



International **Post**
Corporation

International Post Corporation

UN Global Compact - Communication on Progress

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About International Post Corporation

International Post Corporation (IPC) is a cooperative association of 24 member postal operators in Europe, North America and the Asia-Pacific region. Over the past two decades IPC has collaborated with its members to upgrade the quality of mail service by developing technology systems that bring transparency to the mail processing system and delivery chain. It also manages the system for incentive-based payments between postal operators and creates business intelligence for its members, by providing a range of platforms for CEOs and senior management to exchange best practices, discuss strategy and engage in industry research.

IPC also provides operational and IT-based services to the postal industry and undertakes wider industry initiatives to help its members meet challenging issues that cut across the postal sector, such as environmental sustainability.

IPC represents the majority of the world's mail, with its members delivering about 80 percent of global postal volumes. They account for nearly 2.2 million jobs. IPC is based in Brussels, Belgium and has an international staff of 63 representing more than 20 different nationalities. IPC is governed by a board comprised of CEOs from eleven member posts and the IPC Chief Executive Officer.

IPC members:



Statement of support

International Post Corporation (IPC) has become a signatory to the United Nations Global Compact, as part of its on-going sustainability program.

As a signatory, we at IPC will ensure that the ten principles are incorporated in our business model. We will build on the work we are already doing to bring our members together to share best practice and support the mobilisation of collective action on different issues. IPC will also attend UN Global Compact events and provide support to members interested in becoming signatories.

Furthermore, as a growing employer and expanding business, we take our own commitment to these Principles seriously. As such, we are committed to practicing these Principles with respect to our employees, environment, operations and local communities.

The UN Global Compact

Launched in 2000 by then UN Secretary General Kofi Annan, the United Nations Global Compact is now the largest voluntary corporate initiative in the world, with over 4700 corporate participants and stakeholders in over 130 countries. The main objective of the initiative is to mainstream ten sustainability principles in the areas of human rights, labour, the environment and anti-corruption. The initiative encourages global support for the principles and supports actions that contribute to broader UN goals, such as the Millennium Development Goals (MDGs).

CEO Statement

“The IPC Sustainability Programme is a unique platform through which postal operators from different world regions and facing diverging challenges are striving towards a common goal. As a result of our deeply felt responsibility to share knowledge, we have been reaching out to posts outside the IPC group, in Africa and Latin America, and we will continue to do so.”

Herbert-Michael Zapf
President and CEO, IPC

Principle 1

Protection of internationally proclaimed human rights

Our commitment or policy

We are committed to full compliance with Belgian, European and international legislation and conventions on human rights. As one of the founding members of the United Nations, the promotion of human rights is a priority in Belgium's national and foreign policy. Belgium is an active member of the Human Rights Council and the International Labour Organisation. It is also a signatory to the Universal Declaration of Human Rights and the European Convention on Human Rights, which have been established to protect individuals from human rights violations.

Through the implementation of national and international law we are committed to supporting and respecting the protection of internationally proclaimed human rights. Our commitment applies to our own operations, our field of influence and our work with our members. No officer or employee shall, in discharging his assigned responsibilities and duties, engage in any activity which might involve them or IPC in a violation of any federal, state or local law, rule or regulation.

A brief description of our processes and systems

We turn our commitments into practice by ensuring employees are aware of their own human rights, as well as their role in helping protect the human rights of others. We are also available to advise and assist our members in managing their own responsibilities in this respect. We do so using the following processes and systems:

In our own operations

- Employee Handbook, which includes guidance on those aspects of human rights pertaining to employment and enshrined in Belgian law

Principle 2

Ensure non-complicity in human rights abuses

Our commitment or policy

We are committed to full compliance with Belgian, European and international legislation and conventions on human rights. As one of the founding members of the United Nations, Belgium has been committed for many years to the promotion and protection of human rights and is willing to cooperate with all other States in order to improve the situation. Belgium is also an active member of the Human Rights Council, the International Labour Organisation and is a signatory to the Universal Declaration of Human Rights and the European Convention on Human Rights,

Through the implementation of national and international law, we are committed to ensuring that the organisation, its employees, its suppliers and its customers are not complicit in human rights abuses. Our commitment applies to our own operations, our field of influence and our work with our members.

No officer or employee shall, in discharging his assigned responsibilities and duties, engage in any activity which might involve them or IPC in a violation of any federal, state or local law, rule or regulation.

