

# TCFD Report 2024



# Introduction

# 1

Climate change is one of the most pressing global challenges of our time, affecting businesses, economies, and communities worldwide. As a leader in logistics and e-commerce services, PostNL recognises its responsibility to address climate-related risks and opportunities. Sustainability is embedded in our strategy, ensuring we actively contribute to the transition towards a low-carbon economy.

This report outlines how PostNL aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We provide transparency on our approach to managing climate-related risks and opportunities across four key areas: Governance, Strategy, Risk Management, and Metrics & Targets.

By integrating climate considerations into our financial planning and decision-making processes, we aim to enhance resilience, reduce emissions, and create long-term value for our stakeholders. At PostNL, we are committed to achieving net-zero emissions by 2040. To this end, we are investing in fleet electrification, renewable energy, and innovative logistics solutions to minimise our environmental impact.

Our science-based targets, validated by the Science Based Targets initiative (SBTi), guide our efforts to significantly reduce emissions across our operations and supply chain. This report reinforces our commitment to transparency and accountability in addressing climate-related financial risks and opportunities. By sharing our progress and future plans, we invite our stakeholders—including employees, investors, customers, and policymakers—to engage with us in driving meaningful climate action.

**“This report summarises the relevant TCFD elements in the context of PostNL's operations and value chain.”**



# Governance

# 2

## Board oversight of climate-related risks and opportunities

The Board of Management (BoM), composed of the CEO and CFO, is responsible for overseeing climate-related matters at PostNL. Climate-related considerations are fully integrated into the company's corporate strategy, ensuring alignment with long-term business objectives.

To support effective governance, the Supervisory Board's ESG Committee provides structured oversight of climate-related strategy, risk management, and performance monitoring. The committee ensures that climate risks and opportunities are included in strategic decision-making, financial planning, and operational execution.

The BoM, ESG Committee, Audit Committee (AC), and Supervisory Board (SB) receive updates on:

- Climate-related risks and mitigation strategies.
- Progress on science-based targets (SBTs) and alignment with the 1.5°C scenario.
- The annual budget process, including climate-related key performance indicators.
- Quarterly updates on climate change-related performance.

PostNL also integrates climate-related activities into its planning and control cycle, ensuring ongoing evaluation and adaptation. Long-term science-based targets validated by the SBTi guide the company's climate commitments, with structured monitoring of short- and medium-term milestones. The BoM's long-term incentive plan (LTI) incorporates climate-related performance, reinforcing accountability in achieving sustainability goals.

## Management's role in assessing and managing climate-related risks and opportunities

PostNL's management structure ensures effective oversight and integration of climate-related risks and opportunities into business strategy, in alignment with TCFD recommendations.

- Executive Committee (EC): Advises the Board of Management (BoM) on climate strategy, risk management, and regulatory compliance. The EC ensures climate risks and opportunities are embedded in business planning, financial decision-making, and operations.
- Business units and corporate functions:
  - Business unit leaders execute climate action plans aligned with PostNL's net-zero roadmap.
  - Corporate functions (Finance, Operations, Sustainability) provide climate-related data, financial modelling, and compliance monitoring.
- Group ESG strategy: Oversees CSRD implementation, regulatory compliance, and sustainability performance tracking, providing data-driven insights to management.
- Performance Oversight: Climate risk and progress are monitored through:
  - Monthly updates to business unit leaders.
  - Quarterly reviews with the BoM and EC.
  - Finance and sustainability teams ensuring data accuracy and external reporting compliance.

By embedding climate accountability across all management levels, PostNL integrates sustainability into its long-term value creation strategy.

# Strategy

# 3

## Main climate-related risks and opportunities

PostNL conducts an annual climate risk assessment through a standardised Risk Management workshop, which in 2024 was conducted as part of the double materiality assessment, evaluating the financial/business impacts, likelihood, and control efforts for each identified risk. The risks and opportunities are classified across different time horizons. PostNL applies the following time horizons in its climate risk assessment:

- Short term: 1-2 years.
- Medium term: 2-5 years.
- Long term: longer than 5 years.

We define the distinction between medium- and long-term as five years, as the majority of our capitalised assets (excluding buildings and related installations) have a lifespan of approximately this duration.

**“PostNL uses different climate scenarios in evaluating risks and opportunities.”**

To assess risks and opportunities, we used two distinct climate-related scenarios from the International Energy Agency’s World Energy Outlook 2021—the “Net Zero Emissions by 2050” scenario—and the NGFS climate pathways, which include higher-emission scenarios (RCP 4.5 and RCP 8.5).

PostNL has identified and summarised the climate-related risks and opportunities that could have a material financial impact under either of these scenarios.

As anticipated, given the nature of our business, the climate risk assessment revealed more risks than opportunities. The classification of risks and opportunities, as presented in the respective tables, aligns with the framework outlined in the TCFD Recommendations report of June 2017.

