

# CSR review

## CSR strategy: People, Planet, Proximity

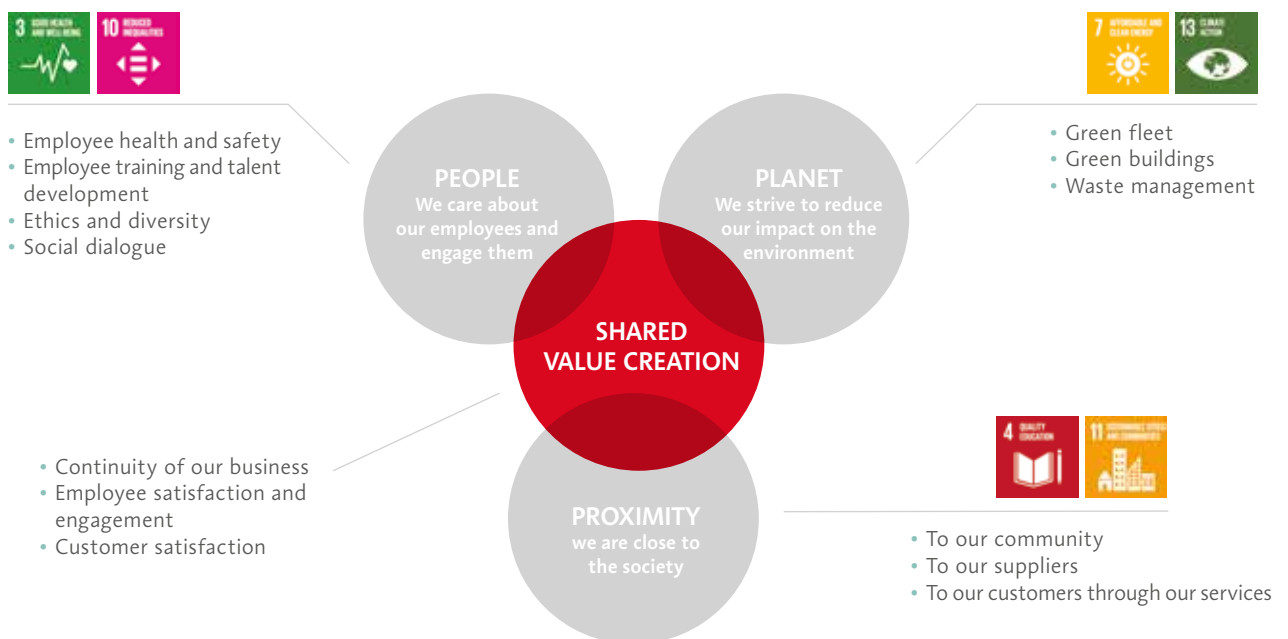
bpost has always played a major role in society. It is our duty to set an example. This is why our ambition is to make our processes and culture sustainable. In so doing, we will be able to achieve sustainable growth and our stakeholders (customers, shareholders, government, employees, suppliers, trade unions, NGOs) will recognize us as a socially responsible company. It is also important to us that our customers know that their letters, parcels and logistics are handled in a responsible way.

In 2017 we conducted a materiality assessment to identify those CSR topics that bpost and our stakeholders set most store by. This study enabled us to draw up a sustainable development strategy a year later based on three pillars:

- **People:** we care about our employees and are committed to their wellbeing.
- **Planet:** we strive to reduce our impact on the environment.
- **Proximity:** we are close to society and understand its emerging needs.

