



Green Bond Report

Reporting period 23 September 2019 - 27 June 2020



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Introduction

This Green Bond Report provides investors and other interested parties with details on the use of proceeds and related expected environmental impact of the € 300,000,000 0.625% Eurobond (ISIN XS2047619064). The bond was issued by PostNL in September 2019 and matures in September 2026 (hereafter referred to as the Green Bond).

For more information about the Green Bond, we refer to the prospectus and the Green Bond Framework published on our website. The bond was issued under the PostNL Green Bond Framework dated July 2019. The framework aligns with the four core components of the International Capital Market Association (ICMA) Green Bond Principles 2018. The framework sets out details about the rationale, monitoring and reporting of the proceeds.

Sustainalytics provided a second-party opinion on our framework, which confirms that the setup meets generally accepted criteria for green bonds.

We will align the reporting period of the Green Bond with our annual financial statements reporting as of fiscal year 2021.

As it is obligatory to publish a first progress report within one year of the Green Bond's issuance, we have chosen to align the end date of the first report with the cut-off date of our half-year 2020 financial figures, which was 27 June 2020.

PostNL Reporting schedule

| Report | Start | End | Rationale |
|------------------|-------------------|------------------|---|
| 1 | 23 September 2019 | 27 June 2020 | Publication within one year of issuance of the Green Bond; cut-off moment aligned with second-quarter financial closing |
| 2 | 28 June 2020 | 31 December 2020 | Intermediate report to harmonise annual Green Bond reporting period with annual financial reporting period, starting 2021 |
| 3 and subsequent | 1 January 202X | 31 December 202X | Green Bond reporting aligned with financial reporting period |

Executive summary

This chapter provides an executive summary of the allocation of the proceeds to eligible green projects as at 27 June 2020 and for the remaining outstanding period of the Green Bond.

During this initial reporting period, we allocated € 32 million of the Green Bond proceeds to eligible green projects. This represents 11% of the total net proceeds. Based on our planned investments, the majority of the remaining allocation will consist of electrification of our fleet and investments in sustainable buildings.

We have made progress in the three categories we distinguish in the Green Bond Framework as we continued with the implementation of our strategic actions to combat climate change:

- Green kilometres
- Sustainable buildings
- Innovation and efficiency.

“ We have made progress in all three categories we distinguish in the Green Bond Framework ”

The investments in Green kilometres and Innovation and efficiency are in line with our initial estimations. In our transition plan, our expectation is that we will need the first two years to develop and test fleet electrification on a small scale. Depending on technical availability and market developments, we then expect to scale up the electrification of our fleet in different networks in the three to five year time period. One example is the implementation of 600 three-wheel electric scooters for our mail delivery network, which will support changes in our delivery model and extend the routes to make them more efficient. We invested in the first batch of 195 scooters within this reporting period.

In addition to emission-free mobility options we are also focusing on network efficiency, for example by piloting alternative routing and reducing air in packaging. Digital transformation helps us become highly data driven, creating additional opportunities to increase our network efficiency.

We expect Sustainable buildings to be the largest category for the allocation of net proceeds. We obtained certificates for four buildings as planned before the end of the reporting period, while certification for two recently built sorting centres was completed shortly after the first reporting period. For one sorting centre the certification is in progress.

For our 17 existing parcel sorting centres, we have to invest in additional energy efficiency/CO₂ reduction measures to bring the sustainability levels to the BREEAM NL In-Use Very Good standard. This resulted in a delay in the certification of these buildings, which was originally planned for the end of 2019. We expect to finalise the certification of all 17 buildings during 2021, and will therefore allocate a substantial part of the net proceeds in the category Sustainable buildings at that time.

We installed solar panels on the roofs of our parcel sorting centres, increasing the capacity of our renewable electricity production, boosting the buildings' sustainability. We monitor our investment activity closely and expect to fully allocate investments totaling to the initially set net proceeds within the timeframe of the Green Bond.