### PostNL Main climate-related opportunities

Time horizon	Classification	Opportunity description	Scope
Short - medium	Transition / Products and services	PostNL can demonstrate its commitment to addressing biodiversity loss by leveraging its resources, including buildings and parcel lockers, to support local ecosystems, inspiring both businesses and consumers to take similar action; moreover, access to land and opportunities is increasingly reserved for companies actively engaged in biodiversity conservation efforts.	Upstream, and own operations

## PostNL Main climate-related risks

Time horizon	Classification	Risk description	Scope	Mitigating activities
Short - medium	Transition / Regulatory changes and customer preferences	Increased costs due to carbon taxes (2+ years) and revenue loss resulting from outperformance by competitors or customer exclusion.	Upstream and own operations	<ul style="list-style-type: none"> <li>Accelerate transition towards low carbon logistics;</li> <li>Transparency about climate action plan and results.</li> </ul>
Short - medium	Transition / Changing regulations and market requirements	Risk of volume loss due to import restrictions for non-EU customers in relation to CO <sub>2</sub> and circularity targets.	Upstream	<ul style="list-style-type: none"> <li>Prioritise the decarbonisation of its fleet through electrification and adoption of renewable fuels;</li> <li>Integrate circular business models into our processes and value chain to further enhance sustainability.</li> </ul>
Short - medium	Transition / market	Costs associated with the transition to renewable energy and the broader impact of rising energy prices.	Own operations	<ul style="list-style-type: none"> <li>Building energy-efficient sorting centres and installing solar panels;</li> <li>Transitioning to an all-electric vehicle fleet.</li> </ul>

## Impact on business, strategy, and financial planning

As working to reduce climate change is embedded into our core strategy, the progress we make in this area is strategically significant, contributing to our overarching ambition to be the favourite deliverer. PostNL has been a frontrunner in climate action for many years and remains committed to maintaining its leadership in this critical area.

To achieve this, we set ambitious climate-related targets and allocate dedicated resources and capital to drive the necessary investments that accelerate our progress. These ambitions and targets play a key role in shaping our strategic approach to risks and opportunities, including the identification of necessary control measures. For example, accelerating the transition to a fully emission-free last-mile delivery fleet by 2030 requires substantial investment in infrastructure, vehicles, power supply, and collaboration with our delivery partners.

This is essential not only for PostNL but also for our stakeholders, as climate change continues to have a growing impact on society. We incorporate both our company-wide ambition and stakeholder expectations into the periodic evaluation of our business, strategy, and financial planning. Climate action is fully embedded in our planning and control cycle as well as our strategic planning process, ensuring robust planning, appropriate capital allocation, and effective progress monitoring.

More details on our environmental strategy can be found in our Annual Report.

## Products and services

Customers and consumers are increasingly becoming climate-aware and expect logistic players such as PostNL to take a leading role in the transition to low carbon and emission-free logistics. More information on how we aim to decarbonise our operations can be found on the next page.

## Supply chain

The largest share of PostNL's GHG emissions is related to scope 3, outsourced transport activities, which forms part of our validated science-based targets. Due to a range of factors, influencing our delivery partners to move towards low carbon and emission-free logistics is challenging and takes time. While it requires strong engagement and relationships, we believe that financial incentives will also be necessary to boost our delivery partners' transition, and ensure sufficient loading infrastructure.

## Mitigating activities

Below we outline some of the main steps we have taken in recent years to reduce our environmental impact.

### Electrification of our fleet

During 2024, we continued electrifying our vehicle fleet, and increased the share of electric small truck in our fleet from 37% to 43%. We expect a further scale up of this share in the next few years. As well as switching to electric delivery vans, we are also innovating our business models, for example by successfully introducing the use of other types of light electric freight vehicles (LEFV) in city centres.

### Use of alternative fuels

PostNL has been a frontrunner in the scale up of the use of renewable diesel (HVO100) with our large truck and smaller van fleet. Since the introduction of renewable diesel in 2020, well over 74% of our large truck activities have switched from traditional to renewable diesel.

### Investment in sustainable infrastructure

Since 2017, we only build new sorting centres that meet the highest environmental (BREEAM) standards, which include significant improvement of energy efficiency and generating a substantial amount of renewable energy by solar panels on the buildings' roof.

### Network efficiency

Optimising our operations remains important for enhancing efficiency and reducing GHG emissions. Through, for example, expanding our delivery options as well as discontinuing our Sunday deliveries, we aim to improve our network efficiency and thereby lower our emissions.

**“Being a frontrunner on combatting climate change contributes to our ambition to be the favourite deliverer.”**

## Resilience of PostNL's strategy in relation to climate change

PostNL uses different inputs in the assessment of its strategy.

