



The members of the board of the International Post Corporation, Amsterdam  
CV International Post Corporation UA  
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The Netherlands

## **INDEPENDENT ASSURANCE REPORT ON THE IPC POSTAL SECTOR SUSTAINABILITY REPORTING FOR THE YEAR ENDED 31 DECEMBER 2019**

This report has been prepared in accordance with the terms of our engagement contract dated 6 February 2018 and the addendum to the engagement letter dated 9 March 2020 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with the key performance indicators disclosed in the “Results summary” of the Sustainability Reporting of the Postal Sector Sustainability Reporting 2019 (hereafter the “Sustainability Reporting” as enclosed in Appendix A) as of and for the year ended 31 December 2019 of the International Post Corporation (the “Association”).

### ***Responsibilities of Management***

The Board of Directors of the Association is responsible for the preparation of the Sustainability Reporting in accordance with the criteria stated in the Sustainability Measurement and Monitoring System (SMMS) Guidelines issued by the Association (summarised in section “Methodology and Definitions”) (hereafter “the Criteria” as enclosed in Appendix B).

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, management’s responsibility includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### ***Responsibilities of the registered auditor***

Our responsibility is to express an independent conclusion about the indicators disclosed in the “Results summary” (“Subject Matter Information”) based on the procedures we have performed and the evidence we have obtained. Our assurance report has been made in accordance with the terms of our engagement contract.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Information”. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria issued by the Company.



The objective of a limited assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information set forth in the Sustainability Reporting. The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of such procedures depends on our professional judgement, including the assessment of the risks of management's assertion being materially misstated. The scope of our work comprised amongst others the following procedures:

- Assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information at Association level and at member level;
- Conducting interviews with responsible officers at Association and member level (6 IPC SMMS participants were visited: bpost, Correos, Le Groupe La Poste, PostNord, Royal Mail Group Plc and the United States Postal Service);
- Inspecting internal and external documents.

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

### ***Our Independence and Quality Control***

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 and with articles 3:62, 3:63, 3:64 and 3:65 of the Belgian Companies' and Associations' Code organising the audit profession and its public oversight of registered auditors, independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding



compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Conclusion***

Based on our work, as described in this Independent Limited Assurance Report, nothing has come to our attention that causes us to believe that the Subject Matter Information, is not fairly stated, in all material respects, in accordance with the Criteria.

### ***Restriction of use and distribution of our report***

Our assurance report has been made in accordance with the terms of our engagement contract. Our report is intended solely for the use of the Association's Board of Directors in connection with the Subject Matter Information set forth in the Sustainability Reporting as of and for the year ended 31 December 2019 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Sint-Stevens-Woluwe, 6 November 2020

PwC Bedrijfsrevisoren BV/SRL  
Represented by

A handwritten signature in black ink, appearing to read 'G. Roy', with a long horizontal stroke extending to the right.

Gaetan Roy  
Director & registered auditor

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### Appendix

- A - Subject Matter
- B - Criteria

Appendix A - Subject Matter

**Results Summary**

The following tables contain group level results. Emissions, electricity, vehicles and items data was restated in 2020 and therefore may not be comparable to previous years' Sustainability Reports. Please see [Annex 'Restatement'](#), for more details. (Table subject to PwC limited assurance assignment)

**Table for PwC limited assurance assignment**

Indicator	2008 baseline	2018	2019
Scope 1: Transport (vehicles, aviation, rail)	3,016,000	2,999,000	3,060,000
Scope 1: Heating (gas, heating, fuel, oil, steam)	1,178,000	791,000	739,000
Other Scope 1	-	8,000	8,000
Scope 2: Electricity (including electric vehicles)	4,367,000	2,243,000	2,016,000
Other Scope 2	-	100,000	100,000
Sub-total: Scope 1 and 2	8,562,000	6,141,000	5,923,000
Scope 3a: Outsourced road and air transport	-	8,069,000	8,272,000
Sub-total: Scope 1, 2 and 3a	-	14,210,000	14,194,000
Scope 3b: Employee commuting and business travel	-	2,719,000	3,013,000
<b>TOTAL</b>		<b>16,930,000</b>	<b>17,208,000</b>
Percentage of renewable electricity used in buildings	16%	30%	31%
Percentage of alternative-fuel vehicles in fleet	10%	23%	22%
Percentage of electric vehicles in fleet	-	14%	15%
NB: All figures rounded to nearest thousand			

