

# PostNL Green Bond Report

Reporting period 1 January - 31 December 2023

The PostNL logo is located in the bottom right corner of the image. It consists of a white crown icon above the lowercase text 'postnl', all enclosed within a white, rounded, teardrop-shaped border. The background of the entire image is a photograph of a city street corner with a large, multi-story building and a cyclist in the foreground.

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# Introduction

# 1

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) issued by PostNL in September 2019 and maturing in September 2026 (hereafter referred to as the Green Bond).

This is the fifth Green Bond Report in relation to this bond and includes the proceeds in the reporting period 1 January 2023 until 31 December 2023. For more information about the Green Bond, we refer you to the prospectus and Green Bond Framework published on our website. Previous Green Bond reports are also available on our website.

The Green 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 proceeds.

Sustainalytics provided a second-party opinion on our framework in August 2019 and confirmed that the setup meets generally accepted criteria for green bonds.

PostNL started reporting quantitative financial information about sustainable activities in our 2021 Annual Report in accordance with the EU Taxonomy on sustainable activities. This Green Bond Report has been prepared in conformance with the PostNL Green Bond Framework. Due to the differences between the criteria for this report and the EU Taxonomy, the quantitative information presented in this report cannot be associated with the numbers presented in the EU Taxonomy disclosures in our 2023 Annual Report.

## 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	31 December	Green Bond reporting aligned with annual financial reporting

# Allocation reporting

# 2

This chapter provides an overview of the allocation of proceeds to eligible green projects as at 31 December 2023, as well as the proceeds allocated during the reporting period of this report. Due to the confidential character of individual eligible projects, we disclose our allocation reporting on a portfolio level, which is in line with our Green Bond Framework.

## PostNL Allocation of proceeds to eligible green projects

Period	Net proceeds		Allocated
	(€ million)	Unallocated	
Cumulative	300	63	237

## PostNL Allocation of proceeds to eligible green projects per category

Period	Clean kilometres	Sustainable buildings	Innovation and efficiency	Total
Invested total (in € million)	44	191	2	237
	18%	81%	1%	100%
Invested in reporting period (in € million)	18.5	19.4	0.0	37.9
	49%	51%	0%	100%

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

Period	Re-financed proceeds	New proceeds
Invested total	62%	38%
Invested in reporting period	5%	95%



# Impact reporting

# 3

This chapter provides an overview of the expected impact of proceeds allocated to eligible green projects as at 31 December 2023. Due to the confidential character of individual proceeds, we disclose our allocation reporting on portfolio level.

## PostNL Impact project category Clean kilometres

Indicator	Definition	Total	Change in reporting period
Output	Number of zero-emission vehicles deployed	4,525	1,089
Impact	Annually avoided carbon emissions (in tCO <sub>2</sub> )	8,595	3,730

## PostNL Impact project category Sustainable buildings

Indicator	Definition	Total	Change in reporting period <sup>1</sup>
Output	Number of buildings with relevant certifications	28	1
	Relative energy efficiency improvement from LED lighting	55%	58%
	Relative carbon intensity improvement from cooling and heating systems	34%	35%
Impact	Expected relative improvement of energy efficiency of buildings KWh/m <sup>2</sup> compared to conventional buildings	60%	80%
	Annually avoided carbon emissions (in tCO <sub>2</sub> ) from LED lighting	650	50
	Annually avoided carbon emissions (in tCO <sub>2</sub> ) from cooling and heating systems	550	71

<sup>1</sup> The percentages of energy efficiency and carbon intensity only relate to the additional assets in 2023

## PostNL Impact project category Innovation and efficiency

Indicator	Definition	Total	Change in reporting period
Output	Produced renewable electricity (MWh) from solar panels	1,780	0
Impact	Annually avoided carbon emissions (in tCO <sub>2</sub> )	708	0

# Executive summary

# 4

This chapter provides an executive summary of the allocation of the proceeds to eligible green projects as at 31 December 2023, and for the remaining outstanding period of the Green Bond.

We allocated €237 million of the Green Bond proceeds to eligible green projects during the cumulative reporting period, representing 79% 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.

## Clean kilometres

As an e-commerce, logistics and postal service provider, our core business model is made up of three main activities: collecting, sorting and delivering parcels, mail and goods. In each of these activities, transport plays an important role. To achieve our long-term science-based emission reduction targets, we have developed a transition plan for the electrification of our fleet across our networks.