### Adaptation

Based on extensive studies conducted by the Royal Netherlands Meteorological Institute (KNMI) and internal evaluations of climate change-related weather events, PostNL has concluded that, under the scenarios assessed, chronic climate change effects are unlikely to pose material risks to its operational locations until at least 2050. However, acute climate-related events may have temporary impacts on our operations. To address this, we have incorporated mitigating measures into our business continuity plans. In scenarios with higher levels of global warming, the frequency and severity of acute weather events are expected to increase.

### Mitigation

PostNL aims to maintain its position as a frontrunner in addressing climate-related challenges within the market. In 2019, we were an early adopter of the Science Based Targets (SBT) framework. In 2024, our submission of new, more ambitious targets was formally validated by the Science Based Targets initiative (SBTi). These updated targets focus on achieving substantial emission reductions across our entire value chain, bringing residual emissions in line with the 1.5°C scenario by 2040. Compared with our previously validated targets, we have significantly increased the level of emission reduction for scope 3 emissions and expanded the number of scope 3 emission categories included in our target-setting framework.

### Inputs for climate-related strategic updates

PostNL has set ambitious long-term targets to significantly reduce its CO<sub>2</sub> emissions by 2030, and as part of this to become 100% emission-free for the last-mile delivery of parcels and mail in the Benelux. The evaluation of progress against these targets, as well as technological developments and expectations of stakeholders, are factors that can influence our strategy, as disclosed in the Governance chapter.

These and other factors are taken into consideration in our annual climate-related strategic plan update. One example is giving insights to customers about the sustainability of their shipments as a way to strengthen engagement and help them make more sustainable choices by providing more sustainable delivery options.

Our strategic plan includes clear sub-targets and strategic actions to achieve our long-term objectives. Necessary investments associated with these actions are integrated in the financial planning and control cycle, while cascading climate-related matters and activities to all levels of the organisation enables the company to achieve its objectives.

### **Increased focus on value chain collaboration**

As complexity and dependencies have developed rapidly across supply chains and within society, sustainable development in general and climate action in particular require both individual action by companies and action driven by collaboration initiatives. Our strategic approach towards accelerating the transition towards zero-emission transport is threefold.

- a. Where possible, PostNL takes direct action to accelerate its emission reduction activities, for example in scaling up the use of renewable fuels.
- b. In other situations, our progress partly depends on collaboration with relevant value chain partners to make progress on climate action, such as the availability of low-carbon technologies. We take a proactive approach in engaging with these partners, for example, by requesting network capacity for energy and related infrastructure as early as possible or by pre-ordering electric vehicles to secure supply and support our transition.
- c. And as part of our long-term planning, we are increasing the flexibility of our business models and allocation of resources to develop innovative solutions.



# Risk management

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## Risk management process

Climate risk assessments within PostNL are integrated in the structural risk management approach of the company. In principle, the assessment has a four-step approach.

- a. A risk long-list is identified, with the scope and definition described for each risk.
- b. Following a structured assessment process, including voting, dedicated workshops are held with internal specialists.
- c. The results of the climate risk assessments are discussed at EC level to determine the relative significance of climate-related risks in relation to other risks.
- d. Action plans are developed to follow up on gaps between the company's risk exposure and risk appetite towards these risks.

More details about this approach can be found in our Annual Report.

## Managing risks

Steering on climate change-related matters is integrated in the planning and control cycle of PostNL. Managing climate-related risks and opportunities is therefore incorporated in our annual strategic plan update process. Strategic targets, as well as relevant actions to achieve our targets, are updated in this process taking into account the risks and opportunities assessed.

PostNL prioritises its strategic actions based on the impacts of different value drivers and the level of effort required to make significant progress. While executing the strategic plan, we steer on climate-related performance on a monthly basis. This enables the company to track progress closely, enabling us to most effectively mitigate risks and seize opportunities.





# Metrics and targets

# 5

## Climate-related metrics

PostNL tracks and reports climate performance metrics, aligned with Science-Based Targets initiative (SBTi) and EU Taxonomy. This chapter explains the relevant metrics for PostNL, based on the expected type of metrics identified in the TCFD recommendations.

### Internal and external reporting

PostNL tracks the progress of its climate change mitigation strategy by monitoring both absolute and relative GHG emissions. Absolute emissions are measured in metric tonnes of CO<sub>2</sub>e across scope 1, 2, and 3, while relative emissions are expressed in grams of CO<sub>2</sub>e per kilometre transported within our own operations.

Given that a significant part of PostNL's activities involves urban distribution, we also assess the environmental impact of our last-mile logistics. This is measured by the share of emission-free last-mile kilometres for parcel and letter deliveries within the Benelux, covering scope 1, 2, and 3 emissions. In 2024, CO<sub>2</sub> efficiency improved, reaching 128 grams of CO<sub>2</sub>e per kilometre (2023: 136 grams).

