



Norway Post and Bring's environmental practices

Strategy and initiatives for sustainable development





Norway Post and Bring

Norway Post is a Nordic mail and logistics Group that develops and delivers complete solutions within mail services, communications and logistics, with the Nordic area as its home market. Our vision is that Norway Post and Bring will be: “The world’s most future-oriented mail and logistics Group.”

Norway Post, Bring and the environment

Norway Post and Bring is one of the largest transport and logistics operations in the Nordic region. As a major player, we are committed to social responsibility and high ethical standards in everything we do, including our environmental practices. The environment is therefore one of the Group’s most important focus areas within corporate social responsibility.

Norway Post and Bring plan to grow in a sustainable way in the years ahead. The Group wants to be an environmental leader in its industry and has set itself ambitious environmental targets.

The Group’s environmental vision

In line with this, the Group’s environmental vision is:

“To work in a goal-oriented manner to achieve environmentally-efficient operations and sustainable development – which will help make us the world’s most future-oriented mail and logistics Group.

The Group’s environmental goals

The Group has a number of goals aimed at reducing its environmental impact.

- They include:
- CO2 emissions shall be reduced by 40% before 2020 based on 2008 levels
 - Continuous work on measures to reduce energy consumption
 - Continuous work on measures to reduce waste and to increase segregation of waste streams

Between 2014 and 2015, Norway Post and Bring reduced their emissions by 5%, which

corresponds to a reduction of 28,658 CO2e. Up until 2015, Norway Post and Bring had reduced their emissions by 34% compared to 2008.

The Group’s environmental strategy

We have decided to focus particularly on five areas to enable us to achieve the vision of environmentally-efficient operations and sustainable development. Common to these areas are awareness, commitment and collaboration.

Norway Post’s environmental strategy:

1. Reduce the impact on the climate and the environment, particularly from transport and construction
2. Meet customer and stakeholder requirements
3. Contribute to a constantly improving environmental performance by suppliers
4. Continue to further develop expertise and increase commitment throughout the organisation
5. Work together with stakeholders to shape regulatory frameworks

How Norway Post and Bring work with the environment

The HSE and Corporate Social Responsibility Department in Corporate Staff HR/HSE ensures an effective system, Group-wide re-use of good solutions and an overall approach. A Group-wide environmental network that consists of environmental resource persons from all business areas further ensures that the Group makes use of experiences and best practices from throughout the organisation. Necessary expertise in specific areas is ensured through external partners and suppliers. The Board and corporate management are

regularly updated about status, risk scenario and ongoing initiatives in the environmental field. The environmental work is also defined in a separate environmental policy and strategy that is supported by action plans in the business sectors. The Group works in accordance with annual environmental action plans in the business areas, and this work is then followed up in quarterly reporting, business reviews, KPI mapping and employee follow up meetings. In order to register the Group’s total environmental impact, an environmental reporting system is used for the entire Group.

A part of the solution

To solve the major environmental challenges facing the Group, interaction between companies, organisations and authorities is key. In 2015 the Group continued its collaboration with ZERO in several areas and is an active participant in ZERO’s Klimalab and the 0/2030 project. In Sweden a collaboration was entered into with the 2030 Secretariat.

The Group also participated in the Grønn Kystfart (Green Coastal Traffic) project in conjunction with DNV GL. In October 2015, Norway Post, along with several other companies, submitted a report about how it can contribute to reaching Norway’s goal of cutting emissions by 40 per cent before 2030: “Norway 203040”. The Group is part of the International Post Corporation, which promotes an international industry collaboration and is also a member of Svanen’s Purchasing Club and Green Dot Norway.



Transport

As one of the Nordic region's largest transport operators, the impact of CO2 emissions in particular is significant. We are aware that we are part of the problem, but we would also like to be part of the solution. We are therefore replacing vehicles in our fleet with more environmentally-friendly alternatives and renewable fuels and participating in projects to drive progress in this area.

2,200 low-emission vehicles

In 2015, the Group decided to replace fossil fuels with renewable diesel for heavy transports. This green shift means that around 1,000 trucks on Norwegian and Swedish roads will be using fossil-free diesel. This will lead to reduced emissions and less local pollution. Norway Post and Bring is the first company in Norway to go over to this new second-generation renewable diesel.

During the first phase of this transition, the lorries will transition to the new fuel, which is called hydro-generated vegetable oil (HVO). It consists of vegetable and animal oils and waste certified in accordance with the EU's sustainability criteria. The Group has started this environmental initiative and more than 650 lorries in Norway and Sweden run on renewable diesel.

The Group uses 133 biogas vehicles, including the world's first Euro 6 biofuel truck and three trucks that run on liquid biogas. Vehicles that run on bioethanol are being tested in Bergen.

CO2-free mail distribution

The Group has Norway's largest electric vehicle fleet consisting of more than 1,200 electric vehicles, including 590 electric mopeds, more than 420 electric cars and 180 electric trailers. In 2015 the Group decided to make one of the world's largest single purchases of electric cars and ordered 241 electrical vehicles.

