

bpost

# UN Global Compact Communication on Progress

Year 2015

## The Ten Principles

### Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

### Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
- 5.. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

# UN Global Compact Communication on Progress

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## Introduction

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### Description of nature of business

bpost is the leading postal operator in Belgium. bpost's core business is collecting, sorting, transporting and delivering letters and parcels.

bpost mission: *"We will be the strongest and most trusted postal operator. We will leverage our core competencies and develop new capabilities in order to achieve **sustainable** and profitable **growth** in a changing world. We will make the difference for our customers and the society thanks to our passionate people."*

On 22/12/2011 bpost endorsed to the 10 principles of the UN Global Compact and to the UN Caring for Climate program.

### Statement of Continued Support

bpost's CEO confirms that the company fully endorses the UN Global Compact 10 principles.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company. bpost has made a clear statement of this commitment to its stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore we are committed to report annually on progress according to the Global Compact COP policy.

The themes developed under our Corporate Social Responsibility (CSR) program have been identified in consultation with our stakeholders. Three main focus areas are addressed: people, planet and proximity. Other aspects that are an integral part of CSR (such as operating and financial results, corporate governance and customer satisfaction) are handled in a cross disciplinary way. All the actions we take in this regard have been summarised in the GRI table at the end of this [annual report](#).

## Human Rights

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- ➔ Principle 1: Business should support and respect the protection of internationally proclaimed human rights
- ➔ Principle 2: Business should make sure that they are not complicit to human rights abuses

The wellbeing of our employees also involves guidance and support in terms of physical and mental health. The Psychosocial Prevention service is responsible for managing work-related stress. This comprises running prevention campaigns, raising awareness among managers, registering complaints and providing support, even stress management courses. Psychosocial support staff also provides counseling in response to traumatic events, such as physical and verbal aggression, the death of a colleague and occupational accidents, as well as conflicts between members of staff or complaints about unethical or sexual harassment.

In the framework of the CSR program, bpost has been working to insure the sustainability of its supply chain, over the past 5 years. This has been done by integrating sustainability criteria in tenders as well as introducing a contractual clause requiring suppliers to have a minimum maturity in terms of internal policies regarding sustainability. This process comprises an evaluation of environmental and social performance of bpost suppliers using the Ecovadis platform (via [www.ecovadis.com](http://www.ecovadis.com)). The suppliers that are considered at risk (insufficient score) are requested to take necessary action to increase their score if they want to continue working with bpost. The goal is to assess sustainability risks within bpost inbound value chain and to raise awareness that bpost recognizes the sustainability efforts of its suppliers.

As example, bpost includes strong special social and environmental specifications with strict criteria in its tenders for suppliers of postal uniforms. bpost asks for certificates of all technical, social and environmental requirements during the offer phase of the tenders. Complete transparency and control over the full production flow is embedded in the negotiation phase, in order to guarantee the requirements in all different production steps and production places, avoiding that certificates initially granted in Europe would be applied to non-compliant outsourced production chains. As a result, social and environmental minimums are ensured throughout the entire supply chain, while the suppliers are working continuously on technical and environmental improvements. Extensive controlling has avoided sub-contracting to producers that do not comply with environmental and social requirements.

Almost hundred suppliers are assessed every year in accordance with a CSR scorecard based on the ISO26000 requirements.

Regarding more specifically labor and human rights, here are the questions on which the suppliers are being assessed under this process:

LAB100 Has your company formally adopted a company specific policy with regards to labor practices or human rights issues (for suppliers and labor practices/human rights issues, see SUSTAINABLE PROCUREMENT section)?

LAB310 What specific mechanisms are in place to ensure effective implementation of your company's Employees Health and Safety policy?

LAB370 What specific mechanisms are in place to ensure effective implementation of your company's Non Discrimination policy?

LAB450 Share of employees for whom the company's labor practices and human rights specific mechanisms/measures have been effectively implemented?

