



Group Sustainability

Environment Policy
bpostgroup

Key message

Establish a framework for integrating the protection of environment within bpostgroup's strategy and operations and defining the principles of conduct for environmental management.

bpostgroup is committed to continue taking a leading position in the development of a decarbonization strategy, based on the use of renewable energy sources, electrification, efficiency, reduction in emissions and digital transformation, where respect for and the protection of the environment are integrated into all of our activities and processes.

As one of the greenest logistics players in the markets we operate in, bpostgroup is committed to:

1. Decarbonize the e-commerce and third party logistics supply chain
2. Take action on any identified adverse impact on air quality
3. Offer sustainable solutions for the e-commerce value chain through recyclable and reusable packaging

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1.

Our commitment

At bpostgroup, **we are committed to being a reference in sustainability in all countries we operate in.** This shared target encourages us to accelerate our efforts to **decarbonize the e-commerce and third party logistics supply chain and reuse and recycle packaging as part of a circular economy.** Continuous improvement of environmental performance in our global operations is the backbone of our shared value creation at bpostgroup.

As one of the greenest logistics players in the markets we operate in, we consistently deliver on our decarbonization trajectory, while optimizing our investments to maximize CO2 reduction impact. As a leading innovator in circular business models, we enable the development of a scaled circular economy through the provision of a leading reverse logistics network combined with re-use, repair and recycling solutions, offering sustainable solutions for our own waste and packaging.

As a global logistics service provider, bpostgroup is the best partner for our clients to reduce emissions across the e-commerce and third party logistics value chain. Every day we ship more than a million parcels around the world¹, using one of the largest van and truck fleets in Belgium, and generating a significant carbon footprint when combined with our outsourced activities with our transportation partners across bpostgroup. This is why we are determined to fight climate change and be a force for good in the countries we operate in.

We commit to three specific objectives:

- 1) Decarbonize the e-commerce and third party logistics supply chain
- 2) Take action on any identified adverse impact on air quality
- 3) Offer sustainable solutions for the e-commerce value chain through recyclable and reusable packaging

Our approach can be summed up in the following medium-term targets: **Reduce Scope 1 and 2 emissions by 55% (in line with the 1.5-degree scenario of SBTi²) , and reduce Scope 3 emissions by 14% by 2030** through the following decarbonization levers:

- Zero-emission last-mile deliveries
- Truck fleet running on alternative fuels
- Green electricity
- New company cars zero-emission
- Recyclable or reusable packaging
- Phasing out natural gas & heating oil usage from our buildings

To accelerate progress, our key levers in the Environment program across the business are focused on investing in renewable energy, efficient operations, electrification, innovation and digital transformation of bpostgroup.

bpostgroup collaborates closely with both internal and external stakeholders (for reference please refer to the [bpostgroup stakeholder policy](#)). Consideration was given to the interests of key stakeholders in setting this environmental policy across Group Sustainability, Operations, Environmental Squad leaders and others as listed in section 9 of this policy.

¹ 2023 bpostgroup annual report

² bpostgroup scope 1,2 and 3 targets are validated by the [Science Based Targets Initiative \(SBTi\)](#)



2.

Purpose and scope

PURPOSE

This policy is intended to establish a framework or reference for integrating the protection of environment with bpostgroup's strategy, investments, operations, and engagement with our key stakeholders across the value chain, and defining the principles of conduct for environmental management.

bpostgroup is committed to continue taking a leading position in the development of a decarbonization strategy, based on the use of renewable energy sources, electrification, efficiency, reduction in emissions and digital transformation, where respect for and the protection of the environment are integrated into all of our activities and processes as outlined in this policy.

Our commitment to accelerate our efforts to decarbonize the e-commerce supply chain and reuse and recycle packaging as part of a circular economy is aligned with the contribution to achievement of the United Nations Sustainable Development Goals (SDGs) 7, 8, 9, 11, 12, 13.