This initiative to implement zero-emission solutions and the consolidation of vehicles has resulted CO2-free mail distribution in more than 40 urban areas throughout

Norway, which has improved the air quality and reduced noise and local emissions. Bergen, Trondheim and Ålesund are some of the cities that have CO2-free mail distribution in their downtown areas.

Updated vehicle fleet and modal shift

The Group frequently updates the cars in its fleet, which helps reduce local emissions. The average age of the cars in Posten Norge AS is 2.6 years.

Norway Post and Bring have a modern fleet of vehicles. Of the vehicles weighing more than 7,500 kg, 95% are Euro class 5 or 6.

The Group has implemented a speed reduction on 550 trucks, which has advantages both in terms of the environment and safety. The Group also uses nitrogen in its tyres.

Modal shift

The percentage of rail usage in Norway was 63% in 2015 on routes where it is possible to use rail transport.

The Group is constantly striving to increase rail usage solutions in collaboration with its customers. In 2015, the Group signed five annual agreements with Green Cargo regarding six departures a week to Sweden. This solution replaces around 20,000 lorries a year and reduces emissions by 4,900 tCO2. Bring has started to transport waste by rail to Sweden, Jönköping – Bergen – Jönköping, with funding from the Environment Fund. It started with two containers and will expand to around 27 containers over the course of 2016.

The Group participates in Grønn Kystfart (Green Coastal Traffic), which works to influence the framework conditions for moving more goods from road to sea.

Our environmental activities will be noticed

Norway Post and Bring have been honoured with several awards for their environmental activities.

2012: In 2012, the Group received the Grønn Bil (Green Car) Award for its major investment in electric vehicles. The award goes to businesses that have excelled in their focus on and investment in battery-operated vehicles.

2013: The Group received the honorary award for excellent design from the Norwegian Design Council for the development of the Loyds Paxter post van. The van is electrically driven and made from recycled materials.

2014: The Group was awarded with the Environmental Award of the Confederation of Norwegian Enterprise (NHO) for its far-reaching environmental programme. This business sector award recognises commitment to the environment by logistics companies in Norway.

2015: The Group received the Environmental Achievement of the Year award. This international award is presented by Postal Technology.

Buildings and energy

The Group has a continuous focus on streamlining energy consumption and land use. It uses renewable electricity and is working to reduce energy consumption. It is also working actively to obtain environmental certification for its facilities in Norway and Sweden.

Land use efficiency and co-location

Norway Post's South-East Norway terminal opened in February 2010 and handles more than 65% of mail volumes in Norway.

The terminal has a ground-source heating system that greatly helps reduce the terminal's environmental impact. This is the first time that ground-source heating has been used in an industrial building of this size in Norway. The Group's work to increase efficiency of land-use is an ongoing process and more and more of its units are moving into the terminal.

The Group has added a new terminal structure in recent years in order to reduce land use in both Norway and Sweden. This means that several units are co-located in existing buildings and brand new terminals are being constructed to replace older terminals.

One example of this is the Group's new logistics centre, which is being built at Alnabru. The logistics centre is due for completion in 2017 and will have ground-source heating with more than 30 boreholes drilled 230 metres down into the ground. The new cooling and cold storage terminal will have a total energy recovery system. This building will replace three terminals in the Oslo area, which will mean daily savings of about 10,000 kilometres of driving in the Oslo area, compared to today.

Standardisation and certification

Environmental certification provides clear documentation of the environmental work that is being done at each unit and helps involve every employee. The Group has certified all of its remaining post offices and in total has 49 Eco-Lighthouse-certified units. Bring in Sweden is ISO 4001-certified. Norway Post delivers environmental accounts in accordance with Greenhouse Gas Protocol.

The Bergen Post Terminal, which has received Eco-Lighthouse certification, won Bergen Municipality's environmental award in 2012. Norway Post and Bring have an ongoing commitment to obtain certification for more of their units.

Guarantee of origin

The Group purchases power with a source guarantee of origin for all of its operations in Norway, Sweden and Denmark. This means that the power is produced from renewable sources, such as wind and hydro power, and no fossil fuel sources are used.

Energy efficiency

The Group is committed to reducing its consumption of power. One of the ways it does this is by recording the power consumption of large areas of the Group in a joint system. This then provides a detailed picture of the Group's power consumption all the way down to an hourly basis. In 2015, the Group reduced its emissions from buildings by 1%. The Environment Fund

has provided support to establish energy efficiency measures, such as solar panels, energy analyses, motion sensors, LED lighting in cold storage facilities and other energy conservation measures at many of our units.

Waste

Norway Post has long focused on improving its performance with regard to segregating waste produced by the Group. In 2015, Norway Post source segregated 81.6% of its waste. Posten Norge AS is a member of Green Dot Norway.





Employees

Norway Post's employees are one of the key factors in reducing our environmental impact. We are therefore investing heavily in the development of skills in the environmental area. In addition to this is the Environmental Fund, which enables employees to get involved in environmental activities.

