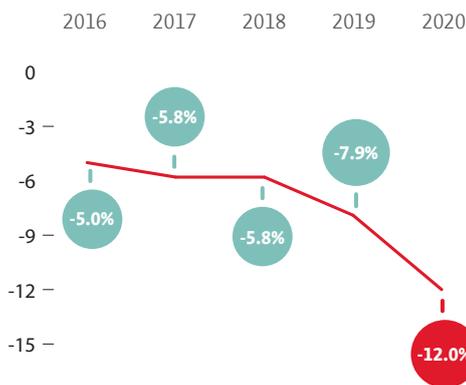
Key figures



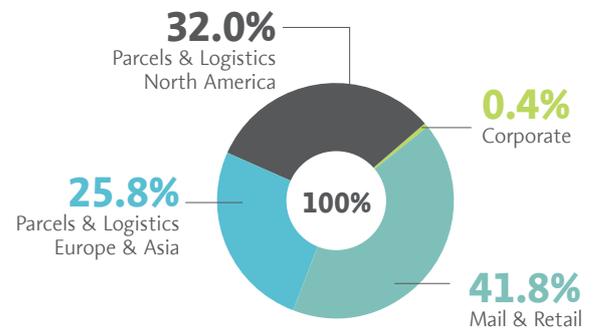
Adjusted EBIT 2020



Domestic mail volume evolution



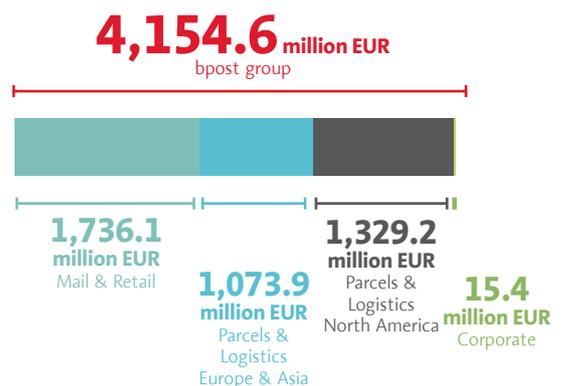
External operating income per Business Unit 2020



Domestic parcel volume evolution



Adjusted external operating income 2020



b post group is pioneering with artificial intelligence and robots

The intersection of technology and innovation at bpost group enhances the company's ability to drive efficiencies and speed across its businesses, prevent defects, reduce costs and create a superb experience for customers and employees. Two examples.

“Visual AI technology monitors and controls our parcel flow”

By combining camera systems with artificial intelligence, bpost group wants to make its processes even smarter and better. A first application is being extensively tested in NBX, bpost's Brussels sorting centre. “By monitoring our sorting installation in real time using visual AI technology, we quickly detect and prevent problems,” says Marc Sorgeloos, Manager Automation & New Equipment. “This technology allows us to determine the exact cause of, for example, a blocked machine output. That way, an employee immediately knows where to remove a parcel in order to solve the problem.” The result is a more optimal sorting process with fewer interruptions.

A second application monitors the machine's health. Cameras and AI can identify defects or problems. “The flaps covering the gaps between the sorting carts can get out of shape for a variety of reasons, increasing the risk of an incident. Our system helps prevent that problem.” The technology behind it was developed by bpost in-house engineers. In 2021, the innovations will be scaled up and shared worldwide with other bpost group's entities.

“Thanks to visual AI, we can quickly detect problems and prevent worse from happening.”

Marc Sorgeloos,
bpost group's Manager
Automation & New Equipment

“Our robots can make picking over 51 percent more efficient”



At Radial, Mobile robots have started replacing traditional industrial pick carts for moving orders through the fulfilment centre. Hand scanners and heavy carts are therefore no longer necessary. “The robots pick up and transport the orders in bins, and come fully equipped with multi-language, hands-free scanning devices,” explains Stuart Zurn, Senior Director Innovation & Optimization Technologies Radial Future Lab.

In 2020, at its test location, Radial delivered strong results across productivity, quality, and safety by using robots. For example, picking became over 51 percent more efficient on average, and new employees are able to learn up to 40 percent faster on the job. “Our people can now focus even more on quality and get orders out more quickly and efficiently to the right place for our customers.”

Autonomous Mobile Robots (AMR) are an excellent fit for the needs of different customers. “We have a clear strategy to scale up this exciting new technology by 2021,” concludes Stuart Zurn. “The robots not only increase operational productivity, but also the overall employee experience and our long-term talent retention.”

Two innovative operational projects form one of bpost's weapons for the future. Last year, in Belgium, the Alternating Distribution Model radically changed the way mail is distributed. And Delta will make bpost group evolve into a parcel company that also delivers letters. A double interview with Pierre De Lit, Director Mail & Parcels Operations, and Bernard Van Causenbroeck, Program Director Mail & Parcels Operations.

“We will continue to integrate all parcels and letters into one network”

The Alternating Distribution Model (ADM) splits up the distribution of urgent and non-urgent products. The non-urgent product is stored and distributed twice a week. Pierre De Lit: “There are less and less letters. In the past, the postman carried letters for seventy out of a hundred mailboxes, now it has dropped to fifty. With the new model, thanks to the concentration of the non-urgent product, we reach again more than sixty percent. On an operational level, it makes a huge difference.”

“Half-half” distribution

Parcels, registered mail, pensions, weekly magazines and letters with a prior stamp are still delivered every day. All the other products (such as door-to-door brochures, promotional printed matter, non-prior letters, ...) are distributed twice a week. De Lit: “The rounds are kept, but have been split in two since March 2020. On one half round

“I am extremely proud that we have not deviated from our launch date for the ADM.”

Pierre De Lit,
Director Mail & Parcels Operations



12%

In 2020, the volume of letters sent to bpost group decreased by 12 percent compared to 2019.

we only distribute the prior products, while on the other half round we distribute all products. That principle is called the “half-half” distribution.”

It had a major impact on all employees and departments. “We realized the switch together, as one team, with all those responsible persons of sorting, logistics and distribution,” emphasizes Bernard Van Causenbroeck. “The biggest change in sorting resides in the introduction of a prior and a non-prior flow. In each sorting centre, we created storage areas for the non-prior products, the IT processes were adapted and a number of sorting activities were shifted from night to morning and afternoon.”

The new distribution model required a lot of flexibility from the employees. “The biggest psychological change is that we now stock products too,” says De Lit. “The mental switch was also big for the postman, because for one half of his round he is now more heavily loaded while for the other half the load is much lighter.”

To get everyone involved, the new processes were previously introduced in eight pioneer offices. “I am extremely proud that we did not deviate from our launch date,” says De Lit, “even though we had dozens of reasons to temporarily delay the launch (laughs). On March 16, 2020, we switched to ADM throughout all of Belgium, a historic milestone for our postal company.”



“We already deliver more than 100,000 parcels on Saturdays and 12,000 on Sundays.”

Bernard Van Causenbroeck,
Program director Mail & Parcels Operations

One of the current challenges is the structurally lower volume on Friday, because then only priority mail is delivered. “How do you deploy fewer people on Fridays is something we have to work out,” Van Causenbroeck realizes.

Delta: the next big step in the transformation

How will bpost group evolve from a postal company that delivers parcels to a parcel company that also delivers mail? That is the challenge of Delta, the next future-oriented project. “Letters will remain very important in the coming years. But at the same time the parcel volume is growing very fast. Our sorting centres, distribution offices, processes, organizations in the offices and pick up points in Retail must be adapted to cope with this growth and the large seasonal fluctuations,” says Van Causenbroeck.

“We will also continue to concentrate all parcels and letters in one integrated network, where the postmen simultaneously distribute all products such as letters, registered mail and parcels,” emphasizes De Lit. “That is our strength: as soon as the postman is on the road, he takes as much product as possible for his round.”

It is expected that the volume of letters will decrease further and the volume of parcels will continue to increase. “We already deliver more than 100,000 parcels on Saturdays and 12,000 on Sundays. We will further model our activities and distribution in such a way that we deliver parcels from Monday to Sunday,” concludes Van Causenbroeck.

Thanks to bpost group, over a thousand local entrepreneurs have built their own web shop since June 2020. Evi en Sigrid De Hauwere, the women behind interior design business and lunchspot De Wereld van Alice in Merchtem, tell us about their experiences: “Even after the pandemic, we will continue to sell online.”