SCOPE

This Policy applies to:

- all employees within bpost NV/SA and its subsidiaries (referred to as “**bpostgroup**”) regardless of their duties or position and
- persons closely connected with bpostgroup's activities and operations who are not employees, but to whom this Policy is communicated (such persons include all directors, persons holding executive, consultancy, managerial or supervisory positions within bpostgroup, temporary workers, trainees, and contractors, together with the employees) defined hereafter as “**Coworkers**”.

This Policy covers all bpostgroup's material sub-sub topics related to Environment, namely:

- ESRS E1 – Climate change
 - Scope 1, 2 and 3 Green House Gas emissions
 - Energy
- ESRS E2 – Pollution
 - Pollution of air (NOx)
- ESRS E5 – Resource use and circular economy
 - Resource inflow, outflow and waste

For a detailed description of the identification and assessment process of the impacts, risks and opportunities linked to the double materiality assessment of bpostgroup, please refer to the ‘Sustainable Value’ section of [bpostgroup's annual report](#).

We will take action to reduce our own environmental footprint of the company and bring innovative solutions to the market in our transition to a circular economy, while at the same time working closely with the entire e-commerce value chain stakeholders of bpostgroup - our clients, suppliers, investors, sector peers and citizens - to contribute towards a greener, and more sustainable planet for us all.



As stated by bpostgroup's Code of Conduct³, bpostgroup Coworkers are essential in achieving these ambitions and this Code forms the foundation of our sustainability strategy, and we expect Coworkers to exercise the greatest care when it comes to environmental matters.

In addition, bpostgroup is committed to request its suppliers and related third parties to adhere to and comply with principles set out in this policy. The environmental ambition, target and commitment to reducing environmental impacts are outlined in the bpostgroup Supplier Code of Conduct⁴.

3. Governance

bpostgroup's CEO, together with the Executive Committee has the overall accountability for the environmental impact of bpostgroup. The environmental policy is approved by the Board of Directors, assisted by the ESG Committee.

4. Coexistence with other laws, rules and regulations

In addition to this Policy, Coworkers must comply with all applicable environmental local laws and regulations and where possible go further than the statutory requirements.

bpostgroup responds to stakeholders through transparency and open dialogue as outlined in the bpostgroup stakeholder policy⁵.

5. Main principles of conduct

All Coworkers are committed to the protection of the environment, the prevention of pollution and the promotion of environmental sustainability. To meet these commitments, bpostgroup will follow the **main principles of conduct** that apply to all of their activities and businesses and shall be integrated within the internal decision-making processes:

- Embed ESG in our strategy and business:
 - Ensure alignment with long-term organizational objectives, by **embedding ESG considerations into performance dialogues**.
 - Incorporating ESG into **investment and decision-making processes**.
 - Leveraging sustainability legislation and strengthening ESG's role in **identifying and mitigating risks**.

³ [bpostgroup Code of Conduct, pg 27-28](#). bpostgroup Code of Conduct – December 2022 – External Use

⁴ [bpostgroup Supplier Code of Conduct](#), pg 1-2.

⁵ [Stakeholder policy](#)

- Regularly verify our environmental program through **third-party certification**
 - Our targets are validated by Science-Based Targets Initiative (SBTi), and will regularly be reviewed and updated.
 - We strive to certify all our strategic industrial Belgian sites with ISO 14001 by 2030.
 - Perform regular environmental audits and risk assessments to review our environmental performance and compliance with the policy (environmental reporting is disclosed in accordance to the CSRD, and GHG Protocol and/or ISO 14064 standards).

- **Regularly measure and communicate our environmental performance** and track the progress towards the targets we have set in the bpostgroup annual report via:
 - Quarterly Progress Reviews of environmental performance by ESG Steerco and Board of Directors, followed by adjustments to the policy as needed based on findings.
 - Quarterly tracking of environmental KPIs and progress by bpostgroup “environmental squad leaders” (these are appointed squad leaders in different departments who drive environmental initiatives locally).
 - Cross-Departmental - and subsidiary - collaboration to achieve environmental goals.

- **Collaborate with relevant internal and external stakeholders regularly** on topics that promote environmental responsibility, through knowledge sharing and capacity building.

