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PostEurop input to the ERGP Report on environmental sustainability in the postal sector

Following the meeting between ERGP and PostEurop representatives of 29 March 2022, PostEurop (PE) provides below the answers to the three questions raised by ERGP.

Has PostEurop realized studies on the postal services effects on the environment? Does the PostEurop Environment WG issues good practices to their members?

- Postal operators are well aware of its environmental impact and working hard on implementing measures to minimize it. In 2019, Sustainability **PostEurop Manifesto "Delivering a sustainable European post: 2019-2024"** underlines PostEurop Members commitment to environmental sustainability – including delivering the UN Sustainable Development Goals.
- In addition, PostEurop is currently building its **"Sustainability Vision"**, a document reflecting the postal sector's commitment and contribution to sustainability in its three dimensions: social, economic and environmental. With this document we intend to improve visibility of postal sustainability initiatives and to highlight areas where work is (and has for many years) been done. For this purpose, we have collected evidence and inputs from members through two dedicated **surveys** (with quantitative and qualitative data) focused on environmental performance and key social indicators.
 - The **environmental survey** covered topics such as: Sustainability policies and targets in place, GHG emissions measurement: targets and performance, Resource efficiency & mobility: energy, EVs, alternative vehicles, Low / zero emissions delivery modes, Circular economy and Sustainable products and services.
 - The **social survey** covered number of employees & diversity indicators (gender, age).
- Besides, PostEurop is very active in **responding to the EU public consultations** related to environmental issues impacting on the sector, through the "Transport and Environmental legislation" working group, within the European Affairs Committee.
- The CSR Circle has issued yearly a **CSR Brochure of good practices "The Postal Sector, leading the way in Corporate Social Responsibility"**, covering sustainability measures from PostEurop Members, including specific sections on environmental best practices since 2013. The 2022 Brochure will mark the 10th Anniversary of the CSR Brochure, which with close to 500 practices collected has witnessed the continuous capacity of PostEurop members for innovation and their relentless efforts to bring their activities in line with social and environmental requirements to better answer customers' expectations, their employees' needs and regulatory developments. On 2022, an Environmental Brochure will also be launched including only environmental practices carried out by operators over a few years.

Do you have an overview of indicators used by postal operators in Greenhouse Gas data collection and how these are processed?

- 17 members of PostEurop participate in the environmental programme of our industry partner, International Post Corporation (IPC) that includes specific targets for the sector. From 2009 -2019 IPC Environmental Measurement and Monitoring System (EMMS) programme focused on reducing carbon emissions. In 2019 IPC launched **Sustainability Measurement and Management System (SMMS)** programme to address the sustainability objectives of the postal sector for the next ten years, aligned with the UN Sustainable Development Goals (SDGs). It broadened the scope from measuring emissions to measuring performance in the seven sustainability focus areas most relevant for the postal sector: Climate change, Resource efficiency Air quality, Circular economy, Sustainable procurement, Health and safety, Learning and development.

The specific indicators for the sector set by these programmes are:

- In 2009 within IPC EMMS two ambitious targets were set to drive postal sector progress on carbon management and carbon emissions:
 - **Achieving a 20% reduction in collective Scope 1 & 2 carbon emissions by 2020, compared to a 2008 baseline** – We met this commitment to reduce industry CO2 emissions by 20% six years ahead of schedule in 2014.
 - **Achieving 90% in Carbon Management Proficiency (CMP) by 2020**– This was achieved in 2018, two years ahead of schedule.
 - In 2014 a **Science Based Target (SBT)** was also set within IPC to **achieve a 20% decrease in Scope 1, 2 and 3 (outsourced transport) emissions per letter/parcel by 2025**. Currently, IPC SMMS is currently revisiting the SBT process to ensure that the group is aligned with the very latest climate science around meeting the Paris Agreement’s objectives of holding warming well below 2C and striving for 1.5C.
- Besides, the following **2030 sustainability targets** were set in 2020 within IPC SMMS:
 - **Scope 1 and 2 emissions reduction of 50% from the 2019 baseline of 5,923,000 tonnes,**
 - **Energy use in own buildings from renewable sources of 75%,**
 - **Vehicle fleet comprising at least 50% alternative fuel vehicles, with at least 25% of the total fleet to be electric vehicles,**
 - **50% sustainable packaging,**
 - **75% diversion of waste from landfill to either recycling or reuse.**
- In addition, **OSCAR** is the Online Solution for Carbon Analysis and Reporting provided by the **UPU** to measure and analyse the postal sector's carbon footprint. OSCAR tool was developed by UPU resolution in 2012 (resolution C 66/2012). In 2021, UPU Congress in Abidjan approved a new resolution (C 17/2021) on Reduction of greenhouse gas emissions in the postal sector to assess the feasibility of postal sector adopting voluntary targets to reduce GHG emissions over a defined period of time.
- **Taxonomy** regulation already in place and the revision in progress of the Corporate Sustainability Reporting Directive/**CSRD** bring new reporting obligations to posts.
- Given that sufficient data is already available from numerous existing sources, from within and outside the sector, there is no need to introduce new regular reporting obligations/to set indicators at EU level.