“ We monitor our investment activity closely and expect to fully allocate investments to the net proceeds ”



Allocation reporting

This chapter gives an overview of the proceeds allocated to eligible projects during the look-back period and first reporting period. To avoid too detailed reporting of individual proceeds, we disclose our allocation reporting on a portfolio level.

PostNL Allocation of proceeds to eligible green projects

| Net proceeds | Allocated | Unallocated |
|---------------|-----------|-------------|
| € 300 million | 11% | 89% |

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PostNL Allocation of proceeds to eligible green projects per category

| Green kilometres | Sustainable buildings | Innovation and efficiency |
|------------------|-----------------------|---------------------------|
| € 4 million | € 28 million | € 0 million |
| 13% | 87% | 0% |

PostNL Allocation of new and re-financed proceeds to eligible green projects

| New projects | Re-financed proceeds |
|--------------|----------------------|
| € 20 million | € 12 million |
| 62% | 38% |

Impact reporting

This chapter provides an overview of the expected impact of proceeds allocated to eligible green projects as at 27 June 2020.

PostNL Impact project category Green kilometres

| Indicator | Definition | Reported |
|-----------|--|----------|
| Output | Number of zero-emission vehicles deployed | 995 |
| Impact | Annually avoided carbon emissions (in tCO ₂) | 1,414 |

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PostNL Impact project category Sustainable buildings

| Indicator | Definition | Reporting |
|-----------|--|-------------|
| Output | Number of buildings for which relevant certifications have been obtained | 4 |
| | Amounts invested in energy efficiency projects | € 1 million |
| Impact | Expected improvement of energy efficiency of buildings in % KWh/M ² compared to minimum energy performance requirements by the applicable building code | 51% |

Sustainable development at PostNL

Sustainable development is a vital part of PostNL's value creation process. The impact of climate change in particular is changing the environment in which PostNL operates.

5.1. Value creation and strategy

Sustainable Development Goals and PostNL

Internationally, the importance of sustainable development is recognised by the United Nations (UN) and has been the basis for the development of the Sustainable Development Goals (SDGs). PostNL has identified the following four UN SDGs as being particularly relevant to our long-term value creation:

- SDG8: Decent work and economic growth
- SDG9: Industry, innovation and infrastructure
- SDG12: Sustainable production and consumption
- SDG13: Climate action



In our core strategy, we focus primarily on the two SDGs that we have the greatest influence over and that enable us to most positively impact our stakeholders: SDG8 and SDG13.

Our impact on SDG9 and SDG12 is more indirect, requiring collaboration along the entire value chain. This is why we engage with key players in our value chain to discuss how we can improve the impact on these SDGs together and seek commitment on shared targets.

The SDGs are interconnected. This means that certain initiatives contribute to multiple SDGs. We mapped our initiatives to the SDGs which are most closely related to our strategy.

Material topics

Based on the relevance to stakeholders and the impact PostNL has on its environment, we identified eight topics key to our integrated materiality assessment.

- Customer experience
- E-commerce growth
- Manage declining mail volumes
- Accessible and reliable postal services
- Engaged people
- Emission-free delivery
- Sustainable city logistics
- Financial performance and position

Based on these topics we have defined a number of strategic objectives, which are directly linked to the UN SDGs on which we have the greatest influence:

1. Help customers grow their business (SDG8)
2. Enhance sustainable employability (SDG8)
3. Secure accessible and reliable postal services (SDG8)
4. Deliver profitable growth and generate sustainable cash flow (SDG8)
5. Reduce environmental impact (SDG13).

5.2. Impact of COVID-19 on our strategy

The COVID-19 pandemic has had a profound impact on society and on PostNL. Ensuring the health and safety of our workforce has been our first priority since the outbreak of the virus. We have taken rigorous measures across the business to comply with the government's instructions, while ensuring our services continue. During the lock-down period, it became clear just how vital our parcel and mail delivery services are to society.