- Update whenever relevant identification and assessment of environmental material **impacts, risks and opportunities** in our own operations and within our value chain e.g., soil pollution, ground and surface water pollution, air pollution, waste production, noise pollution).

- Strive **to reduce our environment impacts on our entire value chain – and offer sustainable solutions to our clients** - including, but not limited to, carbon emissions, waste generation, recyclable and reusable packaging, leverage principles of a circular economy, energy consumption, material usage, water consumption, use of land and biodiversity.

- Aim to improve our waste treatment, such as sorting, recycling and recovery development, as well as waste efficiency compared to bpostgroup’s revenues.

Coworkers shall pay strict attention to the following:

1) **DECARBONIZING THE E-COMMERCE SUPPLY CHAIN**

a) **Climate Change Mitigation:**

- **Investing in zero-emission last-mile deliveries & charging infrastructure:** As part of bpost Belgium’s electrification program, our ambition is to remain leaders in last mile delivery, and continue to invest in the electrification of our fleet and electric vehicle charging infrastructure. We will assess potential impacts, risks and opportunities, track and monitor progress, and set specific targets where appropriate.

- **Striving for maximum energy efficiency:** We make a conscious and dedicated effort to reduce electricity consumption and our reliance on natural gas, district heating and fuel oil, demonstrating our commitment to adopting greener energy solutions. We will develop local energy production through the deployment of solar panels (e.g. in Belgium all our mail centres are going to be equipped with electrical vehicles (EV), with the goal to compensate EV consumption). Additionally, we construct buildings that meet the strictest EPB standards, use fossil-free energy, and implement green electricity contracts.

b) **Climate Change Adaptation:**

- **Assessing climate change risks and developing an adaptation plan:** We are dedicated to strengthening the resilience of our infrastructures and activities (local options of adaptation), anticipating the impacts of climate change



(integrating a risk analysis for new projects), evaluating the financial impacts of climate change on our strategy, and assessing the Group's transition risk.

- c) **Strengthen supplier engagement & collective action on scope 3 decarbonization journey:** In order to decarbonize the e-commerce value chain, we commit to working closely with our suppliers to improve transparency and accuracy of data, and ensure suppliers have the knowledge and resources they need to join our decarbonization journey at bpostgroup. We closely engage with our suppliers to reduce their emissions when delivering services for bpostgroup. We will prepare and implement appropriate decision processes that incentivize suppliers and drive internal awareness and action. We will track and monitor progress on a regular basis.

2) TAKE ACTION ON ANY IDENTIFIED ADVERSE IMPACT ON AIR QUALITY

- a) **Collecting the data required to develop emission inventories for key major pollutants related to our own activities:** Our goal is to collect the necessary data, quantify the air pollution produced by our operations and products.
- b) **Establish programs that reduce air pollution** from our own operations through our decarbonization strategy and electrification of our fleet
- All new leased vehicles must have euro 6 motor.
 - From 2025, latest 2026, all diesel vehicles must have particle filter installed. Note, this is already the case for the vast majority of vehicles.
 - Identify and assess opportunity for further actions to improve air quality.
- c) **Promote awareness campaigns** to transparently communicate the levels of emission caused by our operations and explain what will be done to reduce those emissions.

3) OFFERING SUSTAINABLE SOLUTIONS FOR THE E-COMMERCE AND THIRD PARTY LOGISTICS VALUE CHAIN THROUGH RECYCLABLE AND REUSABLE PACKAGING