LAB5020 Health and safety indicators for direct workforce (year n-1)

LAB5021 Lost time injury rate for direct workforce (year n-1)

LAB710 Has your company employees health and safety management system obtained any certifications?

LAB720 Percentage of operational facilities OHSAS 18001 certified?

## Labour Standards

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- ➔ Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ➔ Principle 4: Business should uphold the elimination of all forms of forced and compulsory labour;
- ➔ Principle 5: Business should uphold the effective abolition;
- ➔ Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation.

The engagement and commitment of our employees are our biggest assets. Well- being at work is an important issue for bpost. For more details see “Our committed employees”. We are also aware of the fact that our company reflects up to a certain degree the society and the world we live in.

To support this important dimension, bpost's diversity and inclusion policy sets the framework for non-discrimination, equal opportunities and respect for individuals in three action domains:

1. human resources management
2. culture
3. management competency

In 2015 we introduced diversity and inclusion in the company's leadership model. This reference will allow us to detail the key behaviours expected of our leaders in this field. We have also tested and opened bpost's online learning platform “eDiv”, developed and managed by the Equal Opportunities Center. The aims of this tool, which first and foremost addresses people managers and the HR community, are as follows:

1. Gaining insight into the anti-discrimination legal framework.
2. Identifying, preventing and resolving potentially discriminatory situations.
3. Launching processes to manage the diversity of our teams better.

We continued to raise awareness of diversity and inclusion issues in workshops in the field and various communication tools. Likewise, the non-negotiable framework of our company with regard to respect for others was repeated, among other things in response to the dramatic societal events that marked 2015.

bpost was awarded the Diversity Label by the Brussels-Capital Region on December 13, 2013. Valid for two years, the label recognizes the actions of company to promote diversity and equal opportunities over the past twenty-four months. The award of the label is only the first step for bpost. Work will continue within the company.



### **Relations with staff**

bpost's articles of association explicitly provide for a structure of national consultation and negotiation in which the reorganisation projects at the various departments are examined and discussed with the social partners, including associated timetables and implementations. This is the Joint Committee. Other structures are also provided for to enable consultation at a more specialised or local level. These are local bodies (zonal consultation committees), regional bodies (regional consultation committee) and national bodies (Mail, Retail, Service Operations joint sub-committees, central services consultation committee).

In 2015 several important reforms were submitted to these bodies, where the practical arrangements for their implementation were discussed or negotiated. Primarily, these were the change to the work regulation authorising the introduction of more flexible work regimes on Saturdays and Sundays, the centralisation of the contact centers and the restructuring of the central services. The company generated good financial and operational results in 2014, as it did in 2013, so a one-off bonus was paid to all employees in 2015, in accordance with the undertaking in a special agreement implementing the 2014-2015 collective agreement. This collective agreement provides for the payment of another one-off bonus to all employees in 2016, based on the profitability level achieved by the company in 2015. Four one-off performance-related bonuses are provided for: one linked to profit, one linked to the customer loyalty index, one linked to legal profit-sharing and one linked to attendance.

The social performance indicators were disclosed in the 2015 annual report using the GRI standards (G4).

## Environment

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- ➔ Principle 7: Business should support a precautionary approach to environmental challenges
- ➔ Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- ➔ Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

bpost delivers more ten million letters and 105,000 parcels every weekday. That clearly has an impact on the environment. To manage this throughout its value chain – from supplier to customer – in 2009 bpost initiated a program to become a greener postal operator. bpost implements a set of measures to guarantee the delivery of letters and parcels with minimal impact on the environment.

### Influencing our suppliers at the source

In 2012 bpost finalised the implementation of a process broadening its sustainable purchasing policy with suppliers to take account of environmental (energy, water, waste, products) and social performance (health and safety, working conditions, child and forced labour) and to raise awareness at suppliers that present risks in certain domains. These efforts continued in 2015. Since 2011, our partner Ecovadis has assessed the CSR performance of 214 suppliers, in accordance with our supplier code of conduct. bpost has also continued to roll out a sustainable sourcing process ensuring the inclusion of environmental technical criteria in calls for tenders with regard to purchases of goods and services that have an impact on the environment, in accordance with the recommendations of the European Commission (DG ENV - Green Public Procurement).