Are there common issues being faced by PostEurop's member (as for instance large numbers of returns or other issues) and what are the solutions than can be put forward?

Common issues being faced	Solutions
<p>Difficulty of reducing emissions when the number of letter deliveries falls and parcels increase (parcels are heavier and with more associated emissions)</p>	<p>Despite the shift from lower-weight item volumes to heavier items and the increase of e-commerce volumes, postal operators have heavily invested on “green” operations with the purpose to reduce GHG emissions. Some key measures in this regard are:</p> <ul style="list-style-type: none"> - decarbonisation of fleets with wide deployment of electric vehicles and alternative fuels vehicles; - fostering of zero emission delivery modes, such as delivery on foot and by bike; - deployment of innovative solutions to reduce emissions for all delivery choices provided to customers (from home delivery to parcel lockers); - improvement of resource efficiency (i.e. use of renewable energy in buildings); - optimisation of vehicles’ pooling rate and of delivery routes.
<p>Availability of alternative fuels vehicles and infrastructure</p>	<p>There are external obstacles to further increase postal operators’ fleet of electric vehicles, the main ones being their price and availability. The acquisition of electric vehicles represents an additional cost which is not fully compensated by the economies made in the usage. Moreover, there is a low availability of electric commercial vehicles, especially between 6 and 11 m3.</p> <p>The development of alternative fuel vehicles should also rely on a sufficiently developed alternative fuel infrastructure.</p>
<p>Unequal conditions for all Providers</p>	<p>Level-playing field for all providers is essential. EU initiatives should focus also in e-commerce platforms and third countries.</p>
<p>One-size solution is not possible</p>	<p>National specificities are to be considered.</p> <p>For instance, while doorstep delivery is becoming less common in some EU countries and delivery to local shops or lockers is more developed in some Nordic countries, doorstep delivery still remains one of the most common delivery locations in most EU countries.</p> <p>This is acknowledged by different studies in the sector, such as the “User Needs in the Postal Sector and Evaluation of the Regulatory Framework“ study, made by WIK for the EU Commission in 2021. Also the IPC domestic e-commerce shopper survey indicating that 68% of respondents received domestic parcel at home with delivery satisfaction being the highest for home delivery. The same survey shows that aside from Finland, no other country had above 4% market share for parcel lockers.</p>
<p>Consumers/Society’s look at sustainability</p>	<p>Raising their awareness is essential. Customers shall be increasingly be made aware of environmental impact of their behaviour/choices, e.g. of the environmental impact of express deliveries and returns. Posts are already contributing to raise awareness among citizens to use lower impact packaging and providing customers with a diversity of delivery choices to best fit their time preference and reduce attempts.</p>

Common issues being faced	Solutions
	<p>Better informing the consumers about the environmental impact of their choices would enable to raise further awareness. This information should rely on the development of a standard to establish a common methodology for the calculation and reporting of Greenhouse gas (GHG) as well as air pollutant emissions related to parcel delivery service.</p> <p>Adverse effects of different policies are to be considered (e.g. supporting mass consumption is against environment).</p>
<p>Increase consumers demand for sustainable products combined with unwillingness to pay more</p>	<p>Same as previous comment. Posts are already contributing to raise awareness among citizens to be more sustainable in their choices. Adverse effects of different policies are to be considered (e.g. supporting mass consumption is against environment).</p>
<p>Focus on environmental Sustainability only</p>	<p>Sustainability approach should be targeted to its 3 pillars. Not only environmental pillar but also the other 2 pillars (social and economic) have to be equally included (e.g. E-commerce platforms delivering carbon free on one side but not adequately remunerating their staff on the other side).</p>
<p>Trend to White labels</p>	<p>The move towards white label services, either for parcel lockers or for parcel delivery in urban areas that the new study for DG GROW drafted by Prognos on ecommerce impact (not published yet) is assuming, could lead to less innovation in the sector, poorer service quality and increased prices (due to additional steps in the supply chain). All of which would be to the detriment of the final consumer.</p> <p>Moreover, at present, technology, the regulatory framework for user and consumer data protection and even the cultural context show that the conditions for its implementation are not currently adequate.</p> <p>Delivery of parcels with white label trucks would only make sense if today different delivery trucks entering the city centre would run not fully loaded. Due to expensive rents, generally little stargaze space is kept by inner-city shops, requiring constant delivery of new goods. In practice, delivery tours to the city centre are at full capacity, so replacing five fully loaded trucks of different operators by five "white-label" trucks would make no sense at all. Also, one of the advantages of eCommerce is allowing to avoid carrying heavier goods (e.g. wine casks or animal food) home from a shop. It is therefore doubtful that the large majority of parcels would be picked-up by foot and not by car, e.g. on the way home from work.</p> <p>At the end what should prevail is the respect of customers' choices requiring the need to provide them with a diversity of choices.</p>