To ensure the continuity of our business, we adapted operational processes, took additional hygiene measures, ensured contact-free delivery and facilitated working at home for office staff.

“ Our strategic objectives are directly linked to the UN SDGs on which we have the greatest influence ”

Since the start of the COVID-19 crisis, there has been significant e-commerce growth and the transition from offline to online has accelerated. The number of first-time online buyers has increased and the share of existing medium and heavy online shoppers has grown. Part of this growth is related to specific, non-recurring, consumer spending as a result of the COVID-19 situation.

The COVID-19 crisis resulted in additional substitution of mail volumes and impacted international mail negatively. While people sent more greetings cards during the first weeks of the pandemic, bulk mail volumes declined significantly, as direct mail campaigns were postponed.

The COVID-19 pandemic did not influence our strategic objective and targets to reduce our environmental impact, and our environmental strategy remains unchanged.

5.3. Sustainability approach

Focused on SDG8 and SDG13, our sustainability strategy is outlined below:

5.3.1. Climate action

In 2018, PostNL set ambitious long-term science-based targets (SBT), approved by the SBT Initiative, to reduce our environmental impact and drive the sustainable growth of our business. These approved targets are:

- By 2030, reduce total absolute direct (scope 1) and energy indirect (scope 2) emissions by 60% compared to 2017. In addition, reduce our relative combined scope 1 & 2 CO₂ emissions per kilometre by 80% compared to 2017.
- By 2030, reduce total absolute emissions (scope 1, scope 2 & including the emissions of delivery partners, scope 3) by 18% compared to 2017.

Over 2019, we saw an 8% increase in CO₂ per kilometre compared to 2017, while our total absolute scope 1, 2 and 3 emissions were 8% lower in 2019 compared to 2017. As explained in our 2019 Annual Report, we have been working on renewed environmental action plans since 2019 to achieve our long-term reduction targets and bend the trend in our relative combined scope 1 and 2 emissions.

To achieve these company-wide environmental goals, we are focusing on three categories:

1. Green kilometres
2. Sustainable buildings
3. Innovation and efficiency

More details about how we invest in these categories can be found in paragraph 5.5 Use of proceeds in this report.

5.3.2. Decent work and economic growth

To enhance sustainable employability, we have established a human resources framework and put a strategic plan in place to help develop our workforce and strengthen our position as a leading employer in the Netherlands.

The main themes include employee development and engagement, diversity & inclusion, health & safety, labour conditions and attracting and retaining talent. In relation to decent work and human rights, PostNL has several policies in place, for example our business principles. These policies are publicly available on the company's website. PostNL's company-wide safety management system has been OHSAS18001 (working conditions and health & safety) certified for many years.

The contribution of PostNL towards economic growth is primarily related to our role in the growing e-commerce market. As part of our strategy,

we strengthen our dense networks and innovate through new logistic solutions to help our customers grow their business.

5.4. Green Bond Framework

PostNL is aware of its environmental impact as a postal and logistics service provider, delivering to every street in the Netherlands and Belgium. This is why we are reinforcing our sustainability commitment by steering on our ambitious targets to significantly reduce our GHG emissions and deliver emission-free across the Benelux by 2030.

The launch of a Green Bond programme provided the financial support we needed to execute our sustainability strategy, including our emission-free ambitions, and to help us contribute meaningfully to SDG13.

Issuing our first Green Bond supports us in accelerating our transition to low-carbon logistics and helps us become a truly sustainable logistics and postal solution provider, while broadening our investor base. It also helps us innovate and improve on the three main categories from our sustainability strategy.

The net proceeds of the Green Bond have been allocated to a portfolio of eligible green projects which are classified under the main categories.

More details can be found in PostNL's Green Bond Framework, published on the company's corporate website.