“bpost asks its suppliers to adopt a proactive, and, where possible, innovative attitude with a view to improving environmental performance”

### Optimizing the management of our impacts

bpost permanently works to reduce the impact of its activities on the environment. The starting point is observing and applying the environmental regulations. Environmental criteria are also included in the individual objectives of the CEO and cascaded through the organisation to some managers. Within bpost, the Environment department organises annual audits, updates declarations and works closely with the various authorities.

Besides the regulatory aspects, bpost works actively to set up environmental management systems. In 2015, eight of our principal sites had their ISO 14001 certificate renewed (the five Industrial Mail Centers, the European Mail Center Brucargo, Stamps Production Belgium and bpost's headquarters in Brussels).

This helps ensure that the annual volume of letters and parcels is constantly processed in ecologically responsible conditions.

The other sites are also going through the same process, especially with regard to how waste management is organised. The goal is to reduce waste and waste management costs by economically recycling paper waste. Since 2009 more than one third of all paper discarded as general waste has been recycled and bought back. The waste reduction target (-15% between 2009 and 2015) was achieved thanks to an active awareness campaign at all Mail Centers and our administrative buildings, and a new target has been set for 2020 (-20% compared to 2009).

### **Reducing our energy consumption**

Greenhouse gas emissions are the foremost factor determining the impact of bpost's activities on the environment. Road transport is the backbone of the mail collection and delivery network and bpost cannot provide its primary mission without a large fleet of vehicles. bpost implemented an action plan and successfully reduced its carbon emissions by 35.3% in 2007-2015 and its energy consumption by 20.4% in 2005-2015. The action plan to reduce carbon emissions was detailed in the Carbon Disclosure Project, for which bpost was given a score of 99% (compared with 90% in 2014).

### **Sustainable mobility**

Our fleet of vehicles is also at the heart of our environmental challenge. It is one of the largest in Belgium, comprising 6,546 vans, 1,803 mopeds, 401 trucks, 2,923 bicycles, 2,541 electric bicycles and 12 electric delivery three-wheelers. At the end of 2015, this fleet accounted for almost 77% of our direct carbon footprint. The commissioning of e-bikes, in replacement for mopeds, was a first stage in modifying our vehicle fleet. The second stage will be to replace vans with electric delivery three-wheelers if the trials currently underway on this new vehicle type prove conclusive. We continued to give ecologically responsible driving training to van drivers. In total, this saves thousands of liters of fuel annually. The Eco Driving Challenge begun in 2011 to raise awareness among employees of their actual consumption and continued in 2015. The winning team in 2014 qualified for the International Post Corporation's (IPC) fourth international trophy, held in Finland in March 2015.

With a workforce of almost 30,000 people, bpost is also faced with a mobility challenge, particularly with regard to the daily commute. A carpooling solution ([bpost.carpool.be](http://bpost.carpool.be)) was launched in 2015 to encourage co-workers to share their ride. The green car policy, which encourages managers to choose transport solutions that emit less carbon dioxide was reviewed in 2015 to take account of the new regulatory measures.

### **Responsible paper consumption**

bpost is committed to achieving best-in-class status for responsible paper consumption. 99% of the paper we buy is FSC/PEFC paper. bpost is the leading postal operator in Europe in this field.

### **Partnerships to protect biodiversity**

In 2015 bpost gave a long lease on a plot of land in the municipality of Uccle free of charge. This plot will be used for a public park (Raspail Park) and for a biodiversity protection project. The lease, for a duration of 66 years, will allow the municipality to take worthwhile initiatives to manage and renovate this park. The park will be reopened to the public as soon as possible. In 2014 bpost entered into a similar agreement with Natuurpunt. bpost gave Natuurpunt a long lease on a plot of land in the Oude Landen nature area in Ekeren. Natuurpunt then developed a biodiversity and flora protection project there. In exchange, Natuurpunt planted a hectare of trees in Waverwoud forest in Lier.