- a) **Focus on improving the recycling and reuse of waste generated by our operations:**
- **Increasing sorted waste:** Our aim is to increase the proportion of sorted waste in the total waste produced by the Group, with the aim of significantly improving the recycling of this waste. This will involve adapting the products sold and used (e.g. minimising unsortable dual-component packaging sold in our retail network), as well as improving sorting infrastructures in warehouses, fulfilment centres and distribution offices.
 - **Reducing Plastic Waste:** Recognizing the environmental impact of plastic, and in order to reduce plastic waste on downstream value chain, we are dedicated to reducing plastic use in our packaging wherever possible. Where plastics are necessary, we will prioritize recyclable options and work with suppliers to reduce plastic waste. To that purpose, whenever possible, operational teams will prioritize bio plastic over non bio plastic.
 - **Enhancing Waste Recycling:** Our goal is to increase the percentage of waste that is recycled, with a specific focus on cardboard and plastic waste. We aim to implement or enhance recycling programs at all facilities, ensuring that no recyclable waste is sent to landfill.
 - **Reducing our waste intensity:** Our aim is to improve our production of waste compared to the activity of the group, meaning a reduction of unit of waste per unit of revenue.



b) Improving our environmental footprint linked to packaging usage:

- **Encouraging the use of reusable containers for internal flows:** bpostgroup undertakes to limit the use of packaging during internal flows within its own logistics areas, in particular by favouring the use of reusable packaging (e.g. plastic boxes containers). We already exclusively use reusable packaging for all our internal flows (i.e. Between our sorting centers and our distribution offices, in our fulfilment facilities as well as in our exchanges with some recurring customers).
- **Encouraging Reusability:** We are working to explore ways to make more of our packaging reusable. This includes piloting reusable packaging solutions for certain shipping products, and encouraging customers to reuse packaging when feasible.
- **Maximizing Recyclability:** We commit to ensuring that the vast majority of our packaging is recyclable or reusable (to date, more than 90%). Our goal is to achieve 100% recyclable content in our cardboard and envelope packaging by 2030.
- **Increasing Recycled Content:** We aim to steadily increase the percentage of recycled materials used in our packaging, primarily focusing on the cardboard and envelopes we use. By sourcing packaging materials that contain a higher proportion of recycled content, we reduce the demand for virgin materials and contribute to a more sustainable packaging supply chain.
- **Reducing our packaging intensity:** Our aim is to improve our production of packaging compared to the activity of the group, meaning a reduction of unit of packaging per shipped parcel.

6. Monitoring, Reporting & Continuous Improvement

We will regularly monitor our progress toward achieving the targets set out in this policy. We will review this policy and its performance against targets on an annual basis, or within six months following any significant operational changes. Progress will be reported internally and to external stakeholders as part of our commitment to transparency.

Furthermore, we will implement a common environmental management program that applies continuous improvement principles and places the environment at the centre of decision-making through:

- Assessing the environmental risks of our activities, facilities, products and services on a regular basis, improving and updating the mechanisms designed to prevent, mitigate or eliminate them
- Ongoing prevention, mitigation and adaptation of the environmental impacts of the activities, facilities, products and services of all bpostgroup subsidiary entities
- Management of opportunities, risks and impacts by establishing targets and action plans that promote the continuous improvement of our environmental processes and practices, and the establishment of monitoring, control and audit mechanisms.



7.

Training and Raising Awareness

Our employees play a vital role in achieving our environmental goals. We provide dedicated trainings and resources to ensure that all relevant bpostgroup employees understand the main principles of conduct laid out in this policy.

Furthermore, we implement measures to raise internal and external stakeholders' awareness of environmental management policy and environmental impacts through roadshows, campaigns, and collaboration with our sector peers through our memberships and associations.

8.

Related documents

The following related documents, together with this Policy, encompass the legally binding regulations governing the environmental policy at bpostgroup.

Policy or Document (group or locally applicable)	Location
Code of Conduct bpostgroup	https://bpostgroup.com/who-we-are/compliance
Supplier Code of Conduct bpostgroup	https://bpostgroup.com/who-we-are/compliance
Stakeholder policy bpostgroup	https://bpostgroup.com/who-we-are/compliance



9.

Availability, updates and clarifications

This Environment Policy

- is an external document available on <https://bpostgroup.com/who-we-are/compliance>.
- is an evolutive document that will be reviewed on an annual basis and updated as necessary.
- Coworkers will be informed of any updates.

If you have any questions or queries in relation to this Policy, please contact the Group Sustainability Department at soni.kanabar@bpost.be and didier.bernardi@bpost.be.

