

PostNord AB (PostNord)

ACKNOWLEDGE
PRIORITISE
SET STRATEGY & GOALS
TRACK

GHG EMISSIONS



Background on PostNord

PostNord is a holding company formed during the 2009 merger of two postal companies operating within Denmark and Sweden. It is headquartered in the Swedish city of Solna. It specialises in delivering end-to-end mail and communication, logistics, and e-commerce solutions across the Nordic region. It also offers global logistics services for its clients, though this is a smaller part of its service offering. The Swedish government holds a 60% equity stake while the Danish government holds the remaining equity. It employed 38,000 people and reported revenues of €4.1 billion in 2015.

How did PostNord come to start thinking about context?

Being a state-owned company, PostNord has always been encouraged to show environmental leadership by both the Swedish and Danish governments¹. “Sustainability is one of our core values as a company¹”, reflected Søren Boas, PostNord’s Senior Sustainability and Environment Advisor, and this was evidenced through the company’s commitment to its current GHG emissions goal, which was released in 2010².

For PostNord, the increasing trend of globalisation translates into more trade and transport, which in turn translates into business growth. This means that the company needs to pay more attention to how it balances growth with its environmental impacts. In early 2016, this need for balance sparked internal reflections at PostNord on the progress it had made against its established GHG emissions goal and on whether this goal was ambitious enough¹. It was at this point that PostNord heard about the [Science Based Targets](#) initiative and it decided

¹ Science-Based Targets (2016) Case Study: PostNord. Accessed at: <http://sciencebasedtargets.org/case-studies/>

² PostNord (2010). Annual Report and Sustainability Report. Accessed at: <http://www.postnord.com/globalassets/global/english/document/reports/annual-reports/2010/posten-norden-annual-report-2010.pdf>

to approach the World Wildlife Fund for Nature (WWF) to see if its established GHG emissions goal could be considered. The assessment showed that its goal was indeed consistent with the assessment criteria set out by the Science-Based Target initiative¹.

What does context look like at PostNord?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: PostNord acknowledges the importance of addressing climate change and that this global issue is driving a demand for environmentally friendly services that means that PostNord will need to continue to modify its business activities to meet this need². However, PostNord has yet to outline its commitment to operating within the limits of this threshold and has only committed to limiting its impacts². While PostNord does outline how it aims to work with its value chain in its Code of Conduct for Suppliers, the document does not specifically explain how PostNord will support its value chain in their adherence to the limits of this threshold³.

Other thresholds: PostNord acknowledges the importance of other socio-ecological issues including energy use and gender diversity, but does not yet discuss them with reference to their associated thresholds.

2 Transparently understand and PRIORITISE a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



PostNord appears to use what we call a 'classic' materiality approach whereby it prioritises its key socio-ecological issues through a process that aims to "understand and act on the issues that our stakeholders perceive as important" to move forward as a company².

GHG emissions: PostNord prioritises GHG emissions because it recognises the link between the GHG emissions arising from its business activities and the impact these have on the environment⁴. As a transportation company, GHG emissions from both its vehicles and those within its value

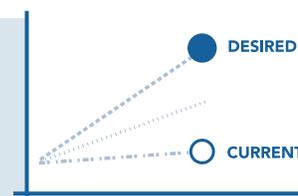
³ PostNord (2016). PostNord Group's Code of Conduct for Suppliers. Accessed at: <http://www.postnord.com/globalassets/global/english/document/about-us/purchasing/postnords-code-for-suppliers-eng.pdf>

⁴ PostNord (2015). Annual Report and Sustainability Report. Accessed at: <http://www.postnord.com/contentassets/a36e245c50224a2f9c3b6cbb47cf8e/postnord-s-2015-annual-and-sustainability-report.pdf>

chain represent PostNord's largest GHG emissions impact². To address this, PostNord created a [Code of Conduct for Suppliers of Road Transportation](#), which outlines the minimum required standards, directly relating to GHG emissions (i.e. use of fuels, tires, engines, eco-efficient driving), that its value chain needs to adhere to. The company also acknowledges that reducing its GHG emissions would benefit the wider society⁵.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: PostNord's current GHG emissions goal, set in 2010, commits to reduce its absolute scope 1, 2, and 3 emissions by 40% between 2009 and 2020¹. However, PostNord has yet to clearly outline what climate science data, assumptions, or methodologies it used as the foundation in the development of its current goal. PostNord has also yet to outline if it intends to set a goal that includes how it will influence its value chain in helping them adhere to the limits of this threshold.

Other thresholds: PostNord has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: PostNord has a history of reporting on its GHG emissions performance but has yet to use this data to develop a realistic set of trajectory targets that could be used to monitor its progress towards achieving its goal. There is anecdotal evidence that suggests that PostNord does monitor progress against its goal and does use it to make internal adjustments to its actions⁵. Additionally, PostNord has not yet outlined if it intends to set any metrics or targets that can be used to evaluate how effective its influence is on its value chain in helping them adhere to the limits of this threshold.

Other thresholds: PostNord reports its performance against other socio-ecological issues including energy use and gender diversity but does not yet report its progress in relation to their associated thresholds.

⁵ PostNord (n.d.). Our environmental responsibility. Accessed at: <http://www.postnord.com/en/sustainability/our-environmental-responsibility/>

What is the road ahead for context at PostNord?

PostNord considers employee engagement vital to delivering against its commitments under its GHG emissions goal¹. Despite the creation of its internal Environmental Fund and buy-in from senior management, the company still comes across employees asking the question “can we really afford to be this ambitious?”¹ PostNord therefore acknowledges that ongoing work is needed to educate its employees on the benefits of reducing its environmental impacts. As PostNord continues to monitor its progress towards achieving its GHG emissions goal, it is beginning to think about what its GHG emissions goal might look like beyond 2020¹. PostNord has openly committed to using the tools available through the Science-Based Targets initiative while developing its new GHG goal, but has not yet committed to expanding contextual thinking and approaches into its core sustainability strategy¹.