

6. Environmental Value



As a global logistics service provider, bpostgroup has an impact on the environment across the e-commerce value chain. Every day we ship more than a million parcels around the world, using one of the largest car and truck fleets in Belgium and generating a significant carbon footprint. Which is why we are determined to fight climate change and be a force for good in the countries we operate in.

We have set ambitious science-based targets for bpostgroup in line with the 1.5°C pathway. These include a 55% reduction in our Scope 1 and 2 emissions and a 14% reduction in Scope 3 emissions by 2030 – compared to the 2019 baseline.

To accelerate progress, we have upgraded our ESG strategy across the business, while also investing in sustainable policies aimed at electrifying the bpost delivery fleet and company cars, expanding Eeozones across Belgium, reusing and recycling packaging, using green electricity and reducing bpostgroup's carbon footprint. One of the main priorities in 2023 was to strengthen ESG reporting across the business units and subsidiaries through completing a double materiality assessment, gearing up for the CSRD and building a data transformation roadmap.

“Being a reference in environmental sustainability in all markets we operate in.”

-11%

Reduction in Scope 1 and 2 emissions vs. 2019

22%

Emission-free last-mile delivery in Belgium

40%

renewable electricity consumed

85%

recycled content in packaging sold in Belgium

bpostgroup is committed to achieving net zero by 2040. This shared long-term target is encouraging us to accelerate our efforts to **decarbonize the e-commerce supply chain and reuse and recycle packaging as part of a circular economy.**

Our approach can be summed up in the following medium-term targets: **Reduce Scope 1 and 2 emissions by 55% by 2030:**

- 100% zero-emission last-mile deliveries
- 100% green electricity
- 100% truck fleet running on alternative fuels
- 100% of new company cars zero-emission
- 100% recyclable or reusable packaging

BPOSTGROUP IS FIRMLY COMMITTED TO FURTHER STEP UP SUSTAINABILITY EFFORTS



6.1 Decarbonizing the e-commerce supply chain

Progress towards our targets

AMBITION	2030 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
Reduce emissions by 55% by 2030 and reach net zero by 2040.	<ul style="list-style-type: none"> • 100% zero-emission last-mile delivery • 100% green electricity • 100% of truck fleet running on alternative fuels • 100% of new company cars zero-emission • 100% recyclable or reusable packaging 	<ul style="list-style-type: none"> • 22% zero-emission last-mile delivery • 40% green electricity • 50 trucks running on alternative fuels • 16% of new company cars zero-emission • 85% recyclable or reusable packaging 	<ul style="list-style-type: none"> • Expanded Ecozones to 5 new cities in 2023, resulting in 14 ecozones in total across Belgium. • bpost won the 2023 'Zero-Emission Van Trophy' and was the No. 1 buyer of electric vans in Belgium. • Radial North America installed its first EV charging stations at its new facility in Indiana. • Dynagroup started a pilot project to decarbonize its fleet with the launch of two large full-electric vehicles for distribution activities. • Leen Menken installed 1,038 solar panels, meaning that one third of the total energy used in the warehouse is now renewable. 	<ul style="list-style-type: none"> • We aim to install more than 4,500 EV charging stations in Belgium by 2030. • bpost is soon to welcome its first electric truck. • Continue roll-out of employee awareness campaign to encourage selection of electric vehicles.

Carbon footprint

Performance Summary

		2019 BASELINE	2022	2023	TREND
SCOPE 1	tCO₂e	88,997	90,143	78,043	↓
Fuel fleet ¹	tCO ₂ e	67,983	69,107	60,004	↓
Natural gas & heating oil	tCO ₂ e	20,986	21,020	18,025	↓
Oil for generators	tCO ₂ e	28	16	14	↓
SCOPE 2	tCO₂e	30,266	28,620	27,904	↓
Electricity (market-based) ²	tCO ₂ e	29,794	28,348	27,840	↓
District Heating	tCO ₂ e	472	272	64	↓
SCOPE 1 & 2	tCO₂e	119,263	118,763	105,947	↓
SCOPE 3	tCO₂e	322,562	307,002	285,570	↓
Subcontracted road transport	tCO ₂ e	113,440	89,663	78,710	↓
Business travel	tCO ₂ e	1,374	731	1,157	↑
Employee commuting	tCO ₂ e	32,977	27,011	26,614	↓
Waste	tCO ₂ e	3,932	4,690	4,768	↑
Subcontracted air transport Belgium	tCO ₂ e	37,597	19,133	18,743	↓
Subcontracted air transport Subsidiaries ³	tCO ₂ e	34,733	42,029	38,684	↓
Fuel & energy related activities not included in scope 1 or 2	tCO ₂ e	22,248	22,304	20,323	↓
Purchased goods & services	tCO ₂ e	76,260	101,441	96,569	↓
TOTAL CO₂ EMISSIONS (SCOPE 1+2+3)	tCO₂e	441,824	425,765	391,517	↓

Our efforts to reduce our carbon footprint yielded positive results in 2023, even with the expansion of our reporting scope to three new bpostgroup entities: Aldipress, Radial Belgium and IMX France. We saw a clear decrease in total CO₂ emissions, reflecting the success of targeted initiatives across the group such as switching to electric vehicles, optimizing transport operations, and an ongoing commitment to renewable electricity.