“ The Green Bond helps us accelerate our sustainability strategy ”

5.5. Use of proceeds in this report

PostNL has established a multi-disciplinary Green Bond Committee that is made up of representatives from procurement, treasury, group reporting and our corporate secretary.

Treasury, together with procurement, keeps track of the allocation of potential eligible projects to the Green Bond. Allocated amounts are based

on investments in sustainable solutions that meet the criteria as set out in PostNL's Green Bond Framework. Procurement and group reporting collaborate on calculating eligible projects' performance and impact indicators. The Green Bond Committee formally evaluates and determines those projects eligible for allocation to the Green Bond.

PostNL Green projects

Allocation of proceeds to eligible green projects

Net proceeds

(€ million)

300



11% Allocated



89% Unallocated

PostNL Allocation of € 32m of proceeds to eligible green projects per category



13% Green kilometres



87% Sustainable buildings

PostNL Allocation of € 32m of new and re-financed proceeds to eligible green projects



62% New projects



38% Re-financed proceeds

PostNL Impact project category

Green kilometres

Output

Definition

Number of zero-emission vehicles deployed

Reporting

995



Impact

Definition

Annually avoided carbon emissions
(in tCO₂)

Reporting

1,414



Sustainable buildings

Output

Definition

Number of buildings for which relevant
certifications have been obtained

Reporting

4



Impact

Definition

Expected improvement of energy efficiency of buildings in % kWh/M² compared to
minimum energy performance requirements by the applicable building code

Reporting

51%



Output

Definition

Amounts invested in energy efficiency
projects

Reporting

€ 1 million



5.5.1. Green kilometres

Allocation of eligible projects

Our core business model is made up of three main activities: collecting, sorting and delivering. In each of these activities, transport plays an important role. On an average day, PostNL transports mail, parcels and goods over 1 million kilometres in the Benelux.

We use various modes of transport and we operate more than 10 different logistical networks, all using vehicles of varying size and type based on the nature and size of the business.

Last-mile mail delivery, for example, is done mainly on foot or by bike. Inter sorting-centre transport is carried out by large trucks, while for last-mile parcel delivery we use medium-sized delivery vans.

To achieve our long-term, science-based emission reduction targets, we have updated our environmental strategy to include a transition plan for the electrification of our owned and leased fleet in the various networks. Using fully electric vehicles charged by either self-generated or sourced renewable electricity or other emission-free alternatives helps PostNL make the transition to a greater share of emission-free transport and sustainable city logistics. Our drive to decarbonise our fleet is driven by two sub-targets:

- Deliver emission-free in 25 city centres in the Benelux region by 2025
- Attain emission-free delivery of parcels and mail in the last-mile in the Benelux region by 2030

These two sub-targets also include delivery by contractors.

As well as cutting GHG emissions, electrification also leads to air-quality improvements because there are no NO_x emissions and no particulate matter emissions from fuel combustion.

“ Investing in electric vehicles helps us making the transition towards highly sustainable transport ”

Since the launch of the Green Bond, we have allocated € 4 million for investments in fully electric vehicles, with 51% allocated to re-financing and the remainder invested in new projects. In total, we have added 995 vehicles to our fleet during the 24-month look-back period and the approximately 9-month reporting period ending 27 June 2020.

Impact of investments

Investing in electric vehicles reduces our use of fossil-fuel driven vehicles and cuts GHG emissions. As a result of green kilometre investments outlined in this report, we expect to reduce our GHG emissions by 1,414 tonnes of CO₂.

As well as reducing our GHG emissions, the electrification of our fleet also contributes to our target of fully emission-free delivery of parcels and mail in the last-mile by 2030. The percentage of emission-free last-mile delivery is a key performance indicator in our Annual Report. For 2019, the percentage of emission-free last-mile delivery was 19%, 1% higher than 2018.

In 2020, this percentage will be influenced by a variety of factors, including investments in electric vehicles and volume developments in our business where fossil fuel-driven kilometres have increased due to the increase in parcel volumes caused by the COVID-19 pandemic.