Based upon this strategy the following priorities have been determined :

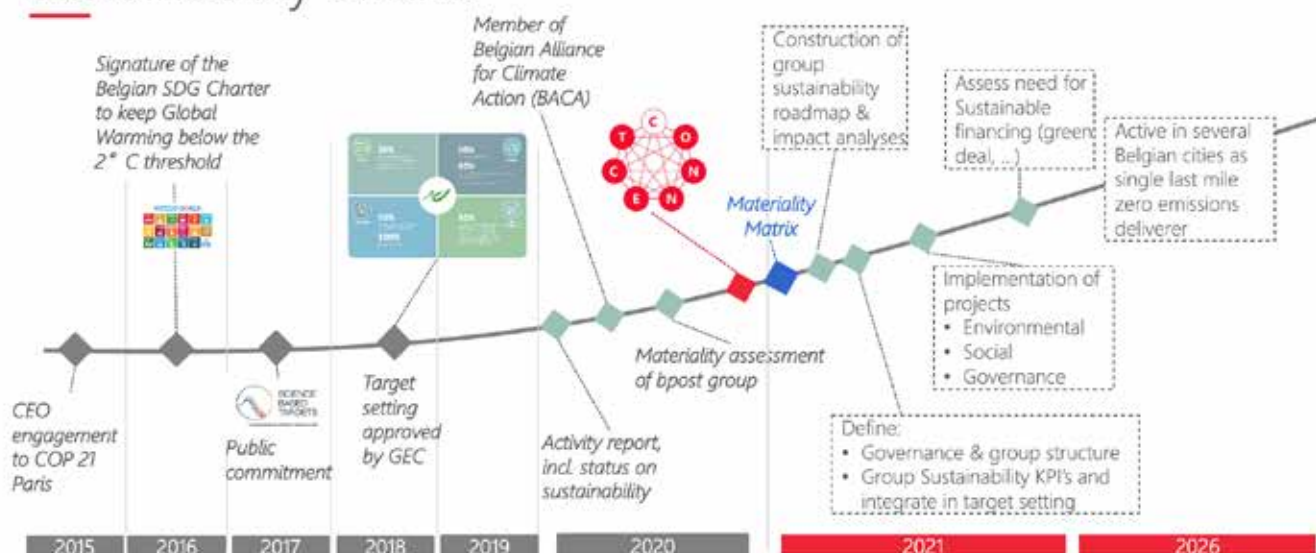
For each of these pillars, we have linked our material topics and strategic KPIs on which we intend to focus:



**OUR CSR PRIORITIES (MATERIAL TOPICS)**

	RELATED RISK & OPPORTUNITIES	STRATEGIC KPI	TARGET	RESULT 2020 VS TARGET	RESULT 2020 VS. EXTERNAL ENVIRONMENT
<b>PEOPLE</b>					
Employee health and safety	Injury and/or illness can generate costs for bpost as well as for the employee concerned. A preventive wellbeing policy can also help reduce stress levels and hence absenteeism.	Absenteeism	bpost Belgium has set a new quarterly Short Term Illness objective based upon business budget. The 2020 target average is 4.39.	bpost Belgium: 4.81	Due to the exceptional circumstances because of COVID-19, the Q3 figures are used for 2020 as a whole.
Employee training and talent development	Trained employees can show how work can be done more efficiently [or: Trained employees can work more efficient-ly] and promote employee engagement, which can improve employee retention.				
Ethics and diversity	The ethics and diversity policy affects bpost's reputation, employee engagement and retention.	Employee engagement	To exceed or meet the external benchmark for Postal & Logistics (2020 = 7.4)	2020 = 7 2019 = 6.9	In 2020 a new straightforward methodology implemented by Effectory, an external company. The four-question survey is easy to use and can be accessed by all employees. Effectory recalculated the results from previous Pulse surveys for the sake of continuity.
Social dialogue	Effective social dialogue helps prevent strikes and avoid related costs but also ensures employee satisfaction and engagement.				
<b>PLANET</b>					
Green fleet	A green fleet helps improve our carbon footprint and creates positive public perceptions of the company. It also generates fuel cost savings. Furthermore, it is a way to mitigate expected rising carbon taxes.	CO <sub>2</sub> footprint scope 1, 2 and 3	Our Science Based Tar-gets are: <ul style="list-style-type: none"> <li>• 20% scope 1 and 2 GHG emissions by 2030 compared to baseline 2017: 114,395 tCO<sub>2</sub>-eq.</li> <li>• 20% scope 3 GHG emissions by 2030 from upstream transportation and distribution compared to baseline 2017: 218,016 tCO<sub>2</sub>-eq.</li> </ul>	2020 results: scope 1 & 2 emissions increased by 3% and scope 3 emissions decreased by 18% vs 2017, corresponding to an overall decrease of CO <sub>2</sub> emissions of 11% (scope 1, 2 and 3).	The renowned independent authority the Carbon Disclosure Project screened our efforts, awarding us a B rating vs peer average C.
Green buildings	Green buildings generate energy-related cost savings and improve our carbon footprint.				
Waste management	Sound waste management creates positive perceptions of the company and improves our scope 3 carbon footprint. As such, it can also generate revenues by valorizing waste as a raw material.				
<b>PROXIMITY</b>					
Proximity to our society	Proximity to society is part of bpost's mission. Ignoring the local community would be detrimental to bpost's reputation.	Total sum of donations	To maintain our efforts to realize an impact.	563.000 EUR	As well as giving away more than two million free Mobile post-cards, we maintained our support for local initiatives through our Star4You program, which supports our employees who are personally engaged in local projects. More than 250 laptops were donated through DigitalForYouth to children who had no way of contacting their school and friends online.
Proximity to our suppliers	A clear overview of our supply chain helps raise efficiency and avoid supply risks (e.g. financial or supply stability). Including sustainability requirements also helps mitigate reputational risks linked to unethical behavior or environmental damage.	Share of significant tier 1 suppliers covered by our supplier code of conduct	100%	2020 = 31% 2019 = 35%	Since 2018, 31% of bpost Belgium suppliers are covered by the supplier code of conduct (now included in our general terms and conditions for all contracts).  An Ecovadis survey of corporate sustainability practices in 2020 showed that no more than 39% of spend on procurements from suppliers is covered by a code of conduct.
Proximity to our customers through our services	Enhancing the customer experience and our offer improves customer retention. Developing more sustainable solutions also generates opportunities to exceed customer expectations, thus improving our market position.	Customer satisfaction	To match or exceed the level of the previous year.	2020 = 84 2019 = 82	bpost measures customer satisfaction on a 7-point scale. Other companies tend to use a 5-point or 10-point scale. Furthermore, we combine the results from residential and business customers, which makes it difficult to compare results with other companies or benchmarks. The growth in 2020 is due to the increased satisfaction of both residential and business customers.

# bpost group is firmly committed to further step up their sustainability efforts



In the second half of 2020, as the first step of the new leg in our sustainability journey, we have initiated a new materiality assessment for bpost group.

This assessment will help us to ensure our strategy is focused in the right areas, to assess the changing sustainability landscape and to understand and prioritize the material topics that matter to our business and our stakeholders.

For the next steps we will use these results to evolve our sustainability strategy, to determine the relevant KPI's to engage our business units and drive our sustainability performance. We will tailor our reporting so that it aligns with the interests and needs of our stakeholders, as well as those of bpost group.

## Key CSR achievements in 2020

### PEOPLE

#### DIVERSITY & INCLUSION

Putting Diversity & Inclusion into practice is an important ambition of the CONNECT 2026 vision. In 2020 bpost welcomed 9 new colleagues in bpost Belgium and 3 colleagues in DynaGroup.

The "Duaal Leren" program in bpost offers people with distance to the labour market (NEET, long-term jobseekers, those with few or no qualifications, those who do not speak any of the national languages, those without a driver's license) a one-year training program in which they can earn a secondary school diploma, a driver's license and a full-time job at bpost.

In the Netherlands DynaGroup works in partnership with FermWerk, accompanying people to develop their skills, increasing their employability within DynaGroup or other companies.



## PLANET

### MECHELEN ECOZONE, SUSTAINABILITY IN THE HEART OF THE CITY

While the technological evolution and the COVID-19 pandemic drove the growth of the postal and e-commerce business, bpost group and the city of Mechelen opened the first urban zero carbon emission parcel and letter delivery zone. A sustainable initiative that boosts customer satisfaction, air quality and innovation.