We achieved a significant reduction in our Scope 1 emissions, largely through our ongoing transition to electric vehicles for our fleet and company cars. Furthermore, in 2023 a new emission factor has been used for Fuels – Diesel (Scope 1), following the recommendation by DNV Assurance (previously, the emission factor for fossil diesel was used for diesel, while diesel B7 is used in EU countries with a slightly lower emission factor). Despite opening new buildings, we also managed to decrease natural gas consumption, showing progress in our transition to greener buildings and energy optimization.

Our Scope 2 emissions also continued to decline, largely due to the increase in installed renewable energy and green electricity. In addition, all our buildings in Belgium are powered by green electricity or have certificates of origin.

Despite an increase in business travel due to the expansion of bpostgroup's e-commerce activities and a return to pre-COVID 2019 levels, overall Scope 3 emissions decreased by 8%. Due to the use of more eco-friendly transport options such as trains, buses and bicycles, and a reduction in the number of working days, emissions from employee commuting dropped. Moreover, emissions from subcontracted road transport also decreased by 12% as a result of our efforts to optimize our road transport operations and reduced business needs. Even though Landmark UK was included for the first time in the subcontracted air transport reporting scope, emissions decreased by 4%.

Finally, our waste emissions increased due to a significant decrease in waste recycling. In addition, improvements to our reporting system identified an increase in waste incineration and landfill, as well as an increase in hazardous waste production. These findings highlight the importance of improved monitoring and mitigation measures to minimize our impact on the environment.

1 A new emission factor has been used for fuel fleet (scope 1): DEFRA 2023 - Fuels - Diesel (average biofuel blend).

2 The market-based method reflects bpost NV/SA choices in terms of electricity supply, such as the purchase of electricity from renewable energy sources. This is set out in detail in contracts between bpost and its energy suppliers.

3 Since 2022 we collect detailed subcontracted air transport data for the subsidiaries. We extrapolated 2019 and 2021 data for comparison purposes.

Green fleet and delivery

Performance Summary

METRIC	UNIT	2019 BASELINE	2022	2023
KPI – Share of emission-free last-mile delivery	%	n/a – new metric	15.3	22
Total number of emission-free ecozones	Number	n/a – new metric	9	14
Share of last mile alternative fuel vehicles	%	31.6	33.4 ⁴	36
Share of new company cars zero-emission	%	n/a – new metric	7	16.5

In 2023, bpostgroup made further progress in fulfilling its commitment to sustainable transport practices. The share of alternative fuel vehicles for the last mile and the number of green delivery vehicles across the group have increased. We are proud to state that 42% of our fleet in Belgium is now green; in 2023 alone, we doubled our electric fleet. Moreover, with its almost 1,600 e-vans bpost NV/SA won the 2023 ‘Zero-Emission Van Trophy’ and was the No. 1 buyer of electric vans in Belgium.

Since the 2020 launch of a pilot Ecozone in Mechelen, several Belgian cities have been transformed into a bpost Ecozone, serviced by zero-emission vehicles. The total number has since increased to an impressive 14 cities and 33 zip codes across Belgium.

In terms of vehicle efficiency, average fuel consumption of vans has decreased considerably due to the replacement with electric vans, while that of trucks has remained stable.

bpost Belgium is also making progress in increasing the share of zero-emission company cars. In 2023, the company car policy underwent further analysis to accelerate the transition to zero-emission vehicles ahead of the 2026 target.



2023 Key Initiatives Green Mobility

A growing fleet of electric vehicles

bpostgroup is firmly committed to reducing its reliance on fossil fuels as well as easing the pressure of traffic in our cities. So, after making considerable progress in sustainable distribution in 2022, we went on to double our electric fleet in 2023. With a current total of 7,800 green vehicles, 42% of our fleet is now green and we make emission-free last mile deliveries of 22% of all parcels with e-bikes, electric vehicles and e-trailers.