As a result, despite our investments in electric vehicles during the first half of 2020, the percentage of emission-free last-mile delivery decreased by 1% over the first 6 months compared to 2019.

Use of proceeds examples

During the reporting and look-back periods, our main focus has been on pilot projects for various types of vehicles. These include:

- E-cargo bikes (Mail delivery, parcels delivery)
- E-bikes (Mail delivery)
- Electric scooters (Mail delivery)
- Electric parcel delivery vans (parcel delivery)
- E-Fuso truck (city hubs)

Investments relate to the investments in the vehicles, as well as the investments in charging equipment and infrastructure.

Outlook

We have been developing concrete plans to realise our target to deliver emission-free in 25 Benelux city centres, our sustainable city logistics programme. Based on an assessment of emission-free zones, delivery routes and fleet composition per city, a transition plan for electrification has been developed for the coming five years. We expect to make initial investments in electric vehicles to support sustainable city logistics in the coming year.

We also continue to develop urban consolidation centres aimed at significantly reducing transport movements in cities, and transporting consolidated volumes emission-free within the city. We are investigating the feasibility of the business case including the impact it has on the environment and congestion.

In our Parcels business, we have started implementing electric delivery vans in several pilot projects. To scale-up this electrification, additional infrastructure investments and the availability of vehicles in the market are required. We have started to invest in charging facilities at several Parcels

sorting centres and we plan to expand these investments in the coming years. As well as charging equipment, we also depend on the local grid capacity of the power supply to our locations. We are engaging with the grid operators, car manufacturers and other relevant stakeholders to identify potential bottle-necks and, in response, actions to realise our targets.

5.5.2. Sustainable buildings

Allocation of eligible projects

We currently own and operate five mail sorting centres, one international sorting centre and 25 parcel sorting centres, and aim to increase the number of parcel sorting centres to deal with the expected growth in parcel volumes. One example is the realisation of a small parcel sorting centre, which is expected to be fully operational in 2021. We also operate several office buildings and a broad variety of smaller buildings, which require energy to power machinery, lighting, and provide heating and cooling in the work areas.

To reduce our environmental impact, since 2011 we have focused on developing energy-efficient new buildings. In 2017, we decided to raise the bar and only invest in new sorting centres with a minimum sustainability level of BREEAM NL Nieuwbouw Excellent. We also continue to invest in installing onsite renewable energy, such as rooftop solar panels, where technically and economically feasible. We are also making energy efficiency improvements, such as switching to LED lighting in existing buildings. We aim to obtain BREEAM NL In-Use certification with at least a Very Good rating for existing (sorting centre) buildings that are not yet certified.

The allocation excludes the land the building stands on and the machinery installed in the buildings. These elements are also excluded from the BREEAM (or equivalent) certification.

During the reporting period, we allocated € 28 million from the Green Bond to sustainable buildings. 90% of this amount relates to refinancing of recently built sorting centres for which certification has been obtained during the reporting period.

The remainder was to finance new buildings where the majority of investments were made during the reporting period. In relation to the allocated € 28 million, 54% relates to investments made before the look-back period.

Impact of investments

Sustainable buildings are designed and implemented to have multiple environmental benefits. One of the certification requirements for the buildings is energy efficiency.

The buildings allocated to the Green Bond use substantially less energy than buildings designed and implemented to comply with the minimum



energy performance requirements by the applicable building code. The buildings in scope of this report are on average 51% more energy efficient than those buildings that simply meet national building regulations.

Use of proceeds examples

Over the past decade we have expanded our parcels network to manage the significant growth in parcel volumes. Part of this expansion consisted of investing in new parcel sorting centres, which we built with a similar layout and comparable specifications to optimise our sorting processes. For this report we allocated:

- 1 building with BREEAM NL Nieuwbouw Excellent certification or equivalent
- 2 buildings with BREEAM NL Nieuwbouw Outstanding certification or equivalent
- 1 building with BREEAM NL In-Use Very Good certification or equivalent.