A brief description of our processes and systems

As part of our commitment, we ensure employees are not complicit in human rights abuses, and we are available to help our members manage their responsibilities in this respect. We do so using the following processes and systems:

In our own operations

- Employee Handbook, which includes guidance on the IPC company values (one of which states: “we act with integrity and respect internally and externally”), and a section about legal and ethical practices

Principle 3

Uphold freedom of association and collective bargaining

Our commitment or policy

The right to enter into association is an integral part of the Belgian Constitution and cannot be subjected to any preventative measures. International Post Corporation is committed to ensuring that all of its employees are aware of their rights under Belgian law to:

- freely join associations of their own choice (for the purposes of rule formation, administration and the election of representatives), and
- undertake collective bargaining.

Our commitment means that we will not only abide by all applicable laws in this respect, but will act in the spirit in which they were made. This commitment applies to our own operations, our field of influence and our work with our members.

A brief description of our processes and systems

We put our commitments into practice by ensuring that our employees are aware of their right to freely join associations of their own choice and to participate in collective bargaining.

In our own operations

- Employee Handbook, which includes guidance on the detailed Working Regulations of the company
- The Working Regulations
- Making employees aware, as required by Belgian law, of the process of periodic elections to a Company Council

Principle 4

Support elimination of forced and compulsory labour

Our commitment or policy

International Post Corporation is against all forms of forced and compulsory labour. Our commitment applies to our own operations, our field of influence and our work with our members. We are also committed to full compliance with Belgian, European and international legislation and conventions on forced and compulsory labour.

A brief description of our processes and systems

We implement this commitment by making sure the International Post Corporation is a fair and reasonable employer, whilst also helping our members manage their responsibilities in this respect. We do so using the following processes and systems:

In our own operations

- All employees are issued with terms and conditions of contract when they join the organisation. These terms and conditions, taken together with the Working Regulations, set out the employees' hours of work, remuneration and holiday entitlement.
- Annual performance reviews in which employees are encouraged to put forward any concerns and development needs.
- When purchasing goods from outside suppliers or sub-contracting services to third parties, IPC ensures that the selected contractors comply with the rules in place regarding forced and compulsory labour and with the IPC values.

Principle 5

Support abolition of child labour

Our commitment or policy

International Post Corporation is committed to the effective abolition of child labour. Our commitment applies to our own operations, our suppliers and sub-contractors, our field of influence and our work with our members. We are also committed to full compliance with Belgian, European and international legislation and conventions on child labour.

A brief description of our processes and systems

We honour our commitment by ensuring we support the effective abolition of child labour, and by helping our members do so. We do this using the following processes and systems:

In our own operations

- Purchase contracts for large volumes of specific goods (e.g. mailbags) contain a clause that prohibits the supplier from using child labour in the production of the goods.

- The dates of birth of all new employees, who are of a sufficiently young age, are checked to ensure that they are above minimum school leaver's age before employment.

Principle 6

Support elimination of discrimination

Our commitment or policy

International Post Corporation is committed to ensuring equal opportunities for all of its employees. In particular, we are committed to:

- Promoting equality, diversity, as well as an inclusive and supportive working environment
- Affirming the rights of the individual to be treated fairly and with respect
- Identifying, recognising and encouraging individual contributions to our success
- Our commitment applies to our own operations, our field of influence and our work with our members

These are increasingly important commitments for our company, due to our expanding and increasingly diverse professional workforce. We are also committed to full compliance with Belgian, European and International legislation on discrimination, including equality of pay conventions.

A brief description of our processes and systems

We put our commitment into practice by ensuring International Post Corporation supports the elimination of discrimination, and by helping our members support this through their own policies and actions.

Every hierarchical superior is required to use all the powers and authority specific to his/her position to see to it that the principle is effectively put into practice.

We do so using the following processes and systems:

In our own operations

Equal opportunities:

- A clear and transparent recruitment system which encourages the widest possible search for candidates and their assessment against competencies described in the published person description for the job.
- A Performance Appraisal system in which employees are assessed against published competencies for the company and the job. The assessments are reviewed by senior management to guard against bias.
- The equality of pay for male and female employees is guaranteed in all aspects of remuneration, including, when applicable, function evaluation systems.

- IPC has a diverse and multinational team of 65 employees representing nearly 20 different nationalities and speaking over 10 native languages.

Sexual and racial harassment:

- In accordance with their training and the instructions provided, each employee must contribute positively to the prevention policy against violence, harassment and objectionable sexual behaviour in the workplace, and must refrain from such behaviour.
- An “open door” policy in which employees can report alleged sexual or racial harassment to senior management.
- The employment of a contracted employment advisor to which employees may report cases of alleged sexual or racial harassment on a confidential basis.