A digital boost for SMEs

With touslesmagasinsenligne.be, bpost group is pouring its e-commerce logistics experience into an all-in-one solution. It is a unique low-threshold platform that allows SMEs to create a complete online store in less than 30 minutes. touslesmagasinsenligne.be is the result of a collaboration with Shopitag and contains all the e-commerce elements: the creation of a web shop, online payments, fast and reliable deliveries by bpost, social media advertising, technical assistance and one hour of free e-commerce advice.

How did touslesmagasinsenligne.be start?

Marinka Bollens (Go to Market Manager Parcels & Logistics at bpost group): “As a reaction to corona. During the first lockdown, we wanted to do something concrete for the local sellers who had to close their business. But it turned out to be more than just an encouragement. The platform grew into a full-fledged sales channel for more than a thousand Belgian SMEs.”

What attracts you to that platform?

Evi De Hauwere (De Wereld van Alice co-founder and business manager): “Together with my sister, I run a coffee and lunch bar for six years now. The bar is integrated in our interior decorations’ store. Corona has hit us hard. During the first lockdown, all of our trading stopped from one day to the other. Thanks to a friend I learned about touslesmagasinsenligne.be. When I discovered how easy it is to set up and manage my own online store via that platform, I immediately signed up.”



“We had a fantastic end of the year period thanks to this online shop and boomed again for Valentine 2021.”

Evi De Hauwere,
co-founder of De Wereld van Alice



Left to right: Marinka Bollens, Evi and Sigrid De Hauwere



“By the end of 2021, we would like to have more than 2,500 Belgian SMEs on the platform.”

Marinka Bollens,

Go to Market Manager Parcels & Logistics at bpost group

What are the benefits of this solution for your business?

Evi De Hauwere: “I knew nothing about e-commerce. Now, without any technical knowledge, I put products online with accompanying photos or I change the web shops’ cover to put items in the spotlight, via our digital display window. Another great asset is the link with bpost. I can have customer orders picked up via the web shop and sent to the correct address with just one click. The chat function too is very handy: I can immediately contact Shopitag or a bpost employee online and ask him all my questions.”

Was it easy to set up this platform during corona?

Marinka Bollens: It was not evident. In order to market the platform quickly and accurately, we had to work fast. In addition, many of our employees worked from home during the first lockdown, which was an extra challenge. We also had to work remotely with our external partner Shopitag.

Does this channel generate additional sales for your business?

Evi De Hauwere: “Absolutely. We now sell tea products, ginger drinks, homemade granola and kitchen and interior items online. As a result, many customers have continued to find their way to our business. We had a fantastic end of the year period thanks to this online shop and boomed again for Valentine 2021.”

What has touslesmagasinsenligne.be taught you in the meantime?

Evi De Hauwere: “That e-commerce is particularly easy in this way and that a web shop is necessary for local sellers. We will continue to sell online even after the pandemic. You do have to reserve some time for it every day. You generate sales by remaining visible with the store. This is also possible via the platform, using handy links to social media channels.”

How does bpost group see the future of touslesmagasinsenligne.be?

Marinka Bollens: “For us, this is not a temporary initiative, but a lasting value. By the end of 2021, we want to have more than 2,500 Belgian SMEs on the platform. We are currently investigating which support services we can add. We want to help sellers not only with starting up a web shop, but also with its successful expansion. We are thinking, for example, of additional marketing support or specific logistics services for growing stores.”

In many ways bpost group brings government and citizens closer together. An innovative example of this is Mobile Mapping. “Our technology maps all road signs and detects damaged signs in order to improve road safety.”

“**W**e want to be a partner of choice for public services in an ever-changing world”

In Roeselare and Zonhoven, where the Mobile Mapping project’s pilot phase is taking place, cameras on bpost vehicles film the traffic signs along the road. It allows the municipalities to notice damaged traffic signs more quickly, so they can immediately carry out repairs. “During their daily runs, our postmen’s vans travel almost everywhere,” explains Diana Collinet, who is coordinating this pilot project as Sales Director Public Sector at bpost group.

Smart image processing

“Our cameras are constantly filming the streets and roads. Those images are then processed using machine learning.” All road signs are detected and classified, including their location, keeping the public services road sign database up-to-date. On the other hand, the images show at a glance the signs’ condition on each municipality’s territory, making the public services aware of the

signs that need to be repaired or replaced.” This data can also be supplemented with road accident figures and traffic regulations. “It allows cities to make proposals through artificial intelligence to improve traffic situations,” says Diana Collinet. Faces of citizens

“Our Mobile Mapping has won Technology Federation Agoria’s Smart City Award”

Diana Collinet,
Sales Director Public Sector at bpost group





On-site delivery of passports and driver's licenses

In Antwerp and Brussels, citizens can have their new passport or driver's license delivered to an address of their choice. This can be home or the workplace, and can be done whenever it suits them. It allows municipalities to save their residents an extra trip to the town hall. For this service they call upon the expertise and know-how of bpost group's subsidiary DynaGroup. The Dutch company has been delivering identity documents at home for some time now.

"DynaGroup has a separate business unit - Dynasure - that specializes in the safe and reliable delivery of valuable documents for governments, banks and insurers," says CEO Stephan van Mulken. "After the launch of this service in the Netherlands, we also started it up in Antwerp a few years ago, followed by Brussels. Such a service naturally requires the correct certification and the necessary skills from our delivery staff. They are trained in physical identity checks and specific verification questions."

bpost group has already rolled out many initiatives linking authorities and citizens, thus strengthening the social role of the postal company. Delivering passports and driver's licenses at a location of one's choice, with a focus on both customer friendliness and efficiency, is fully in line with this socially committed vision.

and number plates are automatically blurred out in order to fully respect the privacy legislation.

"In Roeselare, for example, we detected with great accuracy the road signs that needed maintenance," says Diana Collinet. In a next phase, cities can use the technology to record the road surface condition, so that they can address holes in the road or faded road markings. Mapping street furniture such as benches and bins is also one of the options. "We are even looking at whether the system can be used for litter detection," says Collinet. "This is how we make cities safer and cleaner with our technology."

Smart City Award

In the meantime, the project in Roeselare has won Technology Federation Agoria's Smart City Award. Together with its partners, who, among other things, developed

the algorithms for artificial intelligence and supplied the camera hardware, bpost group aims to complete the test phase of the project in the second quarter of 2021. The intention is to turn it later into a commercial product. "We plan to offer our services to any interested city or municipality in the near future," says Diana Collinet.

With this innovative Mobile Mapping technology, bpost group proves that as an organization it can make a significant contribution to social cohesion in society. "We want to be a partner of choice for public services today and tomorrow, in an ever changing world," concludes Diana Collinet. "With our services we support the authorities in their digital transformation. And the citizen also gains from it."



Global connections between people, businesses and communities



2020, what a year!
#wearebpost #figures

Wow! END OF YEAR FIGURES

- Extended delivery hours (until 21.00 and on Saturday)
- 3 shifts instead of 1 in the sorting centers
- St Nicholas responded to +300 000 letters
- 1 000 000 app downloads
- Covid measures:
 - Keep social distance of 1.5 meter
 - All postman/women wear a mask & gloves
 - Contactless parcel delivery
 - Limited access in post offices to ensure social distancing
- 2 rounds/day also more delivery during weekend
- +650 000 Packages/day delivered at home: EVERY DATA RECORD
- +4 000 extra-people hired
- +2 000 extra vehicles

Like

December 22, 2020

More than ever, bpost continues to connect: 1 million free postcards available via the Mobile Postcard app #connectlove

Mon petit tonton,
Tes blagues un peu loufoques vont solidement nous manquer à table à Noël.
Un énorme bisou et à bientôt !

MOBILE POSTCARD

June 2020

Being appointed as an "Essential Critical Infrastructure Company," we immediately understood the dual responsibility of keeping our workers safe and the #supplychain going...