During the reporting period, we invested €18.5 million of the Green Bond proceeds in purchasing and leasing fully electric vehicles. Since the launch of the Green Bond, we have allocated €44 million for investments in fully electric vehicles, with 6% allocated to re-financing and the remainder invested in new projects. In total, we have invested in 4,525 new vehicles, of which 1,089 during the reporting period. This investment in new electric vehicles during the reporting period also included the purchase of our first fully electric truck. In 2024, we expect to purchase or lease approximately 500 electric delivery vans for our parcels and mail networks, leading to expected further annual CO<sub>2</sub> savings of 5,000 tonnes.

## Sustainable buildings

We operate a variety of sorting and distribution centres composed primarily of 31 parcel sorting centres (one of which is a small parcel sorting centre), five mail sorting centres and one international sorting centre. In total, 28 of these 37 buildings had a BREEAM certificate during the reporting period. In 2023, the parcel sorting centre in Hoogeveen became operational ahead of the expected parcel volume growth from 2024 onwards. Additionally, the parcel sorting centre in Alphen aan de Rijn is expected to become operational in 2024.

These new sorting centres are expected to receive BREEAM certificates in 2024. To reduce our environmental impact, since 2011 we have focused on developing energy efficient new buildings. In 2017, we raised the bar and chose to only invest in new buildings with a minimum sustainability level of BREEAM-NL Nieuwbouw "Excellent". In 2023, our head office in The Hague officially received the BREEAM-NL In Use "Excellent" certificate. As a result, it became the most sustainable national monument in the Netherlands. Additionally, we also continue to invest in installing on-site renewable energy, such as rooftop solar panels, if technically and economically feasible.

During the reporting period, we invested €19 million of the Green Bond proceeds on purchasing and leasing sustainable buildings. Since the launch of the Green Bond, we have invested €191 million on sustainable buildings, 75% of which has been related to refinancing and the remainder to financing purchased and leased new buildings. On average, the expected energy efficiency improvement of the certified buildings amounts to 60% compared to traditional buildings.

We allocated €16.6 million of lease payments to existing certified buildings and additional newly allocated buildings. We invested €1.5 million in the reporting period to replace the cooling and heating system at suitable locations with a hybrid solution using heat pumps. At our mail sorting centre in Nieuwegein, for example, implementing this cooling and heating system will lead to expected carbon efficiency improvements of 35% in CO<sub>2</sub>/m<sup>2</sup>. The remaining €1.2 million investment relates to LED lighting within BREEAM and non-BREEAM certified locations.

## Innovation and efficiency

As part of our strategy, we continue to develop new ways to reduce our carbon footprint and become more energy efficient. Ongoing developments within this category include the installation of batteries at our new Hoogeveen parcel sorting centre in 2023, and the ordering of batteries for our Alphen aan den Rijn sorting centre, which will be installed in 2024. The batteries will enable us to store green energy produced from the rooftop solar panels for use at a later time, which both reduces our dependency on the power grid and ensures that no energy is supplied back to an already congested grid. These and similar developments will see Green Bond proceeds being allocated from 2024 onwards.