Outlook

During the last twelve months we have assessed and upgraded the sustainability levels of 17 existing sorting centres in order to obtain BREEAM NL In-Use Very Good certification. These sorting centres were built before the look-back period. We expect the first building to be certified in the second half of 2020 and aim to finalise the certification for all 17 buildings before the end of 2021.

“ We aim to finalise the certification of 17 existing parcel sorting centres before the end of 2021 ”

Examples of measures taken to increase the buildings' sustainability level include the replacement of traditional lighting with LED lighting, and the installation of roof-top solar panels. The solar panels generate a substantial amount of renewable energy and contribute to the buildings' energy efficiency.

We will allocate the total investment, including the investments in LED lighting and solar panels, once we obtain the required certifications.

Between this report's cut-off date and publication date, we obtained BREEAM NL Nieuwbouw Outstanding certification for two new parcel sorting centres. The investments in these buildings will be allocated in the second Green Bond Report. We also expect to obtain similar certification for two newly built parcel sorting centres before the end of 2020.

5.5.3. Innovation and efficiency

Allocation of eligible proceeds

At the time of developing our Green Bond Framework, we expected proceeds in this category to be allocated to renewable energy. As mentioned above, part of our strategy to make our buildings more sustainable involves investing in roof-top solar panels. To date, we have installed more than 25,000 solar panels on our parcel sorting centres, generating 40% of the buildings' energy requirements. As these solar panels form part of the building certifications, we allocate these investments to the category Sustainable Buildings. Generation of renewable energy leads to positive environmental impact as it avoids GHG emissions.

Network efficiency is another important element in our environmental strategy. As well as transitioning towards green kilometres, we also want to reduce the number of kilometres we drive. The ongoing digital transformation of our service offerings and internal processes is leading to greater data-driven insights.

Investments in data analytics will help us identifying opportunities to improve network efficiency. One example, is improving the hit rate of successful parcel delivery on first attempts which avoids extra kilometres.

Smart returns, removing air from parcels and smart rerouting options are other examples of areas where we can, together with our customers, reduce transport kilometres. During the reporting period, we have not allocated material investments in this category, with initiatives mostly in small-scale testing phases.

Outlook

After successfully installing solar panels on our Parcels sorting centres, we are looking into expanding this to our Mail sorting centres. We aim to take a decision on the related investments before the end of 2020. We will report investments in renewable energy that relate to buildings without certification separately in this category.

After successfully piloting several initiatives aimed at network efficiency, we are developing concrete plans to scale up these business cases. As part of this, we need to develop efficiency gains insights and define eligible investments in drivers for these gains, which will enable us to allocate the investment to the Green Bond Framework.

“ Investments in data analytics will help us identify opportunities to improve network efficiency ”



Basis of preparation

The reporting principles for the preparation of this Green Bond Report can be found in the PostNL Green Bond Framework which is publicly available on our corporate website.

6.1. Reporting principles

This framework is prepared in alignment with the four core components of the International Capital Market Association (ICMA) Green Bond Principles 2018.

6.2. Reporting criteria

Allocation reporting

The PostNL Green Bond Framework describes the definitions and allocation criteria that are applied for the preparation of this report. In addition, PostNL applies the following criteria for the allocation of proceeds, which is in line with market practice:

- Projects shall contribute to PostNL's corporate strategy
- Each project shall be designed to deliver clear environmental benefits
- Projects will be allocated based on additionality

Allocation of investments to the Green Bond is based on cash out. PostNL chooses to follow the same criteria as for the preparation of the financial statements to determine the cut-off in relation to the allocation of investments to certain reporting periods. This excludes certification of buildings which are allocated based on certification date instead of capitalization date.