2023 evolution:

- 607 e-vans growing to 1,590 (+983)
- 2,490 e-bikes growing to 2,597 (+107)
- 5,468 non-motorized vehicles (incl. normal bikes)
- 344 e-trailers growing to 458 (+114)



4 Corrected 2022 figure.

In addition to 50 LPG trucks which were acquired in 2022 and 2023 bpost NV/SA is soon to welcome its first electric truck. Furthermore, the delivery of 7 new double decker trailers, taking that total to 12, makes good our commitment to reducing kilometers driven. With almost 1,600 e-vans bpost NV/SA won the 2023 'Zero Emission Van Trophy' and was not surprisingly the No. 1 buyer of electric vans in Belgium (Febiac 2023). Meanwhile, in the Netherlands, Dynagroup started a pilot project to decarbonize its fleet with the launch of two large full-electric vehicles for distribution activities.

New charging infrastructure

We aim to install more than 4,500 electric vehicle chargers in Belgium by 2030. As of 2023, almost 1,700 charging points were operational and a third more were added. In the meantime, Radial North America launched its first EV charging stations at its new facility in Indiana, while also incorporating infrastructure on site in anticipation of future EV truck charging stations.

Zero-emission company cars at bpost NV/SA

When bpost updated its company car policy in 2021, the intention was to transition to electric vehicles by providing financial subsidies and installing charging points at employees' homes. During the course of 2022 1,000 charging points were operational, and as of September 2023 all company cars at bpost NV/SA must be electric. These initial efforts have been supplemented with several more initiatives.

First, an awareness campaign to encourage the selection of a fully electric car where appropriate. Second, negotiations with parking providers to enable battery charging facilities at the Brussels' headquarters. In 2023 the company car policy underwent further analysis to accelerate the transition to zero emissions ahead of the 2026 deadline.

Ecozones

Ecozone is a model that reduces the impact of our operations in Belgian cities. The Ecozones are based on 3 pillars: a dense network of collection points within city centers (e.g. post offices, post points and parcel lockers), delivery by soft mobility devices (e-trailers, e-bikes) and replacement of the remaining diesel vans by e-vans. With the help of a fleet of 100% green vans and bikes, the aim is to drastically reduce the number of car journeys made for pick-up and drop-off of deliveries. The benefit for city-dwellers is twofold: first, it improves the air they breathe; and second, it relieves pressure in their busy lives.

In 2020 bpost launched a pilot Ecozone in Mechelen, and since then several Belgian cities have been transformed into a bpost Ecozone, serviced by zero-emission vehicles. These include Antwerp, Brussels, Mechelen, LLN, Leuven, Hasselt, Eupen, Namur, Mons, Brugge, and since 2023 Seraing, Verviers, Oostende and Kortrijk. The total number is now 14 cities and 33 zip codes.

According to researchers at Vrije Universiteit Brussels, bpost not only reduced its carbon emissions by 90% in the Mechelen Ecozone, but also achieved a significant reduction in noise and traffic. Similar results were obtained in the other Ecozone cities. The project also won the Environmental Achievement of the Year category at the Parcel and Postal Technology International Awards hosted in Vienna in October 2021. In addition, in 2022 we won the BeCommerce Logistics and Innovation awards, and the jury prize for Ecozones.



Green buildings

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Total renewable energy capacity installed	kWp	4,830	8,238	9,038
Total surface of solar electricity capacity installed	m ²	45,890	66,042	67,063
Share of renewable electricity	%	49	43	40

Our efforts to improve the energy efficiency of bpostgroup buildings have made significant progress. We managed to noticeably reduce electricity consumption and our reliance on natural gas, district heating and fuel oil, demonstrating our commitment to adopting greener energy solutions.

These initiatives led to a clear reduction in energy consumption per employee, indicating that we are using our energy resources more efficiently across all our operations.

However, this year also saw a decrease in the share of renewable electricity, showing that we need to step up our efforts and investments to develop renewable energy across bpostgroup. To this end, our total renewable energy capacity installed has increased by more than 80% since 2019.



2023 Key Initiatives Green buildings

Dynalogic goes solar

In a move to embrace solar energy, Dynalogic made the decision in 2023 together with its landlord to install solar panels on the roof of its buildings, totaling more than 30,000 m2. These installations will be completed in 2024.

Radial under the sun

Since 2022 Radial Inc has enjoyed renewable energy from its solar panel installation at the Rialto site in California. At 525 kW, the set-up meets the building's total electricity needs for most of the year and up to 80% of its energy consumption during peak hours. Radial is exploring new solar projects for the California market and in other areas of North America with similarly favorable climatic conditions.

BREEAM certification in the Netherlands and UK

Dynagroup achieved a 'very good' BREEAM certification in its fossil-fuel-free buildings in Bleiswijk and Amsterdam, Netherlands. In addition, Active Ants obtained BREEAM certification for its premises in Roosendaal.

In the UK, the Active Ants Northampton warehouse on the Brackmills Industrial Estate is now in possession of an A+ rating and an 'outstanding' BREEAM certificate. This is due to the 1,000+ solar panels on the roof, which allow the warehouse to supply its own electricity.