THE MAIL GROUP
Worldwide Mail Solutions

Follow us on linkedin.com/company/bpost



October 24, 2020



Our 30,000 colleagues are working day and night, 7 days a week to deliver your parcels and make the holiday season as enjoyable as possible. From the most competitive board game to the cosiest slippers and all those gifts that remain a secret for the time being. They are all on their way, brought to your beloved ones with as much love as you packed in the parcels! ❤️ #wearebpost



256



November 27, 2020



Message from James Edge, CEO at Landmark Global: Yesterday, in the US, we celebrated Thanksgiving. For us it is the start of the busiest period of the year. A good time for reflection. More than ever, we are fortunate to have our jobs, our teammates at Landmark Global & bpost and, above all, that we, together with our families are in good health. So when I think about the biggest challenges of 2020, it makes me even prouder of our local team in SoCal who have been helping to deliver much-needed food to over 200 families in Northeast LA each week since The Pandemic took hold. The real heroes are our charity partners Food Forward and La Mas - we are but a grateful link in their chain. It's the little things that matter most #thanksgiving2020 #landmarkglobal



Follow us on facebook.com/bpost.official



December 4, 2020



Since, for his own safety, Saint Nicholas has to stay up in the sky a little longer, his secretarial services are doing part of the job here! About 300,000 letters (13,000 a day) from well behaved children are answered here, so the good Saint can stay in quarantine a little longer. 😊



September 2020



Sometimes, despite our super cold warehouses, stored food cannot be delivered any more. The expiry date is approaching, certain products are replaced by others with a nicer packaging, people are not at home and so on. Luckily heart-warming organizations like the Food Bank are there to ensure that the food is still delivered to people who desperately need it. #Voedselbank #strong2gether #zorgvoorelkaar



“Sustainable companies are the new role models”

bpost group’s ambition is to take the lead in sustainability within its sector. How they want to do it? With a clear strategy and numerous concrete initiatives. “Companies such as bpost group are perfectly placed to help realize the sustainability transition worldwide,” says Wayne Visser, sustainability expert at the Antwerp Management School and fellow at the Cambridge Institute for Sustainable Leadership.

Today, stakeholders expect companies to respond positively and proactively to the environmental impact of their economic activities and to take their social role in society. In the past, a lot of companies used to do it. But it was just to improve their image. Now, companies are more and more convinced of the benefits of a well thought-out sustainability strategy. “Studies prove that sustainably oriented companies are financially more profitable,” says Wayne Visser. “By reducing their energy consumption, companies are reducing their costs. They optimize their supply chain through circular processes. Or they can bet more on their employees who are also committed to sustainability. This approach also attracts new talent. These are just a few examples.”

People, Planet and Proximity

Some companies even take it a step further and lead the sustainable way in their sector. bpost group is one of them. For quite some time now, sustainability has been an intricate part of the company’s DNA. “We are constantly making our business processes and culture more sustainable,” declares Philip Mol, Head of Group Sustainability at bpost group. “We have both a social and an economic impact on society. That is why we focus on three pillars: People, Planet and Proximity.” Because today the group has grown into an international service provider, the ambitions for the coming years are even higher.

A better quality of life

One of the concrete examples of these ambitions is ‘Ecozone Mechelen’, where parcels are delivered on foot, by bicycle and by electric delivery vans. Philip Mol: “The number of kilometres travelled

“Large companies have the right capacity, the capital, the innovation and the speed to translate sustainability into reality.”

Wayne Visser, sustainability expert and professor at the Antwerp Management School



per package is decreasing, fewer delivery vans are driving around, and CO₂ emissions are decreasing. The result is a healthier air and a better quality of life in the city centre. (Read more p. 40-41) Another example, in the Netherlands sister company DynaGroup focuses on circular business solutions. Customers can have their broken smartphone collected, repaired and returned within 24 hours. "So we extend mobile phones' lifespan and reduce the quantity of waste," says Philip Mol.

Stakeholder Capitalism

Those initiatives show that bpost group is committed to create added value in the long term. It is all about finding a balance between economic profitability and providing a social surplus. And it applies to shareholders, customers, suppliers, employees and the local communities. The recent materiality assessment is also an important guide in this regard. This survey of all stakeholders worldwide identified which aspects of sustainability are important to all parties involved. "A good example of stakeholder capitalism", says Wayne Visser. "Companies such as bpost group are perfectly placed to achieve a global sustainability transition." The reason? Unlike governments and NGOs, for example, large companies have the right capacity, the capital, the innovation and the speed to translate sustainability into reality.

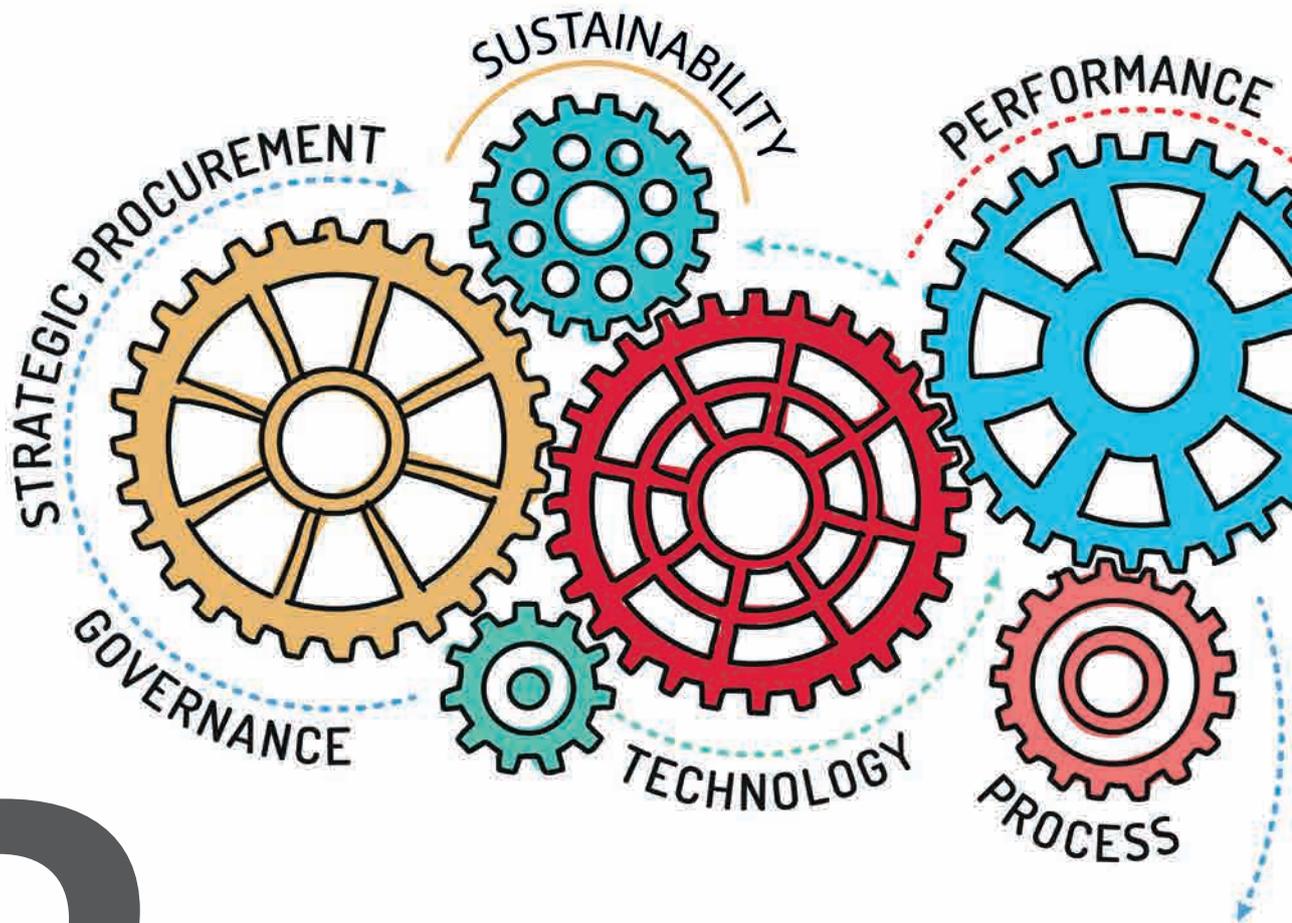
Sustainable partners

Other companies are also increasingly choosing partners who help them become more sustainable. "Take the example of Active Ants, an e-fulfillment centre for web shops," says Philip Mol. "There, we use robots that optimally adapt the packaging to the content, reducing the cardboard needed as well as the number of transports on the road." (Read more p. 46-47)

“Our direct impact on society is both social and economic. That is why we focus on three pillars: People, Planet and Proximity.”

Philip Mol, Head of Sustainability at bpost group





P

rocurement: looking at the entire value chain

By, among other things, integrating bpost group's sustainability objectives in its purchasing strategy, Procurement supports the group's strategic line.

bpost group aspires to become a sustainable and planet-friendly company and procurement has a major influence on that strategic ambition, explains Kurt van Cleemput, bpost group's Head of Procurement: "We laid out an action plan to take our sustainable purchasing practices to the next level. One of its important elements is our external connection with the international procurement network on the one hand and the suppliers on the other to realize our ambitions together. This allows us to not only look at our own products and services, but at the entire value chain. The more sustainable our suppliers, the lower our own ecological footprint. For example, in collaboration with EcoVadis, we audit our current and potential partners to gain insight in their sustainability efforts. We do not only set requirements, but also guide our suppliers as a partner to integrate sustainability more strongly."