# Sustainable development at PostNL

# 5

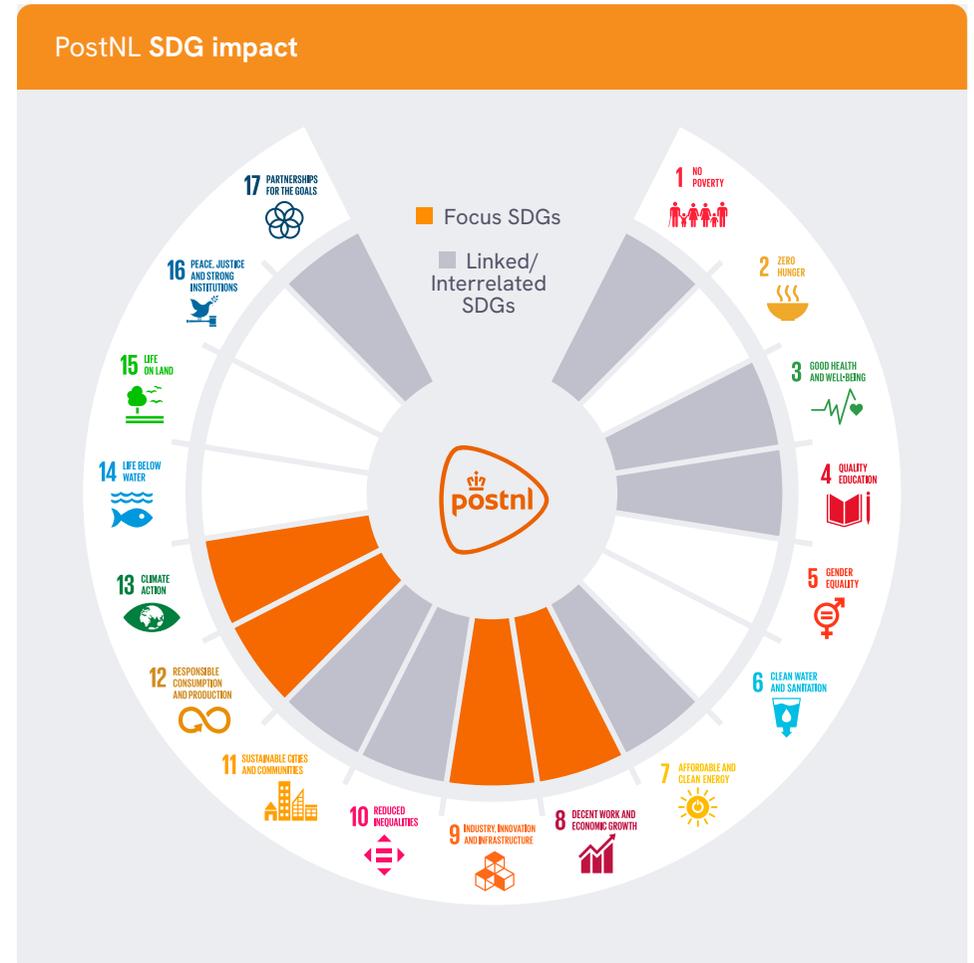
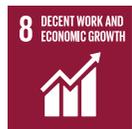
Sustainable development is a vital part of PostNL's value creation process. Therefore, we integrated environmental, social and governance topics in our corporate strategy and align with the UN Sustainable Development Goals to steer on our progress.

## 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 it was the basis for the development of the Sustainable Development Goals (SDGs). PostNL focuses on its long-term impact by connecting its long-term strategy to the SDGs. As SDGs are interrelated, and given the nature of our business, PostNL has an impact, either direct or indirect, on all SDGs. However, we have identified four focus SDGs that our business activities have the greatest impact on. These are:

- SDG8: Decent work and economic growth
- SDG9: Industry, innovation and infrastructure
- SDG12: Responsible 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, and discuss how we can together improve the impact we have on these SDGs and seek commitment based on shared targets.

### **Purpose-led and ambition-driven strategy**

Our strategy is based on our purpose to deliver special moments and our ambition to be your favourite deliverer. Our strategy is to be the leading e-commerce logistics and postal service provider in, to and from the Benelux. To realise our strategy, we have defined seven strategic objectives. These objectives are directly linked to the UN SDGs on which we have the greatest influence:

1. Accelerate our customers' success (SDG8)
2. Consumers can count on us (SDG8)
3. Secure a sustainable mail business (SDG8)
4. Our people take pride in our work (SDG8)
5. Make a positive impact on society (SDG8)
6. Reduce our environmental impact (SDG13)
7. Generate sustainable growth and cash flow (SDG8).

For each objective, we identify several key focus areas to help our businesses make progress executing their strategy.

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

## **5.2 Sustainability approach**

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

### **5.2.1 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) CO<sub>2</sub> emissions by 60% compared to 2017. In addition, reduce our relative combined scope 1 & 2 CO<sub>2</sub> emissions per kilometre by 80% compared to 2017.
- By 2030, reduce total absolute CO<sub>2</sub> emissions (scope 1, scope 2, and scope 3 (including the CO<sub>2</sub> emissions of delivery partners)) by 18% compared to 2017.

As the SBTi requires targets to be resubmitted every five years, we worked throughout 2023 to update our targets. While these submitted targets are not yet approved, they are far more ambitious than the previous targets. Moreover, we increased the coverage of scope 3 Greenhouse gas (GHG) emissions' categories compared to our current scope. Our newly submitted targets are as follow:

- By 2030, reduce total absolute direct (scope 1) and energy indirect (scope 2) CO<sub>2</sub> emissions by 90% compared to 2021.
- By 2030, reduce our other indirect (scope 3) CO<sub>2</sub> emissions by 45% compared to 2021.

In 2023, our relative and absolute emission reduction levels significantly improved compared to 2022. We achieved a drop of 11% in CO<sub>2</sub> per kilometre driven by our own fleet (from 152 to 136). This represents a 40% improvement compared to our base year 2017. Our absolute scope 1 and 2 emissions reduced by 15% compared to 2022 (from 26 to 22 kilotonnes CO<sub>2</sub>). This represents a 41% improvement compared to our base year 2017.