Principle 7

Precautionary approach to environmental challenges

Our commitment or policy

International Post Corporation is committed to taking a precautionary approach with respect to environmental challenges, the undertaking of environmental initiatives and the use of environmentally friendly technologies. Our commitment to the environment includes continually improving our performance, preventing pollution wherever possible and complying with all applicable laws, regulations and industry standards.

IPC is committed to the reduction of its carbon emissions and those of its suppliers and sub-contractors, and to that end seeks to encourage the use of relatively low-carbon emissions engines in company cars, encourage business travel by rail, and optimise other business travel.

In particular we:

- manage our processes so as to avoid or minimise waste;
- work to minimise our use of energy;
- minimise unnecessary travelling to reduce the impact of aircraft and road vehicle emissions;
- include environmental considerations in investment decisions, and
- ensure all employees have an awareness of this policy so that it is implemented effectively.

Our commitment applies to our own operations, our field of influence and our work with our members.

A brief description of our processes and systems

We translate our commitment into action by taking a precautionary approach to the environment, undertaking initiatives to promote greater environmental responsibility and by assisting our members to manage their own responsibilities in this respect. We do so using the following processes and systems:

In our own operations

- Environment Policy (as part of our overarching Corporate Responsibility Policy)
- Employee Handbook, which includes the policy

Recent actions

- Since 2008, IPC partnered with the Climate Neutral Group to offset our emissions, first through the InfraVest Changbin Wind Farm Project Gold Standard project in Taiwan. This year our carbon-offsetting activities are supporting a project to provide energy-efficient stoves to rural households and communities in Kenya: <http://climateneutralgroup.com/en/services/projects/?project=the-paradigm-project-clean-and-sustainable-wood-stoves-in-kenya-2>
- Printing paper is Cyclus Offset 100% recycled. Reductions in our paper use are driven through continued implementation of a minimal printing policy and – unless there are good and pressing reasons – IPC encourages the printing of documents in black and white and on double-sided paper only.
- Continued provision of recycling facilities in our communal areas so that employees can recycle glass, cardboard and plastic.
- Continued use of environmentally friendly printing, IT and lighting technology on a replacement basis.
- Continued emphasis on the use of teleconferencing and remote presentation technologies (e.g. WebEx and webinar techniques) to help reduce business travel.
- Continued selection (in collaboration with our IT supplier) of additional desktop PC's (and other relevant equipment) on the basis of their performance/energy efficiency in order to accommodate growing employee numbers.

Principle 8

Initiatives to promote environmental responsibility

Our commitment or policy

In 2008, IPC developed the Environmental Measurement and Monitoring System (EMMS) in direct response to requests from CEOs working throughout the postal industry for implementation of a common carbon measurement and reporting framework, in line with customer requirements and stakeholder expectations.

With the help of our members, a pilot of the system was carried out in 2008. The full programme was rolled out in 2009, capturing data and progress for the 2008 calendar and financial reporting year. The objective is to provide a common reporting structure for posts to disclose their environmental management strategies, performance and achievements.

A brief description of our processes and systems

Each year, participating postal companies complete a comprehensive self-assessment questionnaire. This involves reporting on performance trends, sector averages and company scores, for both the qualitative Carbon Management Proficiency (CMP) section of the EMMS and a suite of 20 Carbon Performance Indicators (CPI) across five categories. All reported data has been third party audited by PricewaterhouseCoopers (PwC)