E-vans

As part of its strategic ambitions, bpost group wants to drastically reduce its own carbon emissions. "By 2030, half of our fleet should consist of e-vans," says Kurt van Cleemput. "We deliver on our prom-



“The more sustainable our suppliers, the lower our own ecological footprint.”

Kurt van Cleemput,
bpost group's Head
of Procurement

From tactical to strategic

Procurement is more than just purchasing. “We have different tasks,” explains Kurt van Cleemput. “We always try to understand and support the needs of our internal customer. We look for innovative solutions and techniques and try to find the right partners.”

Over the past two years, Kurt van Cleemput transformed his department from a tactical, reactive department to a proactive, strategic partner: Strategic sourcing is one of the most important positive consequences of that switch. “It is a seven-step process for all major purchase records that allows us to handle every file in the same way and gain in efficiency,” says Kurt van Cleemput. “And through the new Center of Excellence, we guarantee the focus on continuous improvement and the link with external partners.”

ise as a strategic partner by conducting a thorough end-to-end analysis and calculating the total cost of ownership. Today, an electric van is often more expensive to purchase, but in the coming years prices will keep on dropping. Moreover, their consumption costs are a lot lower. At the same time, we try to map out the full impact. Introducing an electric fleet also means that you have to invest in smart charging solutions. “

Integrating innovative solutions

Last year, bpost group partnered with the European Innovation Council (EIC) to explore the market for smart charging solutions for electric vehicles. “Together, we launched an e-pitch for charging infrastructure,” recalls Kurt van Cleemput. “That was an excellent way for us to get to know innovative players. The EIC organized a kind of marketplace, which gave us a lot of new insights and relevant contacts.”

Jean-David Malo, Director at EIC, adds: “Our goal? Upscaling promising European SMEs and start-ups as well and as quickly as possible. That is why we invest in the capital of promising young companies. Private investors quickly follow, because their risk is reduced. In addition, we ensure that these companies get to know their market better, and we provide opportunities to get in touch with large companies - such as bpost.”

Both start-ups and companies benefit from it, says Jean-David Malo: “By connecting start-ups to their market, we provide them chances to grow. At the same time, bpost now knows perfectly what options there are in the field of charging infrastructure, and to which aspects it should pay attention to when choosing a partner. This innovative form of market exploration is particularly suitable for new markets and new technology.”

3X on the way to a sustainable future

No one can do everything, but everyone can do something. This is also applicable for the bpost group. Three practical examples of how we shape our ambitions on sustainability across all entities and sites.

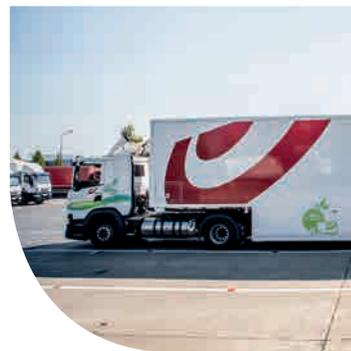
1

60 percent more parcels per run

Allow me to introduce bpost's Double Deck Trailer (DDT), a two-floor trailer that can hold 60 percent more roll containers than a regular trailer. For the time being, 5 of those DDTs are driving on the Belgian roads, but by 2030 there will be 320.

"Our combination vehicles make about 2,000 trips every day. A number that will grow due to the increasing amount of parcels," says Gunther Piens, Director Logistic. "By the year 2030, the DDTs will allow us to reduce the yearly number of kilometres driven by 11 million. In addition, fewer trucks will have to be on the road. Without the DDTs we would need 860 trucks by 2030, with the DDTs 730 will suffice."

At group level, bpost is committed to reduce its CO2 emissions by 2030 with 20%, compared to 2017. The DDTs are one of the different tools which will help us in achieving that goal. Thanks to the double-decker trailers, bpost group will soon be able to



reduce its annual footprint by 10,000 tons of CO₂. Moreover, the DDTs are not only an ecologically, but also an economically meaningful solution. "It's a quadruple-win: we transport less 'air', pack more parcels, reduce our footprint and need to buy less new trucks."

The DDTs are a sustainable initiative. But what about the trucks that pull the trailers? "Today, the vast majority of our trucks still run on diesel," says Gunther Piens. "We are also working out a solution for that problem. From 2021 on, we will invest in trucks that run on LNG. They will replace all the old trucks in the coming years."

Do the DDTs also mean that bpost will need fewer drivers? "It is not so black-and-white. On the one hand, it will surely have an impact, but, on the other hand, the expected growth will increase the need for drivers and employees. By 2030, we will need 45 percent more drivers and employees on the quays than today."

"It's a quadruple-win: we transport less 'air', pack more parcels, reduce our footprint and need to buy less new trucks."

Gunther Piens, Director Logistic at bpost group



3

Collecting 10 million kilos of e-waste

DynaGroup is a bpost subsidiary that aids organizations from various industries by offering diversified solutions. For DynaGroup the focus has always been on circularity. A good example is the collaboration between the logistics business unit Dynalogic and Wecycle, the Dutch non-profit organization that collect and recycles discarded electrical appliances and energy-efficient lamps. Last year, the two organizations collectively collected 10 million kilograms of discarded electrical appliances - refrigerators, freezers, washing machines, tumble dryers, televisions and more - for recycling.



2

New lighting is good for our electricity bills, and for the environment

Three years ago, Éric Aussems started as Energy & Environment Manager at bpost group. He immediately started with mapping out the energy consumption. In Belgium, the company has five sorting centres for domestic mail and parcels. The largest and most recent is located in Neder-Over-Heembeek. The others, in Charleroi, Liège, Antwerp and Ghent, date from 2012.

“Out of the 800 buildings owned by bpost, five used almost a third of all the electricity,” says Éric Aussems. “After a public tender, we opted for a partnership with Engie Solutions. We concluded an energy performance contract with them. They replaced the fluorescent lamps with LED lighting over a total surface area of 170,000 m². They optimized the use of the installations and selected the suppliers themselves. Engie Solutions will also take care of the maintenance of the new installation for the next five years, during which bpost pays an annual flat rate. At the end of that period, it becomes the owner of the installation.”



Thanks to this relighting, the annual lighting consumption for the sites will drop by 51 percent (from 5.6 to 2.8 GWh per year) and the electricity consumption by 15 percent. “This reduction is more or less equivalent to the consumption of 1,000 households and equals a decrease in CO₂ emissions of 1,000 tons per year,” declares Aussems with satisfaction. “It was also a pleasant continuation of the partnership with Engie, which had already installed 3.2 MW of solar panels on the sorting centres.”

51%

Thanks to this relighting, the annual lighting consumption for the sites will drop by 51 percent.

“We organize collection campaigns for mattresses, because they are also recycled.”

DynaGroup also distributed a thousand Jekko's in the context of the National Recycle Week in the Netherlands: collection boxes for used, small electrical appliances, broken energy-saving lamps and empty batteries. This was done in collaboration with web store Bol.com. In this way, the bpost subsidiary wants to encourage consumers to keep small e-waste aside and hand it in separately. In addition, the company, together with a partner organization, also organizes collection campaigns for mattresses, because these can also be recycled.



B

lueprint for green logistics in the city

Letter and parcel deliveries have a significant impact on cities and their residents. That is why bpost and the City of Malines jointly launched a pilot project on sustainable deliveries.

More and more consumers are shopping online, which leads to an increase of the number of home deliveries. bpost does everything in its power to limit the impact of its deliveries on the quality of life in the city. “Our ambitions follow the goals of the Paris climate agreement,” says Urban Logistics Director Paul Vanwambeke. “We want to continue to perform our task as a logistics player, but we also have to meet the expectations of cities and society in terms of sustainability. That is why we have developed a blueprint based on four pillars.”

“First of all, we are stimulating deliveries from pick-up points. We want to create a change in the recipient’s behaviour through a dense and accessible network of parcel lockers. In addition, we strive for better air quality through the use of innovative, zero-emission vehicles. We also try to consolidate orders in advance on the city outskirts in order to better organize the runs. Finally, we want to further develop and support the local and circular economy.”