The total carbon emissions from outsourced transport decreased by 14 kilotonnes to 140 kt in 2023 (2022: 154 kt). Several factors contributed to the decrease of around 9% in 2023. Examples include fewer kilometres travelled as result of volume developments and network efficiency, especially for our large truck transport and time bound network, as well as several data quality improvements and growing sustainability measures at delivery partners for renewable fuels and electrification of the vehicle fleet.

During 2023, we continued to make strong progress in scaling up the amount and share of renewable fuels in our fleet. In 2023, over 60% of the kilometres driven by our own small and large trucks were on these renewable fuels.

More information about our environmental progress can be found in our 2023 Annual Report.

To achieve our company-wide environmental goals, we are focusing on four areas:

1. Network efficiency
2. Clean kilometres
3. Sustainable buildings and facilities
4. Green products and services.

For the purpose of the Green Bond, we translate these focus areas into the following categories:

- Clean kilometres
- Sustainable buildings
- Innovation and efficiency.

More details about how we invest in these categories can be found in paragraph 5.4 Use of proceeds in this report.

### **5.2.2 Decent work and economic growth**

To attract and retain motivated people, 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 large employer.

The main themes of this plan include providing the right HR services, hiring and retaining the right people, promoting health and well-being, strengthening employee engagement, realising change while creating agility, and acting responsibly to make a positive impact on society.

We actively focus on being a good employer for the people working for and with us in the countries in which we operate.

In relation to decent work and human rights, PostNL has several policies in place, such as our business principles. These policies are publicly available and can be found on our company's website. PostNL's company-wide Occupational Health and Safety management system has been ISO45001 (working conditions and health & safety) certified for many years.

The contribution of PostNL towards economic growth is primarily related to the company's role in the growing e-commerce market and other logistic growth areas. As part of our strategy, we strengthen our dense networks and innovate through new logistic solutions to accelerate our customers' success. In addition to managing Parcels for sustainable growth and managing our Mail business for value, accelerating our digital transformation is a third key element in our strategic foundation.

PostNL will be well-positioned to gradually increase its margin once economic conditions improve and the e-commerce market resumes its growth trajectory, based on the benefits from the measures we have announced, including investments in our strategy and additional cost saving plans. We are confident about the long-term e-commerce growth perspective. Our strategy is the right one to navigate PostNL through these challenging times and prepare for the future.

**“We actively focus on being a good employer for the people working for and with us in the countries in which we operate”**



### 5.3 Green Bond Framework

PostNL is aware of its environmental impact as a logistics and postal service provider, delivering to every street in the Netherlands and Belgium. Therefore, we have an ambitious target to deliver emission-free across the Benelux by 2030, which complements our long-term science-based emission-reduction targets.

The launch of a Green Bond programme provided the financial support we needed to execute our sustainability strategy, including our emission-free ambitions, and helped us to contribute to SDG13 meaningfully. This supports our transition to low-carbon logistics and thereby helps us to become a truly sustainable logistics and postal solution provider. In addition, it broadens our investor base. Lastly, it helps us to innovate and improve on the three main categories from our sustainability strategy:

- Clean kilometres
- Sustainable buildings
- Innovation and efficiency.

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 our website.

### 5.4 Use of proceeds in this report

PostNL has established a multi-disciplinary Green Bond Committee that is made up of representatives from Procurement and Services, Treasury, Group Reporting and our Corporate Secretary. Since the publication of our previous Green Bond Report, the Committee has held meetings on a regular basis throughout the year.

Treasury, together with Procurement and Services, keeps track of the allocation of potential eligible projects for 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 Services 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.

# Green projects

## Allocation of proceeds to eligible green projects

Total Net Proceeds  
(€ million)

300



## Allocation of proceeds to eligible green projects per category

Total  
(€ million)

237

Change  
in reporting period  
(€ million)

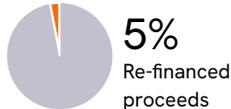
38



## Allocation new and re-financed proceeds to eligible green projects

Total

Change  
in reporting period



## Impact project category

### Clean kilometres

**Output**

**Definition**  
Number of zero-emission vehicles deployed

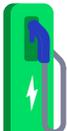
**Reporting**

**4,525**

**Impact**

**Definition**  
Annually avoided carbon emissions (in tCO<sub>2</sub>)

**Reporting**

**8,595** 

### Sustainable buildings

**Output**

<p><b>Certification of energy efficient buildings</b></p> <p><b>Definition</b> Number of buildings with relevant certifications</p> <p><b>Reporting</b></p> <p><b>28</b> </p>	<p><b>Lighting</b></p> <p><b>Definition</b> Relative energy efficiency improvement (reduction of kWh)</p> <p><b>Reporting</b></p> <p><b>55%</b></p>	<p><b>Cooling and heating systems</b></p> <p><b>Definition</b> Relative carbon efficiency improvement (reduction of CO<sub>2</sub> emissions)</p> <p><b>Reporting</b></p> <p><b>34%</b></p>
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**Impact**