#### 2800, the first eco-responsible postalcode

What began as a pilot project in the summer of 2019 has now become a Belgian first. bpost now delivers parcels and letters in the centre of Mechelen, the 2800 postcode area, at zero carbon emissions. It's an ambition that has been achieved by setting up a hybrid network combining delivery by a fleet of 100% electric vehicles and cargo bikes with the installation of parcel stations, open 24/7 at 49 strategic locations in the city. The aim is to encourage the inhabitants of Mechelen to walk or cycle to a nearby parcel station to pick up their parcels.

Over a two-year period this active partnership will study and implement sustainable solutions, mainly focused on the local circular economy.

#### Shared ambition

The partnership between bpost group and the city of Mechelen was set up under the EU Surflogh (Smart Urban Freight LOGistics Hubs) project, which targets sustainable urban deliveries. So it was only natural for the two partners to seek to achieve their shared ambition to reduce emissions.

*"Mechelen has big ambitions and wants to achieve a 40% reduction in carbon emissions by 2030", says Vicky Vanmarcke, portfolio holder for transport. "The pilot projects and the partnerships with the logistics industry will be decisive in this regard. Failed home deliveries account for 8% of downtown traffic and this innovative project hands us the opportunity to bring that rate down".*

*"As a company we are committed to playing a leading role in sustainable e-commerce", says Jean-Paul Van Avermaet, CEO of bpost group. "This partnership with the city of Mechelen is the first step in the right direction for us, giving the people of Mechelen a scalable network of perfectly complementary and mutually reinforcing services. We obviously hope that this will also inspire many other cities. We will be starting negotiations with interested parties soon."*

## Urban sustainability in the broadest sense

Sustainability is one of our main concerns at bpost group, but it is not the only one. As more and more cities and towns implement responsible measures (including zero emission and pedestrian zones, traffic management plans and support for the circular economy), bpost is set on extending its range and capitalizing on the trend for sustainable partnerships to improve air quality and quality of life in several other Belgian inner cities. The goal is a full-scale trial with the aim of increasing the success rate of urban deliveries, reducing inconvenience and supporting the local socioeconomic fabric and the circular economy. As an organization, bpost has already set itself the target of replacing at least half its national fleet with zero emission vehicles, corresponding to 3,500 vehicles in total.

## A THIRD FEWER TRUCK JOURNEYS WITH DOUBLE DECK TRAILERS

While the bpost truck fleet will be gradually replaced with LNG (liquefied natural gas) vehicles, the group is going a step further with its plan to buy more than 320 double deck trailers by 2030 and up to 550 over the next 20 years.