Impact reporting

For the calculation of environmental impact, which relates to climate change, PostNL uses the Greenhouse Gas Protocol, revised edition published by the World Resources Institute and the World Business Council for Sustainable Development. Carbon emissions are calculated based on activity data in relation to energy consumption and an emission factor per unit of consumption per type of energy source.

For the calculation of energy efficiency of buildings, PostNL uses the scoring requirements of BREEAM NL to determine the expected minimum energy efficiency improvement attached to the certification level. The overall figure PostNL reports consists of an average energy efficiency improvement percentage of the buildings in scope, taking into account the size of the buildings and certification levels.

In our Green Bond Framework we mentioned the share of emission-free last-mile kilometres as an impact indicator for the category “Clean transportation”. As this metric is not only influenced by the investments in electric vehicles, we decided to change the impact indicator to a metric for which the impact can directly be related to the investment, the annual expected CO₂ emissions avoided by investing in these electric vehicles. We will also keep track of the share of emission-free last-mile delivery kilometres as this is a key performance indicator for PostNL.

6.3. Safeguarding report quality

Scoping

For the purpose of Green Bond Reporting, the investments made by PostNL N.V. or its subsidiaries during the reporting period, and for this first Green Bond Report within a 24-month period preceding the issuance of the bond, are in scope of this report. For buildings, the cut-off date is related to the certification date of the buildings. Timing differences exist between the cash out of the investments and the final certification date. For this reason, we will also allocate investments made in sustainable buildings before the look-back period for which certification is obtained during or after the look-back period.

Estimates and judgements

PostNL strives to report the expected environmental impact as accurately and completely as possible. Due to inherent limitations in relation to the uncertainty of measurement equipment and/or availability of actual data, we use estimates, assumptions and judgements in our reporting. Estimates, assumptions and judgements are based on historical experience and other factors, including reasonable expectations under given circumstances.

To calculate CO₂ emissions we use different external sources to estimate the emissions as accurately as possible. The avoided CO₂ emissions of the investment in electric vehicles is calculated based on average annual mileage of electric vehicles and average fuel consumption of the fossil alternative of that vehicles expressed in kilometres. The average mileage is based on lease contracts or planning, the average fuel consumption is based on actual historical data.

For transport-related CO₂ emissions, we use generally accepted conversion factors of DEFRA. For electricity-related CO₂ emissions following the market-based method, we use the average emission factor from our energy supplier. For the location-based method, we use the

emission factors published by the International Energy Agency (IEA), an autonomous body in the framework of the Organisation for Economic Co-operation and Development (OECD).

The energy efficiency improvement percentage of buildings compared to the minimum construction requirements used for the different certification levels is based on the average estimated improvement of BREEAM NL certified buildings of PostNL. The renewable energy generation of solar panels during the lifetime is estimated based on the installed capacity and the average energy production of the PostNL solar panels installed on its current Parcels sorting centres, which are identical in design.

Green Bond Framework governance

Projects to which the proceeds of Green Bonds are intended to be allocated are evaluated and selected, based on compliance with the eligibility criteria, by a Green Bond Committee (GBC). The GBC is comprised of representatives from the Procurement department (Chair), Group Reporting department, Treasury department and Corporate Secretary. The GBC will meet at least on an annual basis and minutes of each meeting will be documented. The GBC also evaluates the progress of the planned investments in eligible projects in relation to the total net proceeds to be allocated.

“ The GBC evaluates the progress of the planned investments in eligible projects in relation to the total net proceeds to be allocated ”

Forward-looking information

Some statements in this Green Bond Report are ‘forward-looking statements’. By their nature, ‘forward-looking statements’ involve risk and uncertainty because they relate to and depend on circumstances that occur in the future. For example, statements about the expected environmental impact of allocated eligible projects, which is in accordance with the Green Bond Principles. These statements involve known and unknown risks, uncertainties and other factors that are beyond PostNL’s control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. They are based on current expectations, estimates, forecasts, analyses and projections about the industries in which PostNL operates and PostNL management’s beliefs and assumptions about future events. Undue reliance cannot be placed on these ‘forward-looking statements’ by readers of this report.