<p><b>Certification of energy efficient buildings</b></p> <p><b>Definition</b> Expected relative improvement of energy efficiency of buildings in kWh/m<sup>2</sup></p> <p><b>Reporting</b></p> <p><b>60%</b></p>	<p><b>Lighting</b> </p> <p><b>Definition</b> Annually avoided carbon emissions (in tCO<sub>2</sub>)</p> <p><b>Reporting</b></p> <p><b>650</b></p>	<p><b>Cooling and heating systems</b></p> <p><b>Definition</b> Annually avoided carbon emissions (in tCO<sub>2</sub>)</p> <p><b>Reporting</b></p> <p><b>550</b> </p>
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### Innovation and efficiency

**Output**

**Definition**  
Produced renewable electricity (MWh)

**Reporting**

**1,780** 

**Impact**

**Definition**  
Annually avoided carbon emissions (in tCO<sub>2</sub>)

**Reporting**

**708** 

### 5.4.1 Clean kilometres Allocation of eligible projects

Our core business model is made up of three main activities: collecting, sorting and delivering parcels, mail and goods. 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 logistic 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 for a substantial part on foot or by bike, which is by definition carbon neutral. Inter-sorting centre transport is carried out by large trucks, while for last-mile parcel delivery we use medium-sized delivery vans.

In order to achieve our long-term, science-based emission-reduction targets, we focus on two key initiatives. We invest in the use of renewable fuels as transitional fuels for the short and medium term in order to lower our carbon footprint. For the medium to longer term, we have a transition plan in place for the electrification of our fleet across our 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 larger share of emission-free transport and sustainable city logistics. Our drive to decarbonise our fleet is underpinned by two sub-targets:

- Attain emission-free delivery of parcels and mail in the last-mile in the Benelux region by 2030;
- Contribute to sustainable city logistics in line with (local) government planning.

These two sub-targets also include the delivery carried out by delivery partners.

As well as cutting GHG emissions, electrification also leads to air-quality improvements because there are no NO<sub>x</sub> emissions and no particulate matter emissions from fuel combustion.

During the reporting period, we invested €18.5 million of the Green Bond Proceeds in purchasing and lease contracts for fully electric vehicles. Since the launch of the Green Bond, we have allocated €44 million towards investments in fully electric vehicles, with 6% allocated to re-financing and the remainder invested in new projects. In total, we have invested in 4,525 new vehicles, of which 1,089 were added to our fleet during the reporting period. This investment in new electric vehicles during the reporting period also included the purchase of our first fully electric truck. Additionally, we have a fast charging station at our mail sorting centre in Nieuwegein in place. These investments and additional future investment will lead to use of proceeds in 2024 and beyond.

### Impact of investments

Investing in electric vehicles reduces our use of fossil-fuel driven vehicles and cuts Greenhouse Gas (GHG) emissions. With the clean kilometre investments outlined in this report, we expect to annually avoid 8,595 tonnes of CO<sub>2</sub> in total, of which 3,730 tonnes of CO<sub>2</sub> relate to the additional vehicles phased in during the reporting period.

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. This percentage of emission-free last-mile delivery is a key performance indicator in our Annual Report to measure the progress on our targets in our environmental strategy. In 2023, this increased to 24% (2022: 22%). This percentage is influenced by a variety of factors, including the investments in electric vehicles and volume developments in our business.

### Use of proceeds examples

In 2023, the focus changed from pilot projects to scaling up the implementation of the underlying types of vehicles:

- E-cargo bikes
- E-bikes
- Electric scooters
- Light electric freight vehicles (LEFV)
- Electric cars
- Electric parcel delivery vans
- E-trucks
- E-Fuso trucks.

Investments relate to the investments in the vehicles, as well as the investments in charging equipment and infrastructure at our sorting centres.