Leen Menken keeps cool thanks to the sun

At the start of 2023 Leen Menken's new freezer warehouse was put into operation. Completed at the end of 2022, this state-of-the-art storage unit can accommodate up to 10,000 pallets at -20 degrees Celsius and is equipped with the most sustainable cooling and freezing technology. Furthermore, the roof has been fitted with a total of 1,038 solar panels, which means that one third of the total energy used in the warehouse is now generated from a renewable source.

Waste

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Share of recycled waste	%	87	88	78
Total waste generated	t	62,241	79,907	46,660
Residual waste incinerated for energy recovery	t	3,246	2,886	2,927
Total hazardous waste generated	t	114	1,726	2,195

In 2023, the amount of waste recycled decreased significantly, mainly due to one of our subsidiaries, Dynagroup, considerably reducing its electronic waste. The durability of electronics such as smartphones, tablets and computers have significantly improved in quality over the years, and thus fewer repairs are needed. As a result, in 2023 there was a lower volume in electronic repairs, and given the fact that electronic waste was fully recycled at Dynagroup, the share of recycled waste has been affected.

In addition, we saw a slight increase in the amount of residual waste incinerated for energy recovery, and a more significant increase in waste incinerated without energy recovery or landfilled. This change is mainly due to improvements made to our reporting system, which now provides a better understanding of waste production across bpostgroup. This information will be used to draw up an action plan to maximize recycling and recovery in the future. Finally, the increase in hazardous waste generated highlights the importance of closely monitoring our processes and continuing to implement measures to mitigate their impact on the environment.

2023 Key initiatives Waste

Robotics for optimizing packaging

Active Ants is a revolutionary company that takes sustainability very seriously. Which is why they have invested in innovative warehouse storage solutions that take up six times less space than traditional warehouses. Automated packaging machines make custom-sized boxes for products, thus removing the need for box filling. As a result, less space is required during last-mile transport and less waste is created.



Les Petits Riens

Last year, as part of its ISO 14001 certification, bpost set up a sustainable project with the charity 'Les Petits Riens' in its NBX sorting center in Brussels. Almost 90,000 kg of unclaimed goods were sent by bpost to Les Petits Riens and from there distributed to those in need. The cardboard boxes used for the deliveries were replaced by reusable bbox pallets. Each pallet can hold up to 100 kg, which represents a saving of up to 900 kg cardboard. In 2023, 840 reusable boxes were used to distribute more than 63,000 kg. For bpost the impact is social, environmental and economic. For Les Petits Riens, bpost's participation means donations have been sent to nearly 1,500 people in need.

Carbon offsetting

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Total carbon emissions offset for the customers	tCO ₂ eq.	2,000	32,307	48,269

Compensating unavoidable emissions

At bpostgroup we work hard to ensure the 'greener' delivery of mail and parcels. But what happens if we can't prevent all CO₂ emissions? In order to offset those unavoidable carbon emissions in Belgium, we have committed to supporting ambitious projects: first, in Turkey, where we support the construction of hydropower facilities to reduce natural gas consumption and its associated harmful emissions; and second, in India, where we invest in the creation of wind farms to reduce dependence on fossil fuels thus improving public health.



[Uzundere Hydroelectric Power Plant, Turkey](#)
[Learn more about the hydroelectric power plant in Turkey here.](#)



[Wind Power Generation In Gujarat, India](#)
[Learn more about the wind power revolution in India here.](#)

In addition, so that all our customers who are sending and receiving parcels know that their parcel is delivered CO₂ neutral, every shipping label now proudly displays the CO₂ neutral icon.

Plant a tree to offset carbon

Together with Trees4All, Dynafix introduced a CO₂ free repair option for mobile phones. Customers decide at the checkout whether to fully compensate the CO₂ used in their transaction. Then for every CO₂ neutral repair, Dynafix plants a tree.

6.2 Re-using and re-cycling packaging as part of a circular economy

Progress towards our targets

AMBITION	2030 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
Offer sustainable solutions for the e-commerce value chain through recyclable and reusable packaging	For bpost Belgium to offer packaging that is 100% recyclable and has at least 70% recycled content by 2030	<ul style="list-style-type: none"> 81.9% recycled content in 2023, exceeding 2030 target of 70% recycled content. 85.2% of packaging sold was recyclable or reusable. Despite a slight (-1%) decrease in 2023, we are on track to meeting our 2030 target. 	<ul style="list-style-type: none"> Hipli pilot project achieved 'Packaging Innovation of the Year' award at the Parcel and Postal Technology Awards in Frankfurt Radial has transitioned the two highest volume shippers to a 100% recycled corrugate for their packaging 	<ul style="list-style-type: none"> Expand uptake of the Hipli reusable packaging solution by new customers with a view to increasing volumes and upscaling the pilot. Continue investing in green alternatives for consumers