The City of Malines too is constantly looking for solutions to improve quality of life, sustainability and accessibility. “Logistics players represent 10 percent of the city traffic and are responsible for more than a fifth of our urban CO₂ emissions,” explains Veerle De Meyer, project coordinator for sustainable initiatives. “Our four objectives



are: less vehicle movements, fewer kilometres driven, less CO₂ and cleaner air. To tackle this structurally, we set up a 'zero-emission working group' in 2019."

Collaboration is no surprise

It is therefore no surprise that bpost and the City of Malines have joined forces. Last summer, in a joint effort, they launched the first Ecozone for a more sustainable parcel delivery in the Belgian cities. "bpost set up fifty new parcel lockers throughout the city centre," says Veerle De Meyer. "Every Malinois can find such a locker in his neighbourhood and can easily pick up a package on foot, by bicycle or by public transport. The automated lockers are accessible twenty-four hours a day. You open them using a smartphone app. So failed home deliveries are also a thing of the past."

bpost also installed a city hub on the outskirts of the city for consolidation and improved efficiency purposes. "By first collecting the parcels in this hub, we can easily switch to bundled deliveries," explains Paul Vanwambeke. "This approach requires an adjustment of the organization, but results in a significant decrease of kilometres travelled per order. We only use electric cargo bikes and green vans to deliver the parcels in the lockers. In the meantime, we are working on a zero-emission model for all our activities in Malines."

The collaboration between bpost and the City of Malines was born within the framework of the European SURFLOGH (Smart Urban Freight Logistics Hubs) project, which focuses on sustainable urban deliveries. "Support from Europe is of course a bonus," says Veerle De Meyer. "You can exchange knowledge and experiences, and there are also more financial resources to better work things out. But it is above all the consultation and dialogue



with bpost that are decisive for a successful collaboration. Pursuing the same goal together: that is what it is all about."

"The results are very satisfactory"

About six months after the implementation of the first Ecozone in our country, the results are very satisfactory. "We have already noticed a change in behaviour," asserts Paul Vanwambeke. "Volumes in parcel lockers are growing steadily, and people visit them in a sustainable. More efficient runs and better spread deliveries lead to fewer traffic jams in Malines' city centre. Meanwhile, our zero-emission vehicles ensure healthier air and a better quality of life."

Thanks to this pilot project, bpost can quickly and easily test which concepts work (and which do not) before rolling them out nationally. Consequently, Ecozone Malines becomes the blueprint for sustainable deliveries in the city centres. Paul Vanwambeke: "This entire project is in line with the vision that bpost is pursuing: offering an emission-free delivery of postal and parcel services in as many Belgian cities as possible. We are already talking to various interested parties in Flanders, Wallonia and Brussels, and can easily copy the Malines model."

"More efficient runs and better spread deliveries lead to less traffic jams"

Paul Vanwambeke,
Urban Logistics Director at bpost

CONNECTING CUSTOMERS

In 2020 e-commerce really took off. But will demand continue to grow after the corona era? Which companies will be the winners of omni-commerce? And what role is there for the bpost group to play? A discussion with three top experts.

“**T**he spearheads for the future? Strong visibility and maximum control for customers”

How will e-commerce evolve in the future?

Ilias Simpson: “In 2020 we experienced a huge boom. Companies were forced to go to extreme lengths during the corona crisis. And at the same time many consumers got the hang of it. So I expect growth to continue.”

Pascal De Greef: “If the experience is frictionless and the offer broadens, we foresee a strong evolution in e-commerce. The increase in parcels per capita will probably grow with double digits for another ten years.”

Greg Buzek: “It is all about how post-corona behaviour will look like. In 2020, it was a challenge for everyone to offer customers a good experience. Consumers fought over toilet paper, frozen food, pick-up and delivery times. That same year, in the US alone, 75 billion USD was lost in missed opportunities because products were out of stock. Retailers must commit to digital channels, analyse data better and, above all, manage their stocks well.”

Is there a difference between the American and the European market?

De Greef: “The United States is one big market, with more than 300 million potential customers. Europe is divided into several smaller markets, each with their own demographic and legal context. Certain trends from the United States take a year to manifest themselves in Europe.”

What trends are to come in the near future?

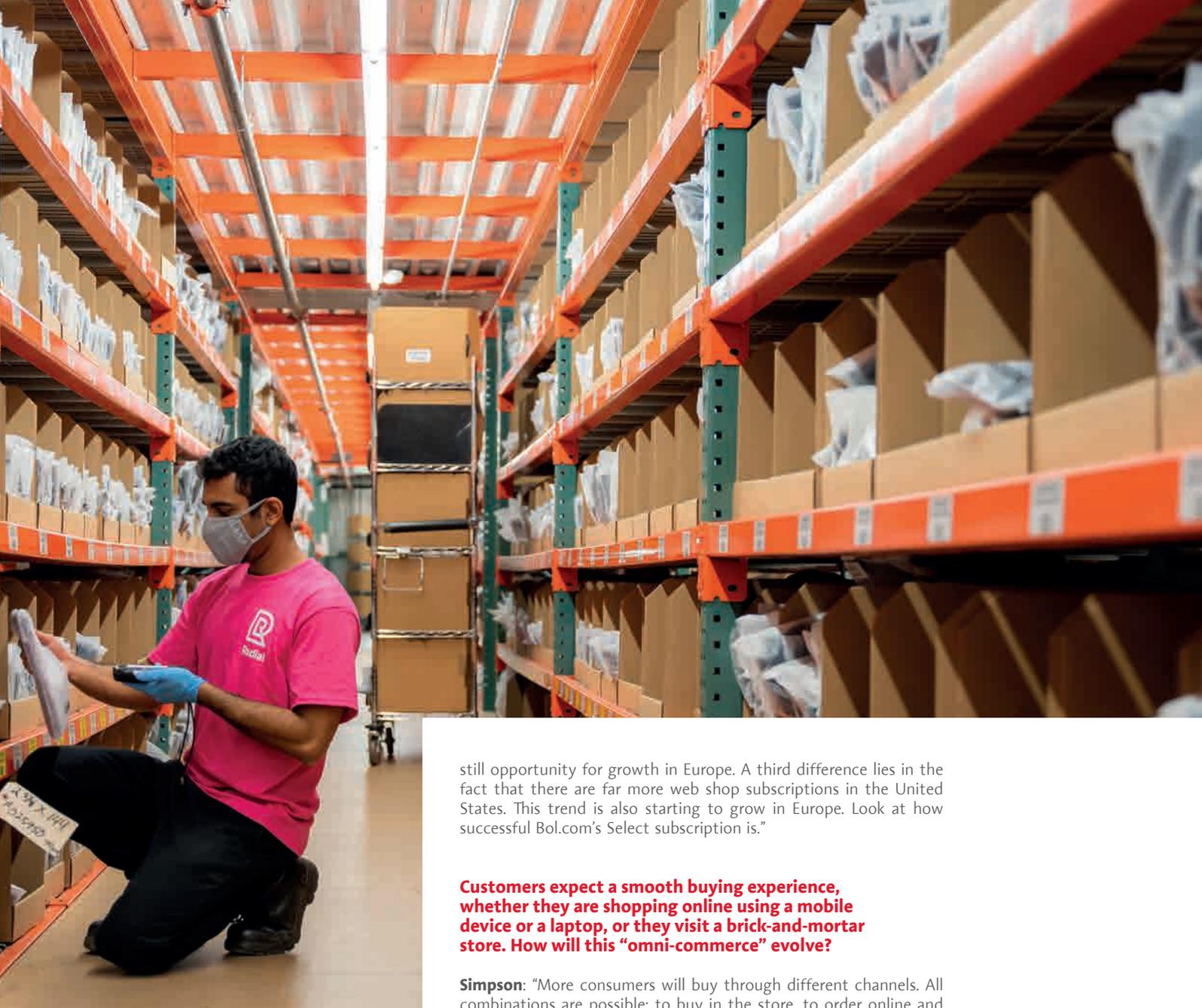
De Greef: “An example: we have to integrate our logistics flow with a growing variety of online products. In the US, that flow is fully integrated into the fulfillment flows. E-commerce also has a higher penetration rate: a larger number of parcels per capita. So there is



Ilias Simpson

CEO of Parcels & Logistics North America at bpost group and CEO at Radial. In his previous function, he was the man nationally responsible for Radial's fulfillment centers, network optimization and engineering. Simpson has many years of experience in business development, Lean implementation and growth strategies.





“Physical stores remain necessary, but are evolving into showrooms with hardly any stock.”