### **More sustainable solutions for our customers**

bpost was the first postal operator and the first communication channel in Belgium to work on the development of a tool to measure the carbon footprint generated during the complete lifecycle of an addressed DM campaign. Using the Carbon Meter customers can measure the carbon footprint generated by their mail and parcels flows, so that they can take well-informed decisions that minimise this environmental impact (in terms of type of paper, use of cardboard, size and inks, for example). To complement this tool, bpost gives customers the possibility to offset the carbon emissions generated in the delivery of their mail items. This offering, in joint initiative with CO2logic, raises financing for projects to cut greenhouse emissions in emerging countries.

In 2015 the carbon produced in delivering more than 157 million customer letters was offset. bpost also offset all carbon emissions of letters and magazines sent to its customers and employees (18 million items per year). The carbon-neutral mail initiative offset 2.528 tonnes of carbon in 2015. For more information see the bpost website: <http://corporate.bpost.be/sustainability> (Planet).

### **A green stage**

For the third consecutive year bpost took first place in the International Post Corporation's 2015 environmental management ranking. In 2015 the environmental performances were the subject of an external audit by PwC conducted on behalf of the IPC, together with the ISO 14064 verification by SGS of our direct and indirect carbon footprint. Furthermore, thanks to bpost's participation in the Carbon Disclosure Project and GRI reporting, these environmental data are available transparently for all interested stakeholders. Encouraged by this great success, bpost has set itself new environmental objectives. By 2020, our aim is to reduce carbon emissions to 45% of the 2007 figure and energy consumption to 25% of the 2005 figure. This voluntary internal target was set by bpost's CEO in line with the recommendations of scientists agreed at the 2015 Paris Climate Conference (COP21) to keep global warming below 2°C. Here again, we want to remain among the best by launching new structural and behaviour-based initiatives to improve the ecological credentials of our activities, our buildings and our fleet.

Key figures:

- ✓ -35.3% reduction of carbon emissions 2007-2015
- ✓ -15% waste reduction 2009-2015
- ✓ -20.4% reduction of energy consumption 2005-2015



- ✓ 99% of all paper used has ecological FSC or PEFC label
- ✓ 157 million carbon neutral letters in 2015
- ✓ “For the third consecutive year bpost took first place in the International Post Corporation’s 2015 environmental management ranking.”

## Anti-Corruption

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➔ Principle 10: Businesses should work against corruption in all its forms including extortion and bribery

The Board has adopted charters to clarify the rules of good governance and transparency and implement these at all levels. One of these rules consist in a system of disclosure regarding mandates held and rules aimed at avoiding conflicts of interests and providing guidance on how to inform the Board in a transparent way in case such conflicts occur. The Board may decide to exclude the member who has a conflict of interest from the deliberations and vote on that subject.

bpost has had a [Code of Conduct](#) since 2007. This Code applies to all bpost employees, regardless of their status or position within the organization. This document sets out what the company expects from every employee with regard to professional ethics and working together in harmony. It also stresses the active role management must play in promoting compliance with the Code and values of bpost.

bpost's purchasing process is defined according to European and Belgian legislation in order to guaranty fair competition and avoid corruption.

Further, bpost is also taking into account the responsibility of its suppliers. As explained above, suppliers are assessed by a third party (Ecovadis). Part of the assessment is related to business ethics. Here are examples of questions on which suppliers were assessed:

FB100 Has your company implemented a formal policy covering any of the following topics?

FB310 What specific mechanisms are in place to ensure effective implementation of your company's corruption and bribery policy?

FB320 What specific mechanisms are in place to ensure effective implementation of your company's anti-competitive practices policy?

CP320 What specific mechanisms are in place to ensure effective implementation of your company's fair and responsible marketing policy?

FB400 Share of employees for whom the company’s business ethics specific mechanisms/measures have been effectively implemented?