Sustainable Packaging

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2023
Share of recyclable or re-usable sold packaging ⁵	%	86.3	85.2
Share of recycled content in packaging sold ⁶	%	80.9	81.9

At bpostgroup we are acutely aware of the resources we use and their recyclability and reusability, which is why we manage our packaging and waste streams responsibly. At all our locations in Belgium, we sort waste and work with a registered waste partner for recycling (paper, drink cartons, plastic bottles, metal) or disposal with energy recovery. 100% of all plastic, paper and cardboard waste is recycled and 100% of our unsorted waste is incinerated for energy recovery. Our aim is to achieve the same targets at all locations across the group.

bpost Belgium's post offices sell packaging such as bubble envelopes, gift boxes, standard boxes, and fashion bags. Following the launch of the first fully recyclable fashion bag made of recycled material in 2021, we have since transformed all our packaging (for sale on our website and in our retail outlets) to 100% recyclable material or made out of 100% recycled fibers. Furthermore, all our boxes are reusable, even after delivery.

2023 Key Initiatives Sustainable Packaging

Hipli - Parcel Packaging for over 100 reuses

Following the success of the Hipli pilot with Torfs, AS Adventure and Juttu in 2022, which subsequently received the 'Packaging Innovation of the Year' award at the Parcel and Postal Technology Awards in Frankfurt, this re-usable packaging for e-commerce has now been rolled out for all our customers. After receiving their delivery, customers simply drop the empty bags into a bpost red mailbox. bpost then bundles the packaging and sends it to a sheltered workforce organization within Belgium for cleaning and reconditioning.



⁵ These figures are for bpost NV/SA only.
⁶ These figures are for bpost NV/SA only.



The French company's innovative re-usable packaging continues to be actively used in our shipping management system, and their new products are now also included in our workflow. In the meantime, the test has been extended to another supplier, Re-zip, whose products are sourced via Rajapack in Belgium. This means we can expand our offer by including re-usable plastic bags as well as re-usable cardboard boxes. A dedicated team is now working to optimize the operational processes and raise awareness about the project. Our goal here? Attract and then successfully service new customers with a view to increasing volumes and upscaling the pilot.

Increasing recycled content in packaging

Radial has transitioned the two highest volume shippers used for one of its largest clients, a cosmetics company, to a 100% recycled corrugate for their packaging. We have also sourced FSC certified materials for specifically targeted brands within the client's portfolio. This decisive step was taken after Radial investigated alternative mailbag material options with a higher recycled and/or recyclable content. In the end, a paper-based mailbag that is curbside recyclable was selected by the client and then deployed just before our end-of-year peak season. The result? Approximately 1,292 kilos of material were diverted from the waste stream during this busy season alone.

bBAG

Research shows that when customers pick up their parcels on foot or by bike, carbon emissions are reduced by 90%. But it isn't always easy to carry packages. Since bpost is committed to investing in green alternatives for consumers, Wunderman Thompson Benelux came up with the bBAG. This hardwearing backpack is designed to hold parcels of almost every shape and size. What's more, it's made of 100% recycled materials such as tarpaulin from their trucks and fabric from old jackets. Customers who change their delivery preferences to pick up their parcels from a pick-up point have a chance to win one of these innovative bBAGs by entering the competition on the bBAG website.

6.3 EU Taxonomy

6.3.1 Introduction

This section reports on the key performance indicators required under Regulation EU 2020/852⁷ and the related Delegated Acts⁸ (the EU Taxonomy). The EU Taxonomy was enacted by the European Commission to support the objective of directing capital towards sustainable activities. Reaching this objective is essential to meet the EU ambition of becoming climate neutral by 2050.

The EU Taxonomy is a classification system defining which economic activities can be considered environmentally sustainable. An environmentally sustainable activity is one that:

- Is included in the EU Taxonomy Climate Delegated Act (i.e., is an “eligible activity”);
- Meets the Technical Screening criteria to prove substantial contribution to one or more environmental objectives (detailed in section 6.3.3.1);
- Does not significantly harm any of the other environmental objectives (detailed in section 6.3.3.2);
- Complies with Minimum Safeguards⁹ (related mainly to human rights, anti-corruption and anti-bribery, taxation and fair competition).

An environmentally sustainable activity, also referred to as an “aligned” activity, is considered to make a substantial contribution to one of the six environmental objectives of the EU Taxonomy, without doing any significant harm to any of the other objectives:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

As a logistics and postal company, bpostgroup strives to reduce our impact on the environment on several levels, as described within this chapter ‘6. Environmental Value’, specifically, ‘6.1 Decarbonize the e-commerce supply chain’ and ‘6.2 Re-use and re-cycle as part of a circular economy’ of this report to inform our stakeholders where bpostgroup stands in our sustainable journey. In this section we look at our contribution through the lens of EU Taxonomy, legislation which continues to evolve and for which no common interpretation yet exists within the sector. In this second year of reporting, bpostgroup has chosen to continue its prudent approach to assess Taxonomy-eligibility and alignment.