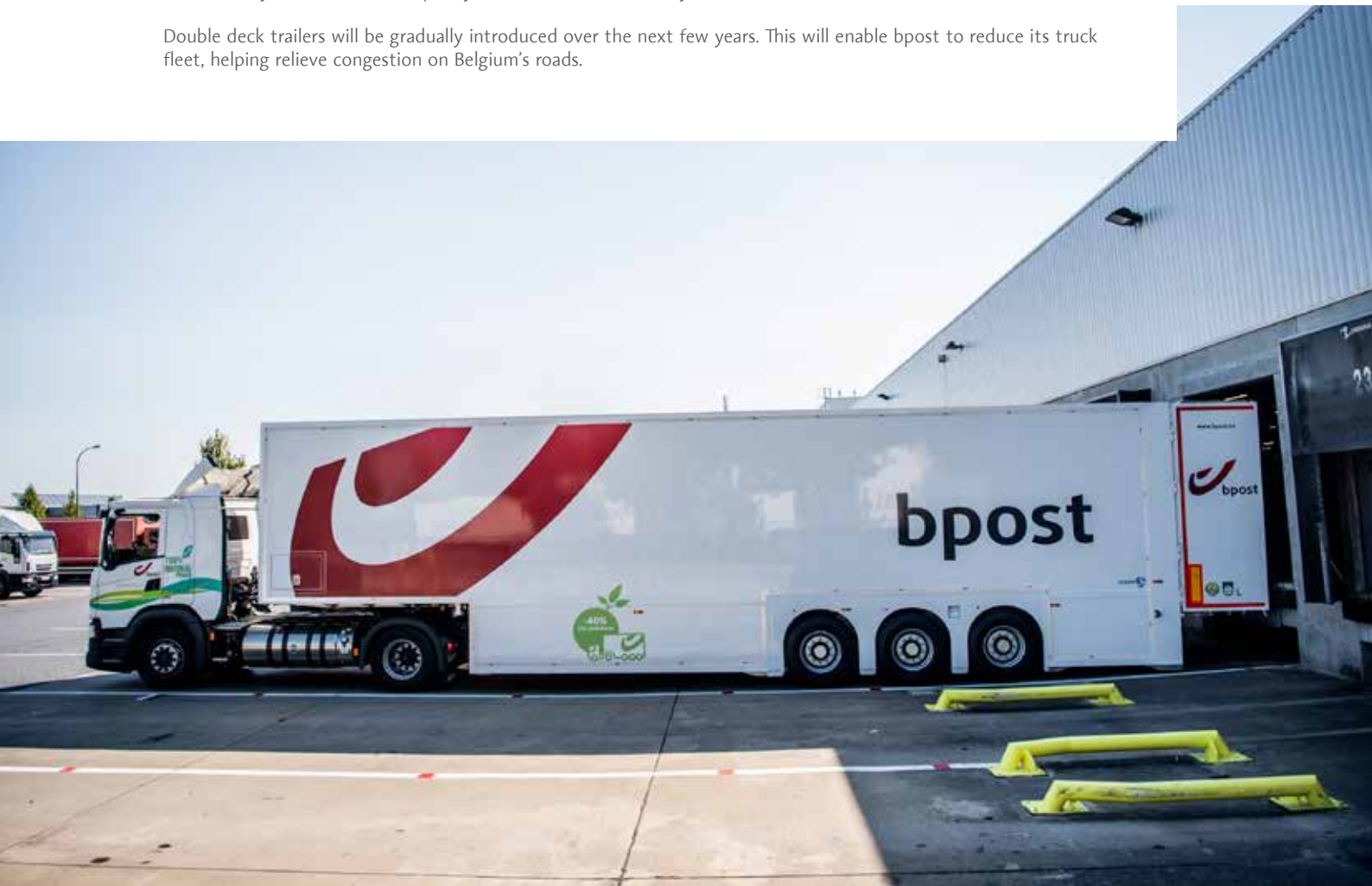
It's a Belgian first that is expected to cut by 30% the number of journeys and the distance covered for the delivery of parcels and letters by 2030. Rising to 40% by 2040.

## Optimizing transport, relieving road congestion

Transport is a major challenge for bpost group. Parcel volumes are increasing at a significant rate (+ 56.2% last year) demanding a well-considered general strategy to control the impact of these activities on the environment and on transport infrastructure.

Double deck trailers are one of bpost group's tangible responses, part of a suite of sustainable solutions to support its constant growth. Standing four meters high, these DDTs have two 1.8m decks across a standard length of 13.60m. They have 60% more capacity than the trailers currently in use.

Double deck trailers will be gradually introduced over the next few years. This will enable bpost to reduce its truck fleet, helping relieve congestion on Belgium's roads.





## DYNALOGIC AND WECYCLE RECYCLE MILLIONS OF KILOS OF ELECTRICAL WASTE

DynaGroup, a bpost subsidiary, also contributes to the group's sustainability strategy. As part of the partnership between its personalized logistics specialist Dynalogic and the Dutch NGO Wecycle almost 9.9 million kilos of electrical waste was collected in 2019. A spectacular result, but one that will be bested in 2020 with the increase in online shopping connected with the coronavirus pandemic.

The principle behind achieving these large volumes is simple: when delivering a new appliance, Dynalogic offers to take away the old one for recycling in an environmentally sustainable way.

## THE ACTIVE ANTS ROBOTS HARNESS TECHNOLOGY TO IMPROVE SUSTAINABILITY

In October 2020 another bpost group subsidiary, Active Ants, opened its state-of-the-art e-fulfillment warehouse in Roosendaal. Robots and humans work together to pack up thousands of e-commerce parcels at the 20,000m<sup>2</sup> site.

