

## Assurance Statement CO<sub>2</sub>-calculator by PostNL

Koninklijke PostNL B.V. (further referred to as PostNL) has commissioned FIRA to provide external assurance on the output and methodology of the CO<sub>2</sub>-calculator on its website including claims presented on its website. The methodology to calculate total carbon emissions of a specific quantity of mail and parcels has been verified.

The reason behind this verification is the drive to demonstrate that PostNL is able to calculate the carbon footprint for the delivery of mail and parcels accurately in order to compensate these emissions on client request. Our assurance statement provides readers with an independent opinion on the reliability of the output, information and methodology of the CO<sub>2</sub>-calculator including related claims presented on its website. This Statement is intended for both general readers and stakeholders who have a professional interest in the carbon emission performance of PostNL.

### Objective Verification and Moderate Assurance CO<sub>2</sub>-calculator

Our engagement was designed to provide Moderate Assurance on the methodology and output of the CO<sub>2</sub>-calculator. Assurance activities performed by FIRA are also aimed at determining the plausibility of claims made on the related website. The term 'Moderate' refers to the level of depth of the assurance process. It means that administrative control has been focused at corporate level with limited sampling at lower levels of the organization. Data-input and -output and related calculation are verified.

Climate change is a material issue for PostNL. With the availability of the CO<sub>2</sub>-calculator PostNL fulfils expectations of important stakeholders, among others clients and investors (rating agencies).

### Assurance Methodology and Scope

FIRA conducted the verification process in accordance with international assurance standards. The assurance engagement has been executed according AA1000AS (2008). The methodology and output of the CO<sub>2</sub>-calculator has been verified based on international standards and best practices for carbon management (as documented by among others UNFCCC, WRI, DEFRA, etc.).

As the CO<sub>2</sub>-calculator is aimed at calculating carbon neutral mail and parcel delivery, the verification process was also aimed at the delivery of mail and parcels and the related energy use including distribution. This claim does not cover all PostNL activities, or carbon emissions related to the production of mail and parcels itself or packaging materials.

To assess reliability processes such as data collection (energy related data for mail and parcel collection, processing and distribution processes), data management, data analysis, calculation methodology and conversion factors, purchase of gold standard carbon credits, management commitment and procedural embedding were reviewed.

### FIRA: Independent Third Party

The development and maintenance of information systems and documents and provision of underlying data is the responsibility of PostNL. FIRA is responsible to perform our assessment and to obtain sufficient and appropriate information for our independent opinion and conclusion.

The FIRA audit team members have not been involved in the development of PostNL sustainability programs, data collection, and information systems. FIRA ensures that our assurance team possesses the required competences and adhered to the principles of auditing regarding ethical conduct, professional integrity, and independence.

### Work undertaken

The bases of our work are the methodology and output of the CO<sub>2</sub>-calculator and related information. To come to our conclusions we investigated the integrity of the PostNL internal processes:

- Interviews with managers and employees involved with data collection and analysis of Marketing, Accounting & Reporting and GPRF (Group Procurement, Real Estate and Facilities).
- Technical documentation and methodology of the CO<sub>2</sub>-calculator.
- Data analysis of the carbon emissions of activities related to the delivery of mail and parcels and the energy use related to the distribution in 2016.
- Procedural embedding of carbon offsetting, doubling the first 50.000 euro, and support of the foundation Natuurmonumenten.
- Control on the evidence and quality of the purchase and depreciation of Carbon Credits.

## Observations Methodology CO<sub>2</sub>-calculator

1. The carbon emission of a piece of mail or parcel is for the most part based on either ton kilometer (transported weight multiplied by distance traveled) or actual (fuel/energy) use.
  - i. Dutch operations – Subcontractors : for both small and large external transport the emissions are calculated based on internal fuel use data (by PostNL own fleet) and an approximation of transport kilometers needed.
  - ii. Foreign operations – Emissions related to the delivery in countries of destination by third party carriers (transport from international sorting centers in the country of destination to the addressee) are not in scope.
2. The carbon emissions related to air transport is calculated with a conversion factor which does not include the effect of water vapor (traces) and nitrogen oxides (RF: Radiative Forcing).
3. The total number of mail and parcels, with destinations outside the Netherlands, could not entirely be reproduced. If necessary these totals were extrapolated based on the actual distributed weight and a historical average weight per mail or parcel.

## Conclusion

Based on the information provided to FIRA and samples taken we conclude that the applied methodology of the CO<sub>2</sub>-calculator is reliable. The CO<sub>2</sub>-calculator on the PostNL website gives a reliable output of the expected carbon emissions and related cost for offsetting specific quantities of mail and parcels.

Assumptions and limitations of the methodology are documented in the document 'Groene post'.

Based on this calculation methodology and eventually based on the total quantity of mail and parcels distributed, the Gold Standard Credits are annually purchased and depreciated by PostNL to offset related carbon emissions of participating clients.

## Opportunities

The following opportunities for improvement were identified during our engagement:

- **Stakeholder Inclusivity and Materiality:** Climate change is a material issue for PostNL given its own activities and stakeholder expectations. We encourage PostNL to further structure stakeholder engagement processes to survey explicit expectations concerning carbon emissions.
- **Embedding Management Systems:** Instructions concerning calculations are fully documented. Tasks and responsibilities are known (unofficial). Procedural embedding (including documentation) in management systems can increase efficiency of the process, for example when changing (responsibilities of) personnel involved. We encourage PostNL to further document data collection procedures to ensure future reporting based on actual distributed volumes.
- **Trias Energetics:** The carbon footprint related to delivery is compensated and initiatives towards reduction are being implemented, such as contractual vehicle requirements for subcontractors and procurement of vehicles using alternative fuels. Main challenge for PostNL remains identifying and implementing initiatives reducing the carbon footprint of small and large transportation especially given the impact on its total carbon footprint.
- **Foreign Postal Services:** Currently PostNL has no access to the carbon footprint of third party carriers outside the Netherlands. We compliment PostNL with its active role and commitment within the IPC (International Post Corporation) to further develop this calculation in order to include emissions related to delivery in country of destination (scope 3) in the CO<sub>2</sub>-calculator.
- **Air transport:** Given the impact van Radiative Forcing on international air transport, we encourage PostNL to include the effects in the CO<sub>2</sub>-calculator.

On behalf of FIRA,



Mr. A.C. de Bruijn  
Director FIRA

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