PostNL also achieved an 8% reduction in absolute gross market-based scope 1, 2, and 3 emissions, bringing total emissions down to 288 ktCO<sub>2</sub>e (2023: 313 ktCO<sub>2</sub>e). The share of emission-free last-mile deliveries in the Benelux, measured in kilometres, increased to 28% in 2024 (2023: 24%).

In addition to the reporting of GHG emissions, PostNL also reports on the energy use for its buildings and fleet, both absolute and relative, and in total and broken down per category.

PostNL uses the relevant GRI standards and therefore also the GHG protocol to calculate and report its environmental performance metrics. More information about the company's reporting can be found in our Annual Report.

### Internal carbon pricing

Integrating climate-related considerations into decision-making processes is key to executing our emission reduction strategy. Since 2019, we have used internal carbon pricing as a mechanism to raise awareness across the organisation about the value of carbon and as a tool to incentivise climate-friendly investments in business cases. PostNL initially set an internal carbon price of €50 per metric tonne of CO<sub>2</sub>e, which was increased to €100 per metric tonne in 2022.

### Capital deployment

As part of our strategic planning process, we align our emission-reduction activities in our environmental strategic plan with the required capital resources in our financial strategic plan. Anticipated investments in 2025 to drive sustainable change:

- €5.3 million allocated to support delivery partners in expanding their electric vehicle fleets and charging infrastructure.
- €10.6 million in lease additions to further decarbonise our own fleet and reduce operational emissions.
- €1.3 million investment to increase the use of HVO100 in our large truck fleet (scope 1), raising adoption from 77% to 80% and further lowering carbon intensity.
- €200,000 dedicated to expanding HVO100 use in last-mile delivery, ensuring that all feasible fossil fuel vehicles operate on HVO100 to maximise environmental benefits.

### Financial and business exposure

Transition and physical risks could represent financial exposure to PostNL, for example in relation to valuation of assets, cost increases and demand for the company's services. On the other hand, climate-related opportunities could also have positive business and financial exposure. Quantification of the financial effects and business exposure of climate-related risks and opportunities helps in strategic decision making. Based on our initial analysis, this exercise is not straightforward and requires time to develop. This has been identified as one of the next steps in the company's climate change approach.

## Target setting

Our target setting is focused on climate change mitigation, as this was identified as the key material environmental topic for PostNL based on the materiality assessment.

Following the validation of our Science Based Targets (SBTi) in 2024, PostNL has established concrete emission reduction targets extending until 2040, using 2021 as the base year. Our carbon reduction targets are threefold:

- a. By 2030, absolute reduction of scope 1 and 2 emissions by 90%.
- b. By 2030, absolute reduction of scope 3 emissions by 45%.
- c. By 2040, achieve net-zero emissions across scope 1, 2 and 3.

More information about PostNL's targets and progress in 2024 can be found in our Annual Report.

At the end of 2023, PostNL submitted new, long-term, science-based reduction targets to the Science Based Targets initiative (SBTi). These targets are designed to achieve significant emission reductions across our value chain, bringing residual emissions in line with the 1.5°C scenario by 2040.

In addition to our newly validated SBTi targets in 2024, we have also expanded the coverage of scope 3 GHG emission categories compared to our previous targets. Specifically, we have now included emissions from the following categories within our current scope 3 target:

- Purchased goods and services
- Capital goods
- Fuel and energy-related emissions (including well-to-tank emissions)
- Waste
- Upstream leased assets.

We will report on these categories in future Annual Reports, providing transparency about the progress we make against our new targets.

At PostNL, we have established concrete annual reduction projections leading up to 2040, aligned with SBTi criteria. Our long-term strategy is to continue investing in and prioritising emission reductions beyond 2030, building on our existing strategic approach. As a result, we aim to sustain our current pace of emission reduction, particularly within our value chain, through to 2040. We expect to achieve emission reductions in line with the 1.5°C scenario by 2040.

The primary uncertainties surrounding our targets relate to our dependence on available electricity grid capacity, emission reductions within our supply chain, and technological advancements in zero-emission long-haul transport. At present, we do not anticipate any negative side effects in achieving our carbon reduction targets. To enable effective monitoring and progress tracking, PostNL translates its long-term targets into annual sub-targets, both at a consolidated level and at the level of individual reporting entities. Since climate-related investments deliver GHG reductions over multi-year periods, PostNL has incorporated a three-year Long-Term Incentive (LTI) for its Board of Management (BoM) and Executive Committee (EC) members as part of its remuneration policy. The metric used for the LTI of the BoM and EC is currently the carbon efficiency of PostNL's own operations, measured in grams of CO<sub>2</sub>e emissions per transported kilometre. More information about the remuneration policy can be found on PostNL's website.

For other senior management members, a short-term incentive on climate change performance applies in their annual variable remuneration.

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

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February 2025

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