Automation provided a huge boost to the efficiency of storage, order picking and sorting, while also improving working conditions for staff. But that's not all, because the robotization has also reduced the environmental impact of the activities. The various packaging machines are able to adapt the box size to the content, weigh them and affix a shipping label. So filler is no longer needed to prevent the contents moving around in the box. Storage is also optimized, as the robots are able to store six times the volume in every square meter, using their own power source, which reduces the power consumption in the building.



## SUSTAINABILITY, A WIN-WIN SOLUTION FOR THE PLANET AND FOR THE BUSINESS

bpost group's North American subsidiary Radial has also been making great strides, working on the development of new ambitions in terms of sustainability in 2020 Implementing LED lighting in the offices. Radial also worked on raising awareness among its customers of the benefits of adopting a sustainable approach for the planet but also for their bottom line.

## PROXIMITY

### THUNDEROUS APPLAUSE TO COMBAT THE DIGITAL DIVIDE

In June, bpost's 26,000 employees rallied behind DigitalForYouth, a charity that helps young people who are disadvantaged by the digital divide. They raised 25,000 EUR, which is enough for a laptop for 250 young people in need.

#### Clapping in solidarity

The pandemic revealed how deep the digital divide is in Belgium. Young people who are unable to follow their school lessons online or do their homework are particularly disadvantaged. In response, in March DigitalForYouth.be, a charity founded in 2019 by DNS Belgium and Close the Gap, launched a big campaign to encourage businesses to donate laptops.

bpost group, which actively promotes access to education and inclusion, quickly answered the call. So in June 2020 26,000 group employees in Belgium were asked to put their hands together in the 'Make some noise' campaign.

The bpost Literacy Fund, managed by the King Baudouin Foundation, made a donation to DigitalForYouth for every decibel recorded. That resulted in a 25,000 EUR cheque, enough to fund 250 laptops.

*"The wave of solidarity we witnessed exceeded our expectations," says Philip Du Bois, president of DigitalForYouth.be. "The financial aid we get from bpost covers the logistics costs of picking up and refurbishing the laptops. Thank you to everyone who took part in this campaign with such passion!"*

*"bpost and DigitalForYouth.be share the same values of solidarity, proximity and inclusion," says Jean-Paul Van Avermaet, CEO of bpost group. "These values are not empty words for our company or our employees. The enthusiasm shown by all employees when taking part in the 'Make some noise' campaign on June 26 was yet more evidence of that. They clapped, made music, sang... Every site made some noise to help young people stay in contact with their schools. The official presentation of this cheque is a source of pride for every single bpost group employee."*

*"One of the finest missions of bpost group is bringing people closer together," says Nico Cools, Chief Digital Officer of bpost group. "So it's with great pleasure that we support this DigitalForYouth.be project, which has a big impact on the lives of young people. By giving young people a laptop we bridge the digital divide a little bit and bring children into closer contact with their schools. In doing so, we contribute to the continuity of education for all, which promotes emancipation and equal opportunities. Sustainable development is very important for bpost group and, at the same time, we have chosen an ecological project: every refurbished laptop saves 18.5kg CO<sub>2</sub>, which corresponds to a reduction of more than 4,600 kg CO<sub>2</sub> in total for 250 laptops".*

## TWO MILLION FREE POSTCARDS TO BRING BELGIUM TOGETHER

Stay at home. That was the call to action to contain the spread of COVID-19. To bring the people of Belgium closer together, at least in their minds, in 2020 bpost group launched two free card campaigns through its Mobile Postcard app. The first came during the March lockdown, with the second following in December when extended families were unable to get together to celebrate the festive season.

All told, almost two million personalized photo and video postcards were sent to addresses across the country. "Meeting up and celebrating together, which Belgians love to do, will not be possible this year. At bpost, we want to ensure that everyone stays in touch with each other. Let's think about those people we know who are left on their own. A card with friendly greetings, a personal message, does a lot of good at this time of year," says Jean-Paul Van Avermaet.