Figures 1 and 2

Figure 1

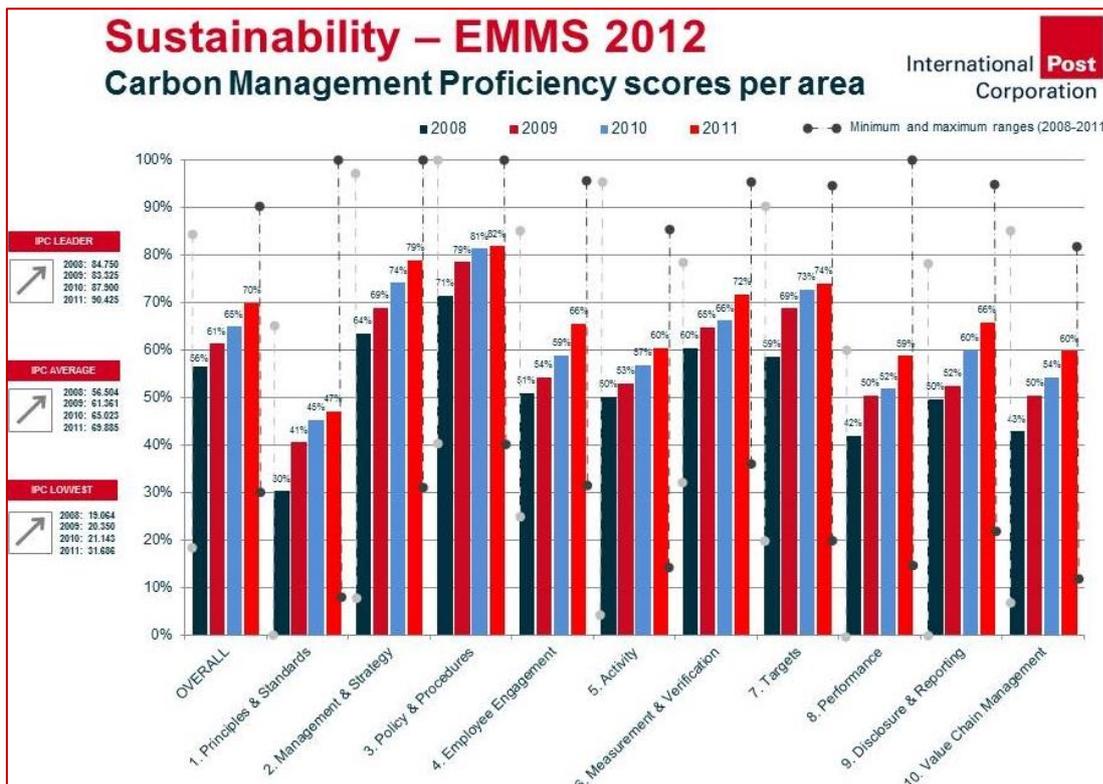
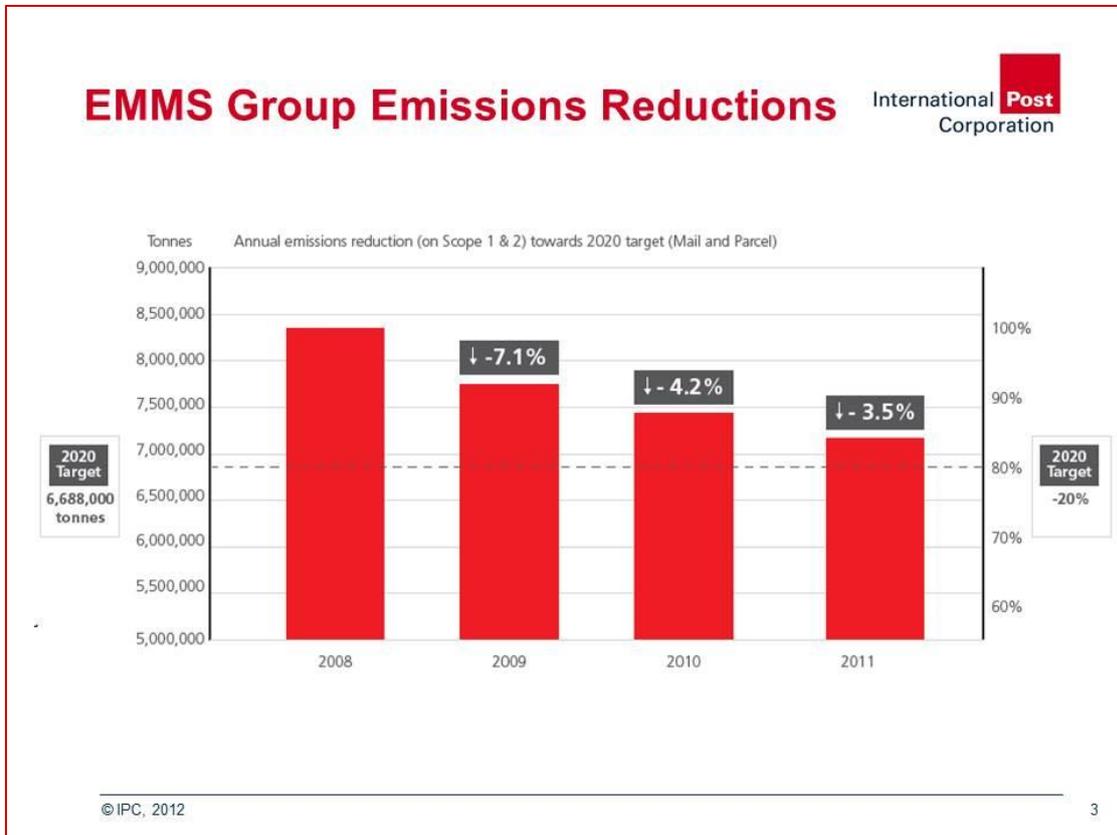


Figure 2



In order to ensure consistency of the data, participants are provided with an exhaustive guidance document for reference. The final results are subject to review by IPC and Maplecroft, an independent advisory consultancy specialising in global risks management. This review process also stimulates constructive feedback, monitoring and continuous improvement of the programme for the future.