### Outlook

We are constantly evaluating our plans for emission-free delivery in the last-mile and, particularly, in city centres. Given multi-stakeholder complexities, the electrification of our fleets requires careful medium-term planning and stakeholder engagement. To scale-up electrification requires additional infrastructure investments. We have already invested in larger charging facilities at nineteen parcel sorting centres and at four mail sorting centres, totaling at year end 2023 up to approximately 900 charging points. We will continue to expand these investments in the coming years at both existing and new sorting centres. The exact locations and size of loading infrastructure is based on internal alignment between the different networks within PostNL, as well as engagement with local authorities on the planning of public loading facilities. In addition to the investments in charging equipment, we also depend on the local grid capacity for sufficient power supply to our locations. Therefore, we continue to engage with

the grid operators, car manufacturers, local governments and other relevant stakeholders to identify potential bottlenecks and, in response, to define appropriate and concrete actions to realise our targets.

We expect to add approximately 500 electric vans in our parcel and mail delivery fleet towards sustainable city logistics in 2024. We continue to investigate other opportunities to accelerate the electrification of our fleet.



## 5.4.2 Sustainable buildings

### Allocation of eligible projects

#### Certification of energy efficient buildings

Looking at our large buildings, we currently operate 31 parcel sorting centres (one of which is a small parcel sorting centre), five mail sorting centres and one international sorting centre. In total, 28 of these 37 buildings have had a BREEAM-certificate in 2023. We intend to increase the number of parcel sorting centres to stay ahead of the expected growth in parcel volumes. In addition to these buildings, we use several office buildings and a wide variety of smaller buildings in our operations. These buildings and centres require energy to power machinery, lighting, and provide heating and cooling in the working areas.

To reduce our environmental impact, we have been focusing on energy efficient new buildings and, in 2017, we decided to raise the bar and only invest in new buildings with a minimum sustainability level of BREEAM-NL Nieuwbouw “Excellent”. For example, we continue to invest in solar panels on the roofs of new buildings to increase the production of renewable electricity, since this, among others, also contributes to the certification levels of these buildings. In total 26 PostNL parcel sorting centres, one cross-dock location and our headquarters in The Hague were BREEAM certified at the end of 2023.

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

During the reporting period, we allocated €19.4 million of the Green Bond proceeds to sustainable buildings, which obtained the required certification.

Since the launch of the Green Bond, we have allocated €191 million of proceeds to 28 sustainable buildings, 75% of which was related to refinancing and the remainder to financing new buildings.

For existing buildings where certification to the minimum level eligible for our Green Bond Framework is not feasible yet, we are developing measures to improve our environmental impact on a project basis.

#### LED lighting

We continued to replace traditional lighting and, following successful implementation at locations in our core networks, in 2023 we focused on two locations for other logistical services. This implementation led to a significant reduction in electricity consumption for lighting at these locations.

### **Cooling and heating system**

Traditionally, our mail sorting centres are heated by natural gas, while cooling systems require electricity. In 2023, we continued replacing the cooling and heating systems in suitable locations with a hybrid solution using heat pumps and implemented the replacement in our sorting centre in Nieuwegein. This solution enables us to significantly reduce our natural gas consumption, which improves the carbon efficiency of the heating and cooling system. The total investment to replace the cooling and heating systems was €4 million.

### **Impact of investments**

#### **Certification of energy efficient buildings**

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 requirements in the national building regulations. For our cumulative investments allocated so far, the expected energy efficiency improvement is on average 60%. For the buildings that were allocated to the list of proceeds during the reporting period, the energy efficiency improvement is expected to be 80% on average.

#### **LED lighting**

The implementation of LED lighting at our locations in 2023 will lower our electricity demand for lighting in those buildings by 58%. Compared to the traditional system, we expect to avoid 50 tonnes of CO<sub>2</sub> emissions annually based on the average grid factor in the Netherlands. In total, the investments in LED lighting allocated to the Green Bond leads to 55% energy efficiency improvement and annual CO<sub>2</sub> savings of 650 tonnes.

#### **Cooling and heating systems**

In 2023 we completed the replacement of the cooling and heating system in our sorting centre in Nieuwegein with a hybrid solution using heat pumps. This solution enables us to significantly reduce our natural gas consumption, which improves the carbon efficiency of the heating and cooling system. We expect to annually avoid an additional 71 tCO<sub>2</sub>.

### **Outlook**

For 2024, we expect to complete the certification process for our newly built parcel sorting centre in Alphen aan den Rijn, for which we expect to receive a BREEAM-NL Nieuwbouw "Outstanding" certificate, and Hoogeveen, for which we expect to receive a BREEAM-NL Nieuwbouw "Excellent" certificate.