Assurance

PostNL engaged Ernst & Young Accountants LLP to provide limited assurance on this Green Bond Report.

“ PostNL engaged Ernst & Young Accountants LLP to provide limited assurance on this Green Bond Report ”



Assurance report of the independent auditor

To: the Board of Management and Supervisory Board of PostNL N.V.

Our conclusion

We have performed a limited assurance engagement on the accompanying Green Bond Report for the period 23 September 2019 up to 27 June 2020 (hereafter: the Green Bond Report) of PostNL N.V. (the Company) based in The Hague, the Netherlands.

Based on our procedures performed nothing has come to our attention that causes us to believe that the information in the Green Bond Report is not prepared, in all material respects, in accordance with the criteria as developed by the Company and included in the “PostNL Green Bond Framework” and the applied supplemental reporting criteria as disclosed in section “Basis of preparation” of the Green Bond Report.

Basis for our conclusion

We have performed our assurance engagement on the Green Bond Report in accordance with Dutch law, including Dutch Standard 3000A “Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)” (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the section “Our responsibilities for the assurance engagement of the Green Bond Report” of our report.

We are independent of PostNL N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The Green Bond Report needs to be read and understood together with the reporting criteria. PostNL N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Green Bond Report are the “PostNL Green Bond Framework” and the applied supplemental reporting criteria as disclosed in section ‘Basis of preparation’ of the Green Bond Report.

The absence of an established practice on which to draw, to evaluate and measure Green Bond Report information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time

Limitations to the scope of our assurance engagement

The Green Bond Report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in Green Bond Report.

The references to external sources or websites in the Green Bond Report, with the exception of the “PostNL Green Bond Framework”, are not part of the information as assured by us. We therefore do not provide assurance on this information.

Responsibilities of the Board of Management and the Supervisory Board for the Green Bond Report

The Board of Management is responsible for the preparation of a reliable and adequate Green Bond Report in accordance with the reporting criteria as included in the section Reporting criteria. The choices made by the Board of Management regarding the scope of the Green Bond Report and the reporting policy are summarized in section ‘Basis of preparation’ of the Green Bond Report

The Board of Management is also responsible for such internal control as the Board of Management determines is necessary to enable the preparation of the Green Bond Report that is free from material misstatement, whether due to fraud or errors.

The Supervisory Board is responsible for overseeing the Company’s reporting process.

Our responsibilities for the assurance engagement of the Green Bond Report

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgment and have maintained professional skepticism throughout the assurance engagement performed by a multi-disciplinary team, in accordance with the Dutch assurance standards, ethical requirements and independence requirements.

The procedures of our assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the characteristics of the Company and themes and issues relevant for the Green Bond Report.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Green Bond Report. This includes the evaluation of the reasonableness of estimates made by the Board of Management.
- Obtaining an understanding of the reporting processes for the Green Bond Report, including obtaining a general understanding of internal control relevant to our assurance engagement.
- Identifying areas of the Green Bond Report with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the Green Bond Report responsive to this risk analysis. These further assurance procedures consisted amongst others of:
 - Interviewing management and relevant staff responsible for the Green Bond strategy, policy and results
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Green Bond Report
 - Obtaining assurance information that the Green Bond information reconciles with underlying records of the Company
 - Reviewing, on a limited test basis, relevant internal and external documentation
 - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level
- Reconciling the relevant financial information with the financial administration.

- Evaluating the overall presentation, structure and content of the Green Bond Report.
- Considering whether the Green Bond Report as a whole reflects the purpose of the reporting criteria used.

Amsterdam, 23 September 2020

Ernst & Young Accountants LLP

Signed by J. Niewold