Training in environmentally-efficient driving

The Group places emphasis on environmentally-efficient driving for drivers, even those with small vehicles driving licences. Drivers of heavier vehicles complete an advanced training course for professional drivers every five years, in which environmentally-efficient driving is an important part. An internal training programme has been developed in cooperation with the ATL (Authorised Driving Schools' Association) for postal delivery staff.

A project was started in 2014 to install trip computers in heavy vehicles and in 2016 more than 1,200 trip computers were installed. This will help to reduce fuel consumption and idling.

The Environment Fund – Finding Green Ways
 In 2012, the Group launched the Environment Fund, which aims to encourage employees to find measures that can reduce the environmental footprint of the Group. All employees are able to apply for funding from the Environment Fund for projects that reduce the impact of the Group's operations on the environment. Up to 2015 the Environment Fund had received 238 applications, of which 94 were granted. The measures that received funding from the Environmental Fund have an estimated

CO2 savings of 54,000 tonnes of tCO2. The Environment Fund will also continue in 2016.

The following are examples of initiatives that have received support :

Transport: Support to more electric cars and biogas lorries, fleet management tools, support to test electric bicycles to replace fossil fuel cars, support for a boat project, hydrogen as a range extender and for forklift trucks, various projects to reduce transport needs and research projects in which units are involved.

Energy: Solar panels on the roof of several terminals, energy efficiency of the carwashes, energy analyses, LED lighting in cold storage facilities, light sensors and various energy efficiency measures, light poles run by solar panels and wind turbines.

Waste: Introduction of source segregation, information to employees, compressors.

Work-related travel: Charging stations for private cars at several units, a number of electric bicycles to reduce work-related travel by car, various bicycle campaigns.

Environmental e-learning programme "Step by step"

The Group introduced in 2015 its own environmental e-learning programme for all employees. The course is tailored to Norway Post and Bring. The aim is to provide basic training in the Group's environmental work and inspire people to make good environmental choices. Approximately 1,600 employees have completed the course.



Customers, purchasing and business partners

An important part of our environmental practices is our collaboration and dialogues with customers and business partners. The Group works in partnership with a variety of stakeholders, from authorities to foundations and the business community in an attempt to promote good environmental practices.

Carbon-neutral services

Norway Post and Bring offer climate-neutral service parcels and climate-neutral distribution of addressed and unaddressed mailings for the business market. It is not currently possible to completely eliminate the CO2 emissions from this service. To compensate for the remaining emissions, Norway Post purchases carbon offsets.

Environmental requirements for purchases

Subcontractors account for a large part of the Group's emissions. It is essential for the Group to set clear requirements for its suppliers and to work collaboratively with them at all stages of purchasing, from pre-qualification to contract follow-up.

The Group has also become a member of the Nordic Ecolabel Purchasers' Club, which means that we are committed to increasing the number of purchases of Swan-labelled products and services made by Norway Post.

Follow-up of suppliers

The Group sets clear environmental standards for its transport providers when it comes to Euro class standards, speed limits and training in environmentally-efficient driving. The suppliers must approve the Group's environmental declaration and complete an annual self-assessment questionnaire about their environmental performance. Read more about the Group's supplier management in the Integrity Report, which is part of the Group's Annual Report.

Working relationships with stakeholders

To solve the major environmental challenges

facing the Group, it is of utmost importance to have strong working relationships in the business community and with organisations and research institutes.

The following are some examples of the partnerships that Norway Post and Bring have:

ZERO

A non-profit foundation that focuses on reducing greenhouse gas emissions and meeting the world's growing demand for energy without causing harm to the environment. In 2015 the Group continued its collaboration with ZERO in several areas and is an active participant in ZERO's Klimalab and the 0/2030 project.

The 2030-secretariat

In Sweden a collaboration was entered into with the 2030-secretariat.

Næring for Klima

Næring for Klima is a project in which Oslo Municipality and companies in the capital are working together to achieve the climate change targets for Oslo.

IPC och PostEurop

International Post Corporation (IPC) and PostEurop are two of the collaboration fora that ensure that Norway Post is involved in the industry. The agenda includes the reporting of climate implications for various sectors and the sharing of good practices.

NORWAY 203040

In October 2015, Norway Post, along with

several other companies, submitted a report about how it can contribute to reaching Norway's goal of cutting emissions by 40 per cent before 2030: "Norway 203040".

NHO

The Group is working in partnership with the Confederation of Norwegian Enterprise (NHO) to help shape the framework for heavy transport and is taking part in specific projects, such as "Gas for Heavy Transport".

DNV GL

The Group also participates in the Grønn Kystfart (Green Coastal Traffic) project in cooperation with DNV GL.

Collaboration within the industry

The Group is working in close collaboration with other players in the logistics industry to improve the regulatory framework conditions for heavy transport.

FREVUE

EU project for introduction of electric cars in several major European cities.

ECOTELL

Project to gather data from cars and transport systems to calculate environmental performance.



You can read all about Norway Post's and Bring's environmental practices at postenorge.no/miljo