Examples of additional measures to increase the sustainability of existing buildings includes the continuing replacement of traditional lighting with LED lighting, and the installation of solar panels. This helps us generate a substantial amount of renewable energy while contributing to the buildings' overall energy efficiency. In 2024, we aim to have installed LED lighting in all of our buildings.

With our eight most recent sorting centres, including our new head office and excluding Alphen aan den Rijn and Hoogeveen, being financed via a (financial) lease structure, the investment cash out is spread over the lease term. The amount still to be allocated for these sorting centres, until maturity of the Green Bond, will be around €31 million. All lease contracts mature after maturity of the Green Bond, including Alphen aan den Rijn and Hoogeveen.

We are also continually looking into new and innovative initiatives to improve the energy and carbon efficiency of our operations.

### **5.4.3 Innovation and efficiency**

#### **Allocation of eligible proceeds**

Following the installation of solar panels on our mail sorting centres in 2021, we did not invest in other sustainable innovative or energy efficiency proceeds eligible for this Green Bond during the reporting year.<sup>1</sup>

#### **Impact of investments**

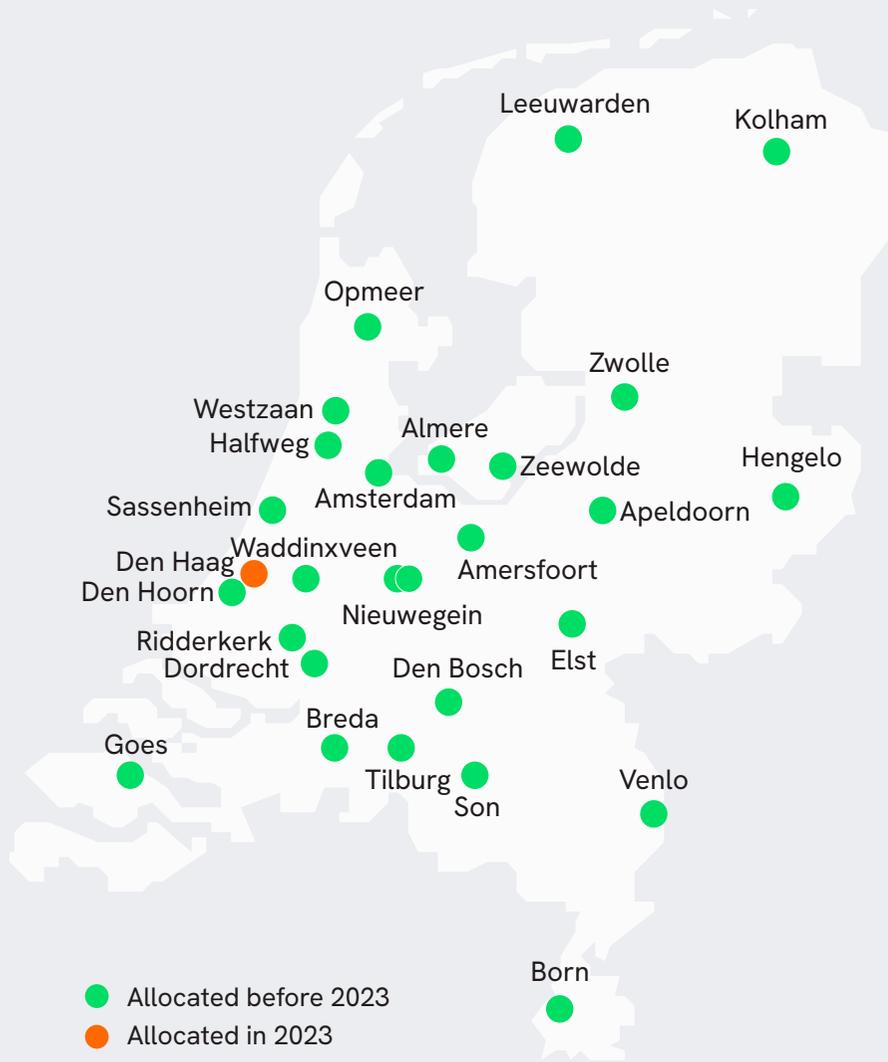
The expected renewable energy generated by solar panels installed in 2021 remains 1,780 MWh annually. Compared to electricity production based on the average grid factor in the Netherlands, our expectation is to avoid 708 tonnes of CO<sub>2</sub> emissions annually (similar to our expectations for prior years).