Ilias Simpson,
CEO Parcels & Logistics North America at bpost group and CEO at Radial

still opportunity for growth in Europe. A third difference lies in the fact that there are far more web shop subscriptions in the United States. This trend is also starting to grow in Europe. Look at how successful Bol.com's Select subscription is.”

Customers expect a smooth buying experience, whether they are shopping online using a mobile device or a laptop, or they visit a brick-and-mortar store. How will this “omni-commerce” evolve?

Simpson: “More consumers will buy through different channels. All combinations are possible: to buy in the store, to order online and pick the goods up in the store, to have online purchases delivered to your home or to collect a purchase at a pick-up point. To extend the customer experience to all channels is a gigantic opportunity and at the same time a major challenge.”

De Greef: “That is true. A few years ago, people viewed products on their smartphones, but the threshold to buy mobile was too high. Today, that same threshold has completely disappeared: people order everywhere. In the near future, I can even see purchases happening in a virtual store through a PlayStation game. That too will become an additional channel in the omnichannel spectrum.”

Simpson: “We also see an evolution in voice commerce - ordering products with a voice command. Google will surely come up with a solution enabling you to buy products in almost every web shop via the Google Home speaker.”

What are the retailers' major concerns?

Simpson: “They really need to master omni-channel. Because it will become a constantly increasing part of their business. That is why they have to invest heavily in the customer experience for each channel, ranging from a smooth buying experience on the website to a fast delivery and an optimal unboxing experience.”

Buzek: “An accurate stock, that is how you make the difference. First of all, you need to have what the customer wants to buy. And you must link your stock to all your channels. The first retailer with a completely correct inventory system has a gigantic lead. I know

retailers who have reduced their stock by 20 percent because they have invested in accurate systems. 20 percent of inventory represents a huge amount of money that can no longer be tied up in inventory not needed but is there as safety stock..”

And for bpost group?

De Greef: “The customer must be given as much control as possible. If you look at our activities as a service provider - as a last mile carrier - we have to come up with solutions to provide that control for all our services. Then we are really working on achieving an optimal customer experience.”

Simpson: “Visibility is also important. Consumers want to know where their parcels are and when they will be delivered. As a service provider, we must offer optimal transparency and keep our promises. E-commerce must be completely frictionless.”

And what about sustainability in the omni-commerce?

Simpson: “Packaging materials and emissions are important elements. We try to reduce them to be as sustainable as possible, in line with bpost group’s goal to reduce CO₂ emissions by 30% by 2030.”

De Greef: “Customers want the option to have their package delivered without emissions. But at the same time, they often - unjustly - think that goods can be delivered for free. This makes it difficult for consumers to choose between a normal delivery of 7 euros and a sustainable delivery that costs 10 euros. But in the long term, sustainability will become more important than price.”

So free delivery will disappear?

Buzek: “I am convinced of it or it will require a delivery or membership fee. Retailers cannot afford to keep delivery completely free. An average supermarket has a margin of 1 percent. With a click & collect programme, it loses 8 percent. That is impossible to maintain.”

Will the big ones get bigger, or is there still room for small players?

Simpson: “The huge market of e-commerce platforms and online channels offers huge opportunities for smaller players. In the past, they could only sell their products on the shelves of large retailers. Now they can sell directly to consumers.”

De Greef: “Brands see less and less added value in retail when they can use a smooth e-commerce environment. They also have immediate access to all data to get to know their target groups even more thoroughly - so they can better anticipate their needs.”

Buzek: “It is not a matter of big or small, but of mind-set. Today, long-term thinkers already invest heavily in e-commerce and digital solutions. They race past the others at a speed that makes it difficult to overtake. For those who are left behind - and there are certainly major players among them too - it will soon be game over.”



Greg Buzek

Founder and President of the American IHL Group. IHL provides tailor-made business intelligence for retailers and retail technology suppliers. Buzek has 25 years of experience in retail market analysis and product development and is regularly quoted in the US press as an e-commerce analyst.

“An accurate stock, that is how you make the difference. First of all, you need to have what the customer wants to buy.”

Greg Buzek,
Founder and president at IHL Group



“A few years ago, the threshold was still too high to buy via your mobile. Now people are ordering everywhere.”

Pascal De Greef, Senior Vice-President of Parcels Benelux at bpost group



Pascal De Greef

Has been with bpost group for almost 10 years and is now Senior Vice-President Parcels Benelux, responsible for the Benelux parcels. He has an impressive track record in retail, logistics and supply industry.



What should traditional retailers be concerned about?

Simpson: “The major retailers in the US are investing heavily in omni-commerce to stay relevant and competitive. The traditional retailer that does not innovate will become obsolete and disappear.”

De Greef: “That became painfully clear during the corona pandemic: those who invested flourished. Those who had not done it suffered heavy losses. Our intention to make Belgium a first-class omni-commerce country aims at helping SMEs.”

As volumes are increasing, what are the major challenges for bpost group?

De Greef: “The retail business always has peak periods, such as the bargain season or at the end of the year. Today those peaks are even more numerous, because there are more commercial campaigns, just think of Black Friday or Singles Day. The need for instant gratification among consumers also means that we must complete the last mile as efficiently as possible. It means we have to be fast, flexible and scalable.”

Simpson: “Versatility and flexibility are also part of our software solution. You have to be flexible with your stock. It has to be maximally available to every buyer. Especially now that consumers expect more and more control. They want to receive their product as soon as possible in the way they prefer: at a pick-up point, in the store, at home or at work.”

Will the classic brick and mortar store disappear?

Simpson: “Not at all. Brick and mortar stores are still needed, although their footprint will be smaller. But, more and more, the real transactions will take place somewhere else. Stores are evolving into showrooms, with hardly any stock. Consumers still want to see, feel and experience products. But ordering and delivery often take place elsewhere.”

Buzek: “89 percent of all transactions in 2021 will be fulfilled from stores, while only 67 percent of the purchases will actually take place at that point of sale. E-commerce is growing, but the store remains the center of all retail due to the proximity of the consumer.”

De Greef: “Stores are evolving into fulfillment centers, where customers can pick up their order. And service points, where you can bring in damaged products, for example. The combination of showroom, service and fulfillment is, I think, the future of physical stores.”

Simpson: “Stores are becoming part of the marketing mix. Smart retailers do not want their customers to buy in-store only, they want them to use all the channels. The more channels the customer uses, the more money they spend.”

The e-fulfilment centre of the future

Step by step, bpost group is expanding its services for e-commerce players. In Roosendaal, subsidiary Active Ants opened a revolutionary e-fulfilment centre, a genuine model for further expansion throughout Europe.

2020 was a peak year for e-commerce. After the corona crisis, the path taken will prove irreversible. As a logistics partner, bpost group puts maximum effort into supporting its customers and responds to their new needs using technology. With its international network, bpost group wants to stay close to its customers. Via subsidiaries Active Ants and Radial, the group has seven commercial fulfilment centres in Europe: three in the Netherlands, and one in Italy, Germany, Poland and the United Kingdom. This year, two more will be added, including one in Belgium.

The Dutch company Active Ants was founded in 2010. Its goal was to make the processing of online orders more accurate and efficient through innovation and automation. In 2018, the company started a partnership with bpost, which today is a 75 percent shareholder. Active Ants has 250 customers - mainly smaller companies that sell online - and employs 400 people. They work seven days a week to process more than 3 million orders each year.

“Our job? Getting the ordered parcels to the consumer as neatly and efficiently as possible,” says Jeroen Dekker, managing partner of Active Ants. “Our business philosophy is based on three pillars. First, we strongly believe in e-commerce. Second, we use a lot of hardware: robots and machines that optimally process and package orders. And third, we developed our own software as a seamless link between the web shops and the hardware.”

20,000 square meters

Last summer, in addition to a first branch in Nieuwegein in the Netherlands, Active Ants opened a brand new e-fulfilment centre in Roosendaal. In the 20,000 square meter warehouse, people work closely with machines. 65 Autonomous Mobile Robots or AMRs bring empty boxes to the employees. They fill them with goods that are delivered by other robots. “Replacing the traditional conveyor belts with AMRs in a warehouse, makes work much more flexible,” explains Jeroen Dekker, “because you can send a robot anywhere you want.”



“Now we can copy our success model to other countries.”

Jeroen Dekker,
managing partner of Active Ants



50,000 containers

Special robots drive around on a seven meter high square grid in which 50,000 containers are stacked very closely.