EU Taxonomy eligibility and alignment must be reported as financial Key Performance Indicators (KPIs), as percentages of a company's total revenue, capex additions and opex. In the event that the total amount of opex is considered not material for the business model of the company, that company is exempt from the requirement to calculate the numerator of the opex percentage, and instead should disclose the numerator as being equal to zero and report the value of the denominator (total amount of opex). bpostgroup's EU Taxonomy KPIs are detailed in section 6.3.4.

6.3.2 bpostgroup EU Taxonomy eligibility assessment process

An ‘eligible economic activity’ is one that is described in the EU Taxonomy. It is not necessarily one that is environmentally sustainable, but one that has the potential to be environmentally sustainable (i.e. ‘aligned’) if it additionally meets additional criteria (see section 6.3.3) laid out in the related Delegated Acts.

The evaluation of our eligible activities under the EU Taxonomy involved the following steps:

- Looking for a match based on bpostgroup's main NACE Code (H53.10 - Postal activities under universal service obligation). This resulted in a match with activity 6.6 Freight transport services by road.
- Reviewing the description of the activities under our NACE Code¹⁰.
- Further screening our activities and matching them with other activities described in the EU Taxonomy (besides activity 6.6 listed above).
- The result of this second screening led us to identify the following additional eligible activities performed by bpostgroup:
 - 6.4 Operation of personal mobility devices, cycle logistics
 - 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
 - 6.15 Infrastructure enabling low-carbon road transport and public transport (transshipment infrastructure). We have considered all of our sorting centers in the EU as part of the transshipment infrastructure included in the description provided by the EU Taxonomy.

The eligibility analysis was performed by collaborating with and involving each of the relevant business units, as well as the Corporate and Support Units which carried out the mapping exercise detailed above.

At this stage bpostgroup considers that, consistent with reporting in previous years, revenue-generating activities of E-Logistics North America and a major part of the activities of E-Logistics Eurasia are not in explicit scope of the activity descriptions presented in the EU Taxonomy. Therefore, adopting a prudent approach, bpostgroup considers the activities of all of our e-commerce fulfillment centers as non-eligible. This analysis has been made based on bpostgroup's best interpretation efforts while maintaining the prudent approach mentioned above, as the guidance from the EU on the interpretation of what is included or excluded in a specific activity is limited.

⁷ Regulation EU 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union on June 22, 2020.

⁸ The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021), the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023) and all related Annexes.

⁹ The Minimum Safeguards shall be procedures implemented by a company that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

¹⁰ The EU Taxonomy includes a reference to NACE codes (Revision 2) on each activity. However, such references are only indicative and do not prevail over the specific definition provided in the text of the Climate Delegated Act.

6.3.3 bpostgroup EU Taxonomy alignment assessment process

An 'aligned economic activity' is one that is Taxonomy-eligible, and furthermore meets the accompanying Technical Screening criteria to prove Substantial Contribution to one of the environmental objectives of the EU Taxonomy, as well as the Do No Significant Harm criteria for that activity, whereby the company as a whole meets the Minimum Safeguards requirements. Such an economic activity is considered environmentally sustainable ('aligned').

The evaluation of our eligible activities to determine if they are additionally aligned under the EU Taxonomy involved the following steps:

- a. For each eligible activity, analyzing whether the applicable Substantial Contribution criteria for that activity are also met.
- b. For each eligible activity, analyzing whether the Do No Significant Harm criteria for that eligible activity are also met.
- c. Analyzing whether bpostgroup as a whole complies with the Minimum Safeguards.

6.3.3.1 Substantial Contribution Technical Screening Criteria

The Technical Screening criteria which must be applied to determine whether an eligible activity makes a substantial contribution to one of the environmental objectives of the Taxonomy are different for each Taxonomy-defined activity. It is therefore necessary to separately examine the various Taxonomy-eligible bpostgroup activities as they are grouped under the Taxonomy.

Local delivery services

A significant portion of bpostgroup's postal delivery services is conducted by (e-)bike and/or cargo bike and are considered Taxonomy-eligible under Taxonomy activity 6.4 'Operation of personal mobility devices, cycle logistics' (substantial contribution to climate change mitigation). As these activities are inherently 'green', the substantial contribution criteria are relatively straightforward: the activity must employ zero-emission personal mobility devices powered by the user, a battery or a combination of both, and the mobility devices must be legally permitted to operate on the same infrastructure as bicycles or pedestrians. The bpostgroup activities identified as eligible meet these Technical Screening criteria.