Letter mail and parcel delivery efficiency 2013 - 2019

Delivery Efficiency	2013	2014	2015	2016	2017	2018	2019
Letter mail (grams CO <sub>2</sub> per item)	37.5	38.1	38.7	38.8	38.1	38.9	40.1
Parcel (grams CO <sub>2</sub> per item)	539.0	495.6	485.2	474.3	466.0	481.9	496.2

Please see [Annex](#) for more information on indicator definitions, details on reporting participants, and the PwC assurance report

# ANNEXES

## Methodology and Definitions

In the Sustainability Performance Indicators (SPI) element of the SMMS, the quantitative impact of posts' sustainability management is assessed. Participants submit data on carbon emissions, energy use, vehicle fleets, and destination of waste.

### Carbon emissions criteria

Emissions are calculated using internationally recognised greenhouse gas accounting standards, such as the World Resources Institute Greenhouse Gas (GHG) Protocol. We refer to the Protocol's direct and indirect emissions using the following Scope 1, Scope 2 and Scope 3 terminology:

<b>Scope 1</b>	All direct GHG emissions from operations that are owned or controlled by the company, including those from buildings and transport.
<b>Scope 2</b>	Indirect GHG emissions from the generation of purchased electricity, heat, steam, or cooling consumed by the company.
<b>Scope 3</b>	Other indirect emissions from sources within the company's value chain, including transport-related activities by vehicles not owned or controlled by the reporting entity, business travel and employee commuting, outsourced activities, etc.

The SMMS SPI Guidance provides participants with guidelines on reporting procedures for Scope 3 emissions, since the boundaries for emissions from the value chain can be very broad. We provide a consistent set of parameters for sector-wide reporting of Scope 3 emissions, based on the framework set out in the GHG Protocol Corporate Value Chain (Scope 3) Standard.

In response to participant feedback and analysis of past years' data, we continue to use a well-defined data collection coverage that encompasses the following four core categories, which collectively make up over 95% of total Scope 3 emissions:

- Outsourced or subcontracted road transport
- Outsourced or subcontracted air transport
- Employee commuting
- Business travel.

The further 11 GHG Protocol categories, such as capital goods and use of sold goods, are excluded as they are currently considered immaterial to the postal sector. So that the SMMS participants can better understand the implications of their corporate activities on their value chain carbon emissions, it is important to establish Scope 3 inventories.

Data on emissions from the above-mentioned sources are examined in the SMMS reporting on the IPC website, as part of our commitment to continuous improvement and to build a more comprehensive and accurate account of carbon emissions across the SMMS group.

Unfortunately, several posts are currently unable to collect data on employee commuting for privacy/legal reasons. As such, where appropriate, national averages have been used instead. In these instances, company mitigation activities focused on employee commuting will not result in measurable decreases in emissions from this source. As this is a significant source of Scope 3 emissions, we will continue to strive for more complete reporting of all participants.

Although IPC recognises subcontractors as having primary responsibility for their carbon emissions, we know that SMMS participants can have a positive influence on this component of the value chain. Moreover, posts are encouraged not to reduce Scope 1 emissions at the expense of increasing Scope 3 emissions through outsourcing and subcontracting. To this end, our delivery efficiency target includes emissions from subcontracted transport.

Over the duration of the programme, there have been a number of changes to the composition of the group of participants. Five new participants have joined since 2009, two posts have merged to make one post, while four of the original EMMS group participants no longer report to the programme.

In order to ensure that the programme remains dynamic and progressive, the aggregated results of the 19 participants that submitted data in the 2019 reporting year are presented (unless otherwise stated). Figures from posts that did not report data for this year have therefore been excluded from this and previous reporting years (back to and including the baseline year), so that a direct comparison can be made. We believe that this will enable us to more accurately track the reporting groups' progress towards the SMMS programme's targets. In order to achieve this, we have used the earliest data reported by the new participants and assumed these figures to be stable for all previous years to estimate 2008 baseline figures. Please see section of this document 'Exclusions and Estimations' for SMMS participants' reporting details. In addition, circumstances may arise in which participants need to restate their data from previous years, due to factors such as changes to internal company methodologies or reporting. The specific circumstances under which data was restated in 2020 is explained in 'Restatement Details', in this document.