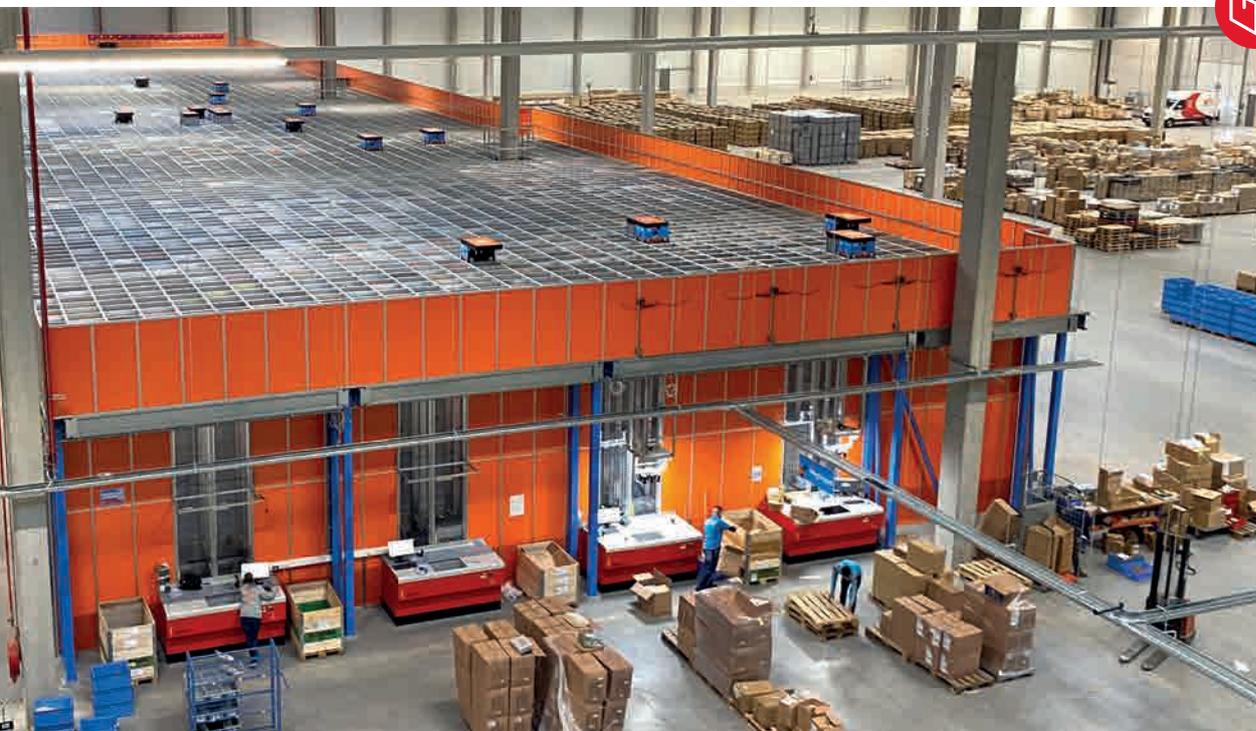
Active Ants uses about 40 special robots to store the articles. They drive around on a seven meter high square grid in which 50,000 containers are stacked very closely one on top of the other and next to each other. This allows the company to store up to six times more stock per square meter. “When a robot needs an item from the tenth row, for example, it moves the bins above it autonomously,” explains Dekker. “The intelligent system also ensures that big sellers are placed at the top.”

Active Ants uses innovative machines that predict the required length, height and width of the packaging for each item. After the box is filled, it is further trimmed to the exact volume. Jeroen Dekker: “We extract an average of 40 percent air from it, so that the unnecessary space no longer needs to be filled. The smaller the packs the more items can fit in the trucks. “The packing machines place a shipping label on the boxes, and even have a built-in printer for personalized packaging.”

Unseen robotization

The e-fulfilment centre in Roosendaal is unique. The advanced degree of robotization is unprecedented in the sector. Storage, order picking and packaging are fully automated. This way of working offers many advantages in terms of efficiency, sustainability and quality. The working environment is also a lot more agreeable for the employees. “The robots do the boring work, and the pressure to process enough parcels is also on them. The work becomes more interesting and the atmosphere more relaxed, because you work in small groups and everyone knows each other.”

The innovative warehouse forms the blueprint for the logistics network that bpost group wants to roll out throughout Europe. “We have set up a first unique centre in Roosendaal,” says Jeroen Dekker. “It is now clear that this approach is paying off. The software can be easily implemented in other sites. Now we can copy our success model to other countries.”



The Swedish Zinzino is growing at a blistering pace and is continuously expanding its activities to new countries. “That is only possible with the right e-commerce partner, who is able to grow at the same pace.”

A stylized world map composed of grey, hand-drawn lines. A circular callout in the North Atlantic region contains a blue silhouette of a city skyline and the text "New York". A dotted line with an arrow points from the right edge of the map towards the New York callout.

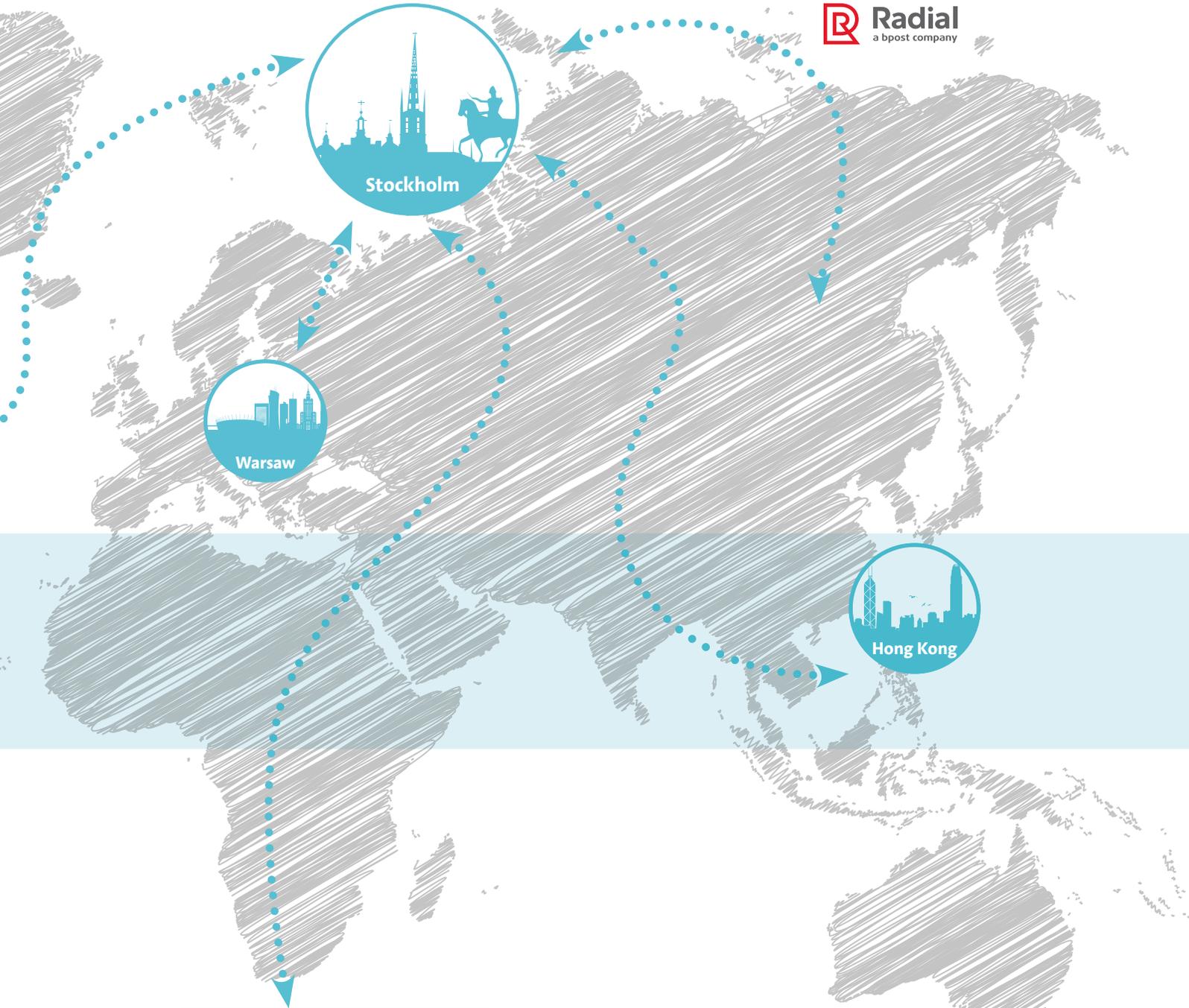
Radial's solutions put growth company Zinzino on the world map

“Feel free to call us a hypergrowth company,” says Jakob Spijker, Zinzino Europe’s COO. The Swedish direct sales company develops and sells food, skin care and lifestyle products. “Over the past nine years, sales have increased annually, even by almost 50% last year. We sell our products in over 100 countries around the world and we are still betting on new markets.” Every month, an average of 100,000 parcels are shipped worldwide. About half of these are handled and delivered by bpost subsidiary Radial.

