

“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

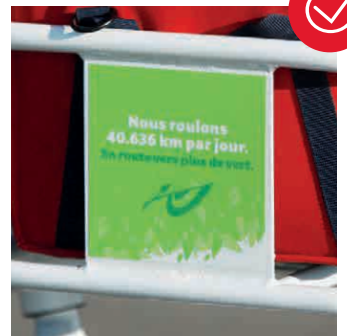
Those initiatives show that bpost group is committed to create added value in the long term. It is all about finding a balance between economic profitability and providing a social surplus. And it applies to shareholders, customers, suppliers, employees and the local communities. The recent materiality 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.

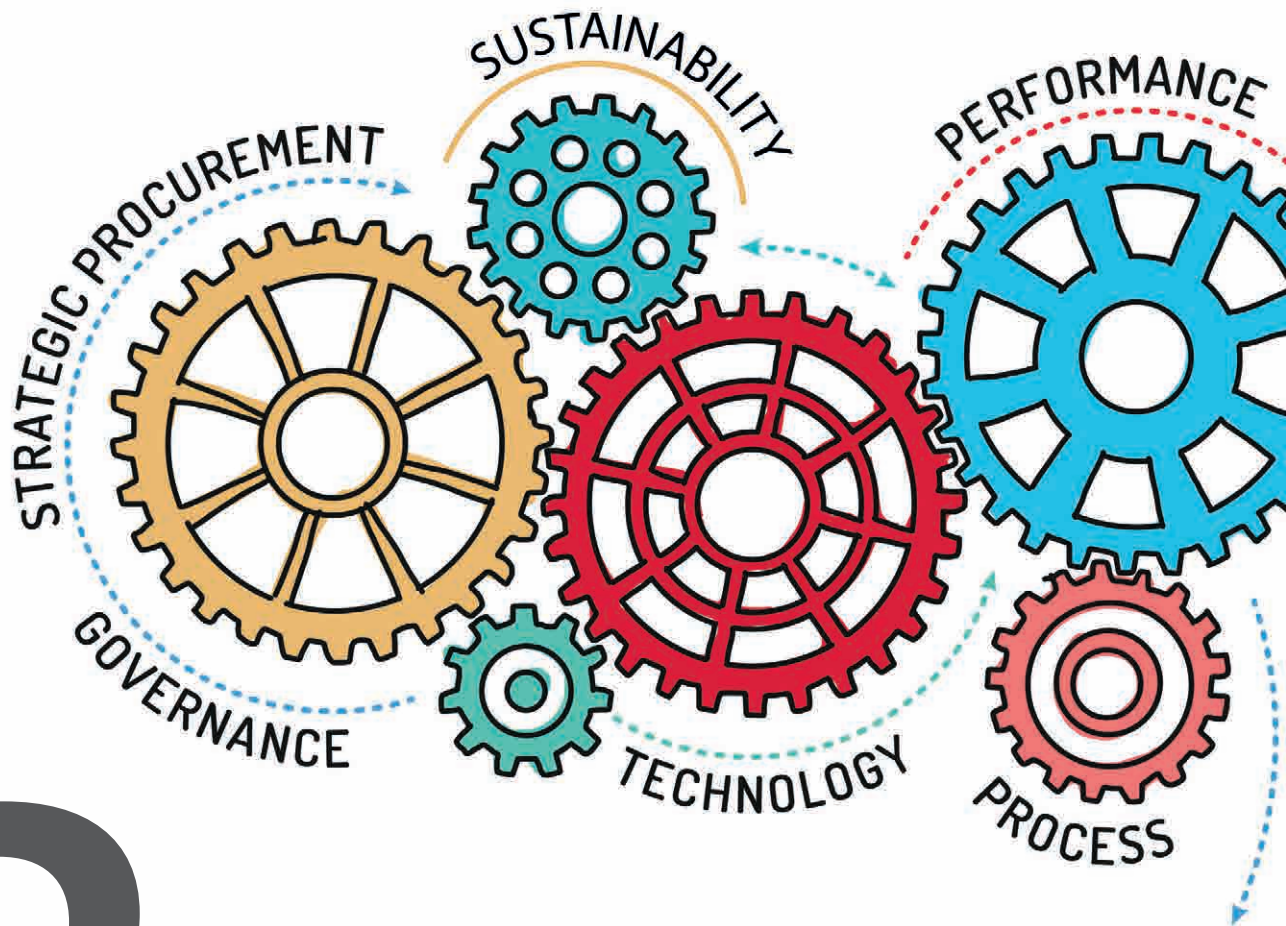
Sustainable partners

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-



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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.

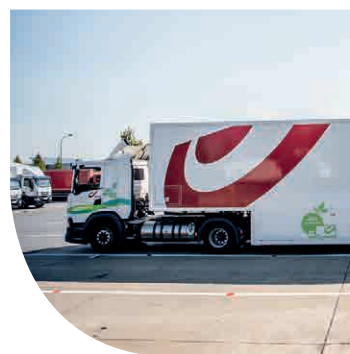
1

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."

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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.”

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“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