#### **Outlook**

While we had no allocated proceeds in this category during 2023, we continue to explore the viability of various business cases for innovation and efficiency. Ongoing developments within this category include the installation of batteries at our new Hoogeveen parcel sorting centre in 2023, and the ordering of batteries for our Alphen aan den Rijn sorting centre, which will be installed in 2024. The batteries will enable us to store green energy produced from the rooftop solar panels for use at a later time, which both reduces our dependency on the power grid and ensures that no energy is supplied back to an already congested grid. These and similar developments will see Green Bond proceeds being allocated from 2024 onwards.

<sup>1</sup> Since investments resulting from the installation of solar panels on our BREEAM-NL Nieuwbouw "Excellent" buildings are allocated under the category 'Sustainable Buildings', these are not allocated under the category 'Innovation and efficiency'.

## PostNL Overview of certified locations



# Basis of preparation

# 6

## 6.1 Reporting principles

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 website.

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 is allocated based on the certification date instead of the capitalisation date.

### Impact reporting

For the calculation of environmental impact, which relates to climate change, PostNL uses the revised edition of the Greenhouse Gas Protocol, 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 delivery as the 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 CO<sub>2</sub> 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.

In our Green Bond Framework, we mentioned the improvement in energy efficiency in kWh/m<sup>2</sup> as impact indicator for energy or carbon efficiency measures in existing buildings. As carbon efficiency cannot be expressed in kWh and comparison can not be made with the impact indicator for the certified buildings, we changed the impact indicator to 'avoided carbon emissions (in tCO<sub>2</sub>)'.

## 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 within a 24-month period preceding the issuance of the Green Bond, are in scope of the Green Bond reporting. 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 CO<sub>2</sub> emissions, we use different external sources to estimate the emissions as accurately as possible. The avoided CO<sub>2</sub> 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 these 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 CO<sub>2</sub> emissions, we use generally accepted conversion factors published by the independent Dutch initiative tied to the government "CO<sub>2</sub>emissiefactoren.nl". For electricity-related CO<sub>2</sub> 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 their lifetime is estimated based on the installed capacity and the average energy production of the PostNL solar panels installed on our current parcel sorting centres, which are identical in design.

## Green Bond Framework governance

Projects to which the proceeds of the Green Bond 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 and Services 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.

## 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

In 2023, PostNL engaged KPMG Accountants N.V. as independent external auditor for our Annual Report to provide limited assurance on this Green Bond Report.

# Assurance report of the independent auditor

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

## Our conclusion

We have performed a limited assurance engagement on the information in the Green Bond Report for 2023 of PostNL N.V.

Based on the procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the information in the accompanying Green Bond Report (hereafter: the Report) does not present fairly, in all material respects:

- the policy with regard to sustainability matters; and
- the business operations, events and achievements in that area in 2023 in accordance with the applicable criteria as included in the 'Criteria' section of our report.

## Basis for our conclusion

We performed our limited assurance engagement on the information in accordance with Dutch law, including the 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 on the sustainability information' section of our report.

We are independent of PostNL N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

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

## Reporting criteria

The Report needs to be read and understood together with the reporting criteria. The reporting criteria used for the preparation of the Report are contained within the "PostNL Green Bond Reporting Framework" and are applied as disclosed within the Report in the section "Basis of preparation". PostNL N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the sustainability information needs to be read and understood together with the criteria applied.

## Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the Report. When evaluating our materiality levels, we have taken into account quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

We agreed with the Board of Management and the Supervisory Board that misstatements which are identified during the assurance engagement and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

## The Board of Management and Supervisory Board's responsibilities for the Green Bond Report

The Board of Management is responsible for the preparation of the Report in accordance with the applicable criteria as described in the 'Criteria' section of our report.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing the PostNL N.V. reporting process.

## **Our responsibilities for the assurance engagement on the information in the report**

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures 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 that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the information. This includes the evaluation of the reasonableness of estimates made by the Board of Management;
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the information, without testing the operating effectiveness of controls;
- Identifying areas of the information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
  - Obtaining inquiries from management and/or relevant staff responsible for the sustainability strategy, policy and results;
  - Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the information;
  - Obtaining assurance evidence that the information reconciles with underlying records of the company;

- Reviewing, on a limited test basis, relevant internal and external documentation;
- Considering the data and trends.
- Considering the overall presentation and balanced content of the information;
- Considering whether the information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

The Hague, 8 April 2024

KPMG Accountants N.V.

R.R.J. Smeets RA

### **We look forward to receive feedback on this report**

Please send us your comments by e-mail to

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The Netherlands

### **Design & Realisation**

TD Cascade

Tangelo Software B.V.

April 2024

The electric vehicles in our fleet, such as the electric truck on page 14, are distinguished by a green leaf symbol to signify their eco-friendly status.