Last year, Zinzino and Radial joined forces to distribute parcels from the logistics centre in Poland to ten European countries. Spijker: “For a company like ours, it is crucial that customers receive our products as quickly as possible and in good condition. To make this happen, we need to be able to rely on a network of local warehouses.” Barely a few weeks after the contract was signed, the first parcels were shipped from the warehouse in Poland. “At that point, we got acquainted with Zinzino’s growth dynamics,” says Mariusz Mozdzyński, Radial Poland’s Sales Director. “We were only just working on the project in Poland, when we already got a question about our capacity in the United States.”

100,000
parcels

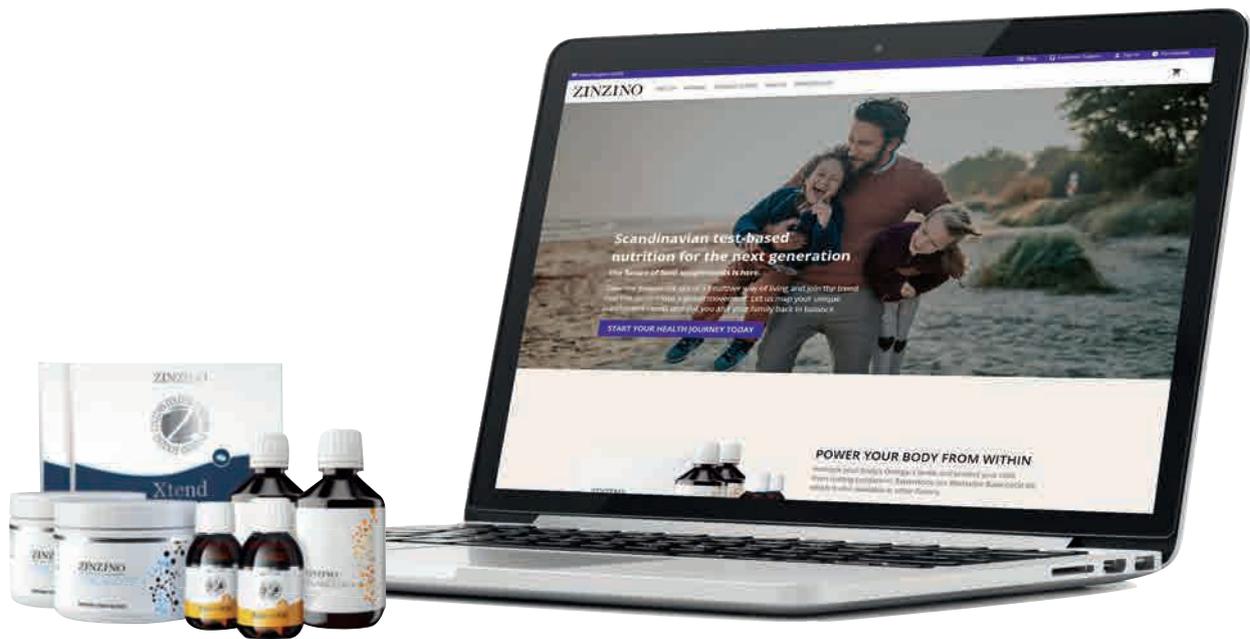
Every month, an average of 100,000 parcels are shipped worldwide. About half of these are handled and delivered by Radial.



**“Thanks to Radial,
following the
first project in
Poland, we were
very quickly able
to integrate
other distribution
centers.”**

Jakob Spijker,
Zinzino Europe's COO





America and Asia

“No one is an expert in every world market. Being part of a group that operates worldwide is therefore quite valuable. It makes it possible to bring customers quickly in contact with the right kind of people,” says Mozdzynski. And so, he immediately put Zinzino in touch with Tammy Niemier, Radial US Director of Sales-International. “From Europe we immediately received a lot of information about the operational processes. This cooperation allowed us to act quickly: we quickly managed to distribute packages for the American market out of the Richwood warehouse,” says Niemier. Radial repeated this operation in Hong Kong, where it has, in the meanwhile, operationalized a distribution centre for the Asian market for Zinzino.

When Zinzino first considered working with Radial, it looked at the volumes that the parcel deliverer could handle and the references it could provide. But the technological platform was also convincing. Mozdzynski: “At Radial, we developed a very user-friendly software linking the customer’s IT systems to the distribution centre. You only have to integrate the software once. Subsequently, other warehouses can also be linked within the same interface, even if those warehous-

“The cooperation with our European colleagues enabled us to serve the American market for Zinzino after only a few weeks.”

Tammy Niemier,
Radial US Director of Sales

es run in the background on different technology platforms.” That means, for example, that Zinzino employees connect in the same way with the distribution centers in the United States, as in Europe or Asia. “That is really unique, because it is usually not that easy to integrate warehouses into a network. So we managed to minimize the hours of work spent on IT integration and, at the end of the day, save some money too,” says Niemier.

The Radial software makes a real difference to Zinzino. Spijker: “Its quality is of a very high level. It is not only a very user-friendly and flexible tool, it also made the integration with our own cloud-based software effortless. And so, following the first project in Poland, we were very quickly able to integrate other distribution centers. The Radial software was a real driver of our expansion into other growth markets with Radial.”

“20 million customers by 2035”

In the coming years, Radial will continue to build on the growth path of the Swedish company. Zinzino intends to serve eight to ten new markets in the course of this year, including India, Malaysia, Singapore, Taiwan, South Africa, Mexico and Russia. And they are also looking at other countries. Jakob Spijker, Zinzino Europe’s COO: “By the end of 2025, we want at least 1 million customers to use our products, by 2035 there should be as much as 20 million. So we will be sending a lot of parcels in collaboration with Radial.”

Brexit: maximum effort for minimum impact

Since the first of January 2021, Brexit has become a reality. bpost group had already made the main preparations two years earlier to align its operational processes with the situation. “We also helped our customers minimize the impact as much as possible.”

Brexit has a major impact on VAT and customs regulations between the European Union and the United Kingdom, which is now considered a third country. This entails many changes for shipments to and from England, Scotland and Wales. “The lack of clarity about the Brexit real start date was the most difficult aspect of the preparation,” says Pieter Dewulf, Program Director Crossborder.

Everything started from a working group, in which all of bpost group’s departments possibly affected by Brexit were represented: customs, transport, IT and the sales departments at bpack, Landmark Global and Radial that work together with international customers. “This gave us a clear view of all flows from and to the UK, and how we could optimally align them with Brexit,” explains Pieter Dewulf.

Last minute Brexit deal

Naturally, bpost group depended on the political information available at the time, which changed frequently. And even with all the careful preparations, it was all hands on deck at the end of 2020, during bpost group’s traditional peak period and in the middle of the corona crisis. Pieter Dewulf: “In December, our crisis team and the departments involved stepped up a gear in order to adjust our operations according to the last-minute Brexit deal.”

That was a complex task. Especially when, for example, two days before New Year it turned out that Northern Ireland would remain in the European Customs Union. “Nevertheless, we have managed to meet this



challenge with joint forces,” says Pieter Dewulf looking back to that period. Meanwhile, bpost group organized individual video meetings with all its major national and international customers to discuss the impact of Brexit on their business and how they could (re)organize their export trade.

2021 will be an important year

Today, consumers too can find all information about Brexit on the website. The bpost group’s retail team was trained to answer Brexit questions from residential customers. All these efforts in no way mean that the work on Brexit will be finalized in 2021. The next change is coming soon: from the first of July on, consumers will have to pay import duties and VAT for shipments from outside the European Union with a value below 22 euros. “It may take months before everyone will be fully aware of the impact of Brexit,” concludes Pieter Dewulf. “Fortunately, we gathered a lot of relevant expertise in VAT, customs and IT integrations to permanently assist our customers.”

“It may take months before everyone will be fully aware of the impact of Brexit.”

Pieter Dewulf,
Program Director Crossborder at bpost group

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