Recent actions

- The EMMS system has been extended beyond IPC members; South African Post Office joined in 2011, Correios Brazil Post and Nigerian Postal Service joined in 2012.
- Since 2008 postal operators, under IPC's global postal sustainability programme collectively reduced CO₂ emissions by over 1 million tonnes, equivalent to a cut of 14%.
- In three years the EMMS has already achieved almost three-quarters of its target of cutting 20% of emissions by 2020.
- IPC continues to develop the EMMS system, with increased engagement with our members, improved guidance documentation, emissions calculation tools and plausibility check processes.

Principle 9

Encourage environmentally friendly technology

Our commitment or policy

As part of our EMMS programme, we actively encourage our members to make increasing use of alternative-fuel vehicles in their delivery fleets. Alternative vehicles are vehicles that run on fuels other than standard petrol and diesel. This includes electric vehicles, hydrogen vehicles, vehicles that run exclusively on biofuels or that run on LPG and CNG. It excludes vehicles that run on bio/mineral fuel mixes that are at or below the nationally agreed minimum content of bio/mineral fuel.

IPC participants are also required to provide their energy usage data for both renewable electricity purchased ('green' electricity) and for alternative energy sources including geothermal, biomass, solar and wind power.

A brief description of our processes and systems

International Post Corporation has developed the EMMS system drive improvements in our clients' environmental performance. A summary of this system can be found under Principles 7 & 8 above.

Recent actions

- The EMMS system measures the percentage of alternative vehicles within each of our members' delivery fleets. We publish performance figures and case studies in our sustainability report to encourage increased uptake.
- In 2011 the total percentage of green electricity within the EMMS group was 11%, an increase of 4% from 2010.
- We have increased the scope of our data collection process. We now require detailed categorisation of the different types of alternative vehicle that each of our members are using, covering a broad range of different vehicle types including electric, hybrid, LNG and hybrid.
- As part of its company car policy, IPC incentivises its employees to opt for a greener car in order to limit IPC's carbon footprint. IPC also provides its employees with eco-driving advices in order to limit fuel consumption.

Principle 10

Work against corruption in all of its forms

Our commitment or policy

International Post Corporation is committed to working transparently and is against corruption in all its forms, including extortion and bribery. No employee or associate will take or receive bribes of any form, or involve themselves in situations that may give rise to any potential conflicts of interest. Our commitment means that we will not only abide by all applicable laws in this respect, but will act in the spirit in which they were made.

Our commitment applies to our own operations, our field of influence and our work with our members.

A brief description of our processes and systems

We put our commitment into practice by taking a transparent approach towards doing business, by opposing corruption in all its forms and by helping our members manage their own responsibilities in this respect. We do so using the following processes and systems:

In our own operations

- Statements regarding ethical standards, conflicts of interest and the giving/receipt of gifts, within the Employee Handbook.
- During the course, and during the suspension of his/her employment, the employee will not, without prior written agreement of the company, accept or engage in any other professional activity, remunerated or not, for his/her own account or for third parties (as an employee or as self-employed).
- Whenever facts or circumstances which might indicate a potential conflict of interest are known to any director, officer or employee, such facts or circumstances shall be reported through normal channels to the Director, Finance and Human Resources.
- Officers and employees shall not solicit, accept or agree to accept, at any time of the year, for themselves or on behalf of IPC, any gift without notification to their functional Director.
- There is an absolute prohibition on IPC making a political contribution to any state, federal or local election campaign. No such contribution, whether by cash or otherwise, may be made by or in the name of IPC or be reimbursed by IPC.

Anti-bribery policy:

- Ensuring compliance with anti-bribery laws, rules and regulations, not just within Belgium, but also in any other country within which the IPC may carry out its business or in relation to which its business may be connected
- Enabling employees and persons associated with the IPC to understand risks associated with unlawful conduct and to enable and encourage them to be vigilant and to effectively recognise prevent, avoid and report any wrongdoing, whether by themselves or others.
- Providing suitable and secure reporting and communication channels and ensuring that any information that is reported is properly and effectively dealt with
- Creating and maintaining a rigorous and effective framework for dealing with any suspected instances of bribery or other unethical conduct