Medium-range delivery services

For somewhat longer distances and larger packages, bpostgroup employs a fleet of light commercial vehicles, which is in the process of being converted from internal combustion engines to electric power. Eligible under Taxonomy activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles' (substantial contribution to climate change mitigation), such delivery services are subject to a Technical Screening criterion for vehicle emissions: light vehicles for the carriage of goods (vehicle category N1) must emit no more than 50 gCO₂/km. Delivery services conducted with bpostgroup's electric delivery vans meet this requirement.

Bulk transport of post and packages

For the bulk transport of post and packages over longer distances, bpostgroup employs a modern fleet of conventional lorries and tractor-trailers, which is eligible under Taxonomy activity 6.6 'Freight transport services by road' (substantial contribution to climate change mitigation). However, the Technical Screening criteria are stringent: heavy-duty vehicles (trucks/lorries and tractor-trailers falling under vehicle categories M1 and N1) must be either zero-emission or qualify as 'low-emission heavy-duty vehicles'¹¹ with specific CO₂ emissions of less than half of the reference CO₂ emissions of all vehicles in their vehicle sub-group. Because bpostgroup's bulk transport employs conventional vehicles which produce emissions that can be considered average for their vehicle sub-group, these eligible activities currently do not meet the set emissions requirement. Furthermore because Taxonomy-alignment depends on the abovementioned Technical Screening criteria which focus on the vehicle pulling the trailer, the positive impact of bpostgroup's new fleet of 14 double-decker trailers is not reflected in the Taxonomy-aligned revenue and CAPEX figure. Nevertheless, these trailers can be seen to have a significant impact, providing 60% increased load capacity with translates into 40% lower carbon emissions for the amount of freight transported, as well as fewer trucks on the road, reducing traffic congestion.

Supporting infrastructure

All bpostgroup's delivery services depend on a supporting network of sorting and distribution centers, which seek to adhere to the latest environmental standards. Activities related to postal and package delivery (excluding e-commerce logistics) are considered Taxonomy-eligible under activity 6.15 'Infrastructure enabling low-carbon road transport and public transport' (substantial contribution to climate change mitigation). The Technical Screening criteria specify that infrastructure and installations must be dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods. Additionally, the infrastructure must not be dedicated to the transport or storage of fossil fuels. The identified bpostgroup eligible activities meet these Technical Screening criteria.

¹¹ As defined in Article 3, point (12), of Regulation (EU) 2019/1242 of June 20, 2019.

6.3.3.2 Do No Significant Harm Technical Screening Criteria

In order to qualify for alignment, Taxonomy-eligible activities must also not do any significant harm to any of the environmental objectives of the EU Taxonomy. Although there is substantial overlap, the specific Do No Significant Harm criteria can differ per Taxonomy-defined activity.

All Taxonomy-eligible activities

As part of the Do No Significant Harm criteria, all bpostgroup Taxonomy-eligible delivery services and supporting infrastructure must be subject to a robust climate risk and vulnerability assessment. Similarly, for all eligible activities, measures must be in place to reduce waste during use and at end-of-life, in line with the transition to a circular economy. More Information on the climate risk and vulnerability assessment can be found in the chapter Governance ([4.2 Risk Management](#)).

Activities employing transport vehicles

To prevent pollution, the tires used on light commercial vans, lorries and tractor-trailers must comply with the highest class (class A) of external rolling noise requirements, and must comply with one of the highest two classes (class A or B) for energy efficiency (rolling resistance). Moreover, building on the Do No Significant Harm requirements for circular economy, bpostgroup's light delivery vans and bulk transport vehicles must be reusable or recyclable to a minimum of 85% by weight, and reusable or recoverable to a minimum of 95% by weight to qualify for Taxonomy-alignment.

Currently only a small percentage (2.5%) of the electric vans are fitted with tires that meet the abovementioned stringent requirement for pollution, resulting in a relatively low percentage of Taxonomy-alignment for activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles'. Although bpostgroup has invested over the years and continues to invest in electric vans, new electric vans are not automatically delivered with tires that are Taxonomy-compliant. Replacing tires before the end of their lifespan (especially when still relatively new) has a negative environmental impact as well, which can also be seen as doing harm to the Taxonomy objective of circular economy. bpostgroup therefore employs a prudent approach to replace non-compliant tires with Taxonomy-compliant ones in the course of normal operations. As the tires on the electric van fleet are replaced over time as a result of normal use, the percentage of Taxonomy-aligned revenue will increase significantly. To illustrate: if all non-compliant tires were replaced by Taxonomy compliant tires today, bpostgroup Taxonomy-aligned revenue would be nearly 10% higher at 25%, and Taxonomy-aligned CAPEX would increase to 36%.

Supporting infrastructure

Additional Do No Significant Harm requirements apply for supporting infrastructure (sorting and distribution centers). Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed. At least 70 % (by weight) of any non-hazardous construction and demolition waste that is generated on construction sites is prepared for reuse, recycling and other material recovery, and where applicable the EU Construction and Demolition Waste Management Protocol is followed. Where relevant, noise and vibrations from use of infrastructure are mitigated, and during construction or maintenance works measures are taken to reduce noise, dust and pollutant emissions. An Environmental Impact Assessment or screening has been completed, and where an Environmental Impact Assessment has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. For sites/operations located in or near biodiversity-sensitive areas an appropriate assessment, where applicable, has been conducted and any necessary mitigation measures are implemented.

Nearly all of bpostgroup's Taxonomy-eligible activities that meet the Technical Screening criteria furthermore meet all applicable Do No Significant Harm criteria. Only bpostgroup's medium-range delivery services employing electric delivery vans do not fully meet the criteria due to the stringent requirements for the tires used.

6.3.3.3 Minimum Safeguards

To be compliant with the Minimum Safeguards as set out in the EU Taxonomy, a company must implement procedures to ensure its alignment with the following international standards:

- the OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights;
- the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights.

In addition to the already established procedures, bpostgroup has continued to progressively introduce measures concerning the topics of human rights, anti-corruption and anti-bribery, taxation and fair competition. These measures are considered to provide a sufficient level of assurance to conclude bpostgroup's compliance with the Minimum Safeguards.

For more Information, see Chapter Governance Corporate Statement of bpostgroup's FY2023 Annual Report, and Human Rights Policy.

Numerator

The numerator includes the eligible and aligned net revenue related to the economic activities listed below:

- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.15. Infrastructure enabling low-carbon road transport and public transport

From this list, only activity 6.15 could be considered as enabling, as referred to in Article 10(1) point (i) of Regulation (EU) 2020/852.

Double counting was avoided by following bpostgroup's financial reporting process; each unit provided the information separately, based on the classification of activities. Total net revenues were then aggregated and validated by the finance consolidation team.

In line with bpostgroup's eligibility analysis, the numerator does not include revenue from e-fulfillment center activities. E-Logistics North America and a major part of E-Logistics Eurasia turnover, hence a major part of our turnover has been excluded for eligibility and alignment upon the interpretation by bpostgroup of the EU legislation.

Denominator

The denominator is the total net turnover for the financial year 2023, as seen in the consolidated income statement included in the financial consolidated statements.

Numerator

The numerator includes: (i) capex linked to the taxonomy-eligible and taxonomy-aligned activities listed in Section 6.3.3.2 above and (ii) capex linked to expenses related to other taxonomy-eligible and taxonomy-aligned economic activities, following Section 1.1.2.2 of Annex I of the Disclosures Delegated Act. The total EU Taxonomy-eligible capex is mainly calculated from the following economic activities:

- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.15. Infrastructure enabling low-carbon road transport and public transport

Denominator

The denominator is comprised of bpostgroup total capex (investments made in the financial year 2023) and additions of right-of-use assets, as seen in the consolidated income statement included in the financial consolidated statements.

6.3.4.3 OPEX

The EU Taxonomy follows a limited definition of opex. According to Section 1.1.3.1 of Annex I of the Disclosures Delegated Act, the only expenses to be considered as part of the opex KPI are direct non-capitalized costs from: research and development, building renovation measures, short-term leases, maintenance and repair, and other day-to-day expenses for the servicing of property, plant & equipment. Within this limited EU Taxonomy definition, bpostgroup identifies short-term leases and maintenance and repair expenses (under the bpost accounts ‘rent and rental costs’ and ‘maintenance and repairs’, respectively).

According to Section 1.1.3.2 of Annex I of the Disclosures Delegated Act, companies are exempted from the calculation of the numerator of the opex KPI in the event that the opex figure is not material for the business model. The opex numerator should be thereby be disclosed as being equal to zero. For FY2023 the total value of the opex denominator as per the EU Taxonomy definition of opex specified in Section 1.1.3.1 of Annex I of the Disclosures Delegated Act equals 215.9 mEUR. This amount is small compared to the total bpostgroup operating expenses and the total size of the bpostgroup business and is therefore considered not material for bpostgroup's business model. Major contributors to bpostgroup's business model are payroll costs, interim costs and transport costs which are not part of the definition of opex within EU taxonomy. Employing this exemption from the calculation of the opex KPI numerator, the opex numerator is disclosed as zero.

6.3.5 Mandatory disclosure on Nuclear and Gas

Article 8(6) and 8(7) of the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021) requires companies to disclose on nuclear- and gas-related activities, using the mandatory table provided in Annex 3 of the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022).

bpostgroup does not engage in any nuclear energy or fossil gas related activities.

NUCLEAR ENERGY RELATED ACTIVITIES		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES/NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES/NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES/NO
FOSSIL GAS RELATED ACTIVITIES		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES/NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES/NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES/NO