

Advancing the United Nations' Sustainable Development Goals

We all have a crucial role to play in building a sustainable future through responsible business practices, including businesses both large and small.

In 2015, the United Nations General Assembly adopted 17 Sustainable Development Goals (SDGs). The SDGs provide a blueprint to put the world on a sustainable path to 2030 and address massive economic, social and environmental challenges.

Governments, businesses and people everywhere have a part to play in achieving these goals, and we're excited to play a domestic leadership role in championing them.

In 2016, we were one of the first Australian companies to embrace the SDGs. Since then, our approach has evolved from initially prioritising six goals to identifying a number of specific SDGs that intersect with each stage of our operations and value chain.

The UN Global Compact – the UN's corporate sustainability initiative to which Australia Post is a signatory – asks businesses to contribute to the SDGs first by doing business responsibly, and then finding opportunities to solve the challenges represented by the goals, through innovation and collaboration.

Environmental management and the SDGs

This Environmental Action Plan addresses Australia Post's commitment to Goals 7, 9, 11, 12 and 13.

- Goal 7 Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 9 Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- Goal 11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 12 Responsible Consumption & Production Ensure sustainable consumption and production patterns
- Goal 13 Climate Action Take urgent action to combat climate change and its impacts.

Australia Post and the SDGs

For further information about how we're advancing the SDGs, see auspost.com.au/SDGs













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Foreword

I am pleased to release the Australia Post Group's first Environmental Action Plan.

At Australia Post we believe that successful businesses need to be transparent with their customers, consider the impact they have on the environment and leverage their assets and capabilities to improve outcomes for communities and the environment.

Importantly, these businesses will reduce their operating costs, better manage risks, find new revenue opportunities and attract and engage their people.

We also believe it is important to be transparent with our people, customers and communities, ultimately driving accountability around how we run our business and supply chain activities.

It is no different when it comes to environmentally sustainable business outcomes that make commercial sense.

Our approach to environmental management is multi-faceted. We are reducing our overall level of greenhouse gas emissions and driving the reduction, reuse and recycling of materials that would otherwise go to landfill. And we are putting in place actions to minimise environmental risks to our people, infrastructure and services.

While we've been proactive for many years in managing our environmental impacts, this is our first Environmental Action Plan, which formalises how we will achieve these aims. It sets a framework for ongoing reporting, future actions and how we will achieve our 2020 environmental targets."

It comprises 34 individual actions for the 2018 to 2020 period, which we are fully committed to meeting.

We have also taken the opportunity in releasing our Environmental Action Plan to showcase some of the activities already under way at Australia Post to help cut our emissions footprint, reduce environmental risks and deliver sustainable solutions for our people, customers and communities.

Janelle Hopkins Group Chief Financial Officer and Executive General Manager Finance and Commercial Services



"We also believe it is important to be transparent with our people, customers and communities, ultimately driving accountability around how we run our business and supply chain activities."

^{2. 100,000} tonnes of material responsibly reused or recycled by 2020

1 Introduction

Australia Post is one of the most highly valued and trusted services in the lives of Australians everywhere. We have a significant number of touch points across the country. That's why we have a unique opportunity to identify the environmental risks relevant to our business, and in turn deliver tangible improvements for our people, customers and communities.

We achieve this by influencing our operational decisions, and fostering efficiency and productivity to help solve environmental challenges that also deliver better commercial outcomes for Australia Post and our Shareholder.

Australia Post employs more than 36,000* people across our delivery, logistics retail and eCommerce



Our workforce is diverse: we represent 136^* nationalities



5,265*
Mail contractors
which are
independently
run small businesses



11.7 million* Delivery points

network



4,379*

Post Offices valued by their local communities for the services they provide



Approximately half of our 2,880*

Licensed Post Offices are stand-alone outlets, with the remaining ones co-located with other businesses



15,000+*
Street posting boxes



We deliver to more than 190* countries



As at 30 April 2017, Australia Post employed

Aboriginal and Torres
Strait Islander
permanent and
fixed term
employees,
excluding casuals



2 What you will find in this Action Plan

This Plan provides a clear process for delivering better environmental and commercial outcomes, driving accountability and transparency across the Australia Post Group.

It focuses on four key areas where we know we can have the greatest impact and are the most relevant to Australia Post and our customers at this time. It's important to note that the intention of this plan is not to dictate which technologies will deliver the best outcomes. We are confident that the actions themselves will lead this process.

Another key feature of this Action Plan is the breadth of the actions outlined, knowing that to have a meaningful impact we need to drive commitment across all areas of the Australia Post Group.

And finally these actions are intended to support our current 2020 environmental targets and are not intended to replace them.

1. Emissions reduction

Actions to help drive energy and fuel efficiency and deliver lower carbon outcomes across the Australia Post network, improving operational costs and delivering better environmental outcomes for our customers



Key drivers

- Annual emissions profile of 785,000 tonnes
- Over \$200M in direct and indirect fuel and energy costs

2. Reuse and recycling

Actions that leverage our digital capabilities and physical network to drive the return of more items for reuse and recycling, supporting the growth of the circular economy



Key drivers

- Waste streams unique to our industry
- Unmatched reach and digital assets to drive the circular economu

3. Resilience building

Actions to ensure we are prepared for the transition to a carbon constrained economy and the impact of a changing climate and extreme weather events on our people, our operations, and our ability to service our customers and assets



Key drivers

- Need to protect our people and assets
- Ensure our service and community obligations can continue to be met

4. Supply chain activities

Actions to drive transparency across our supply chain, inspire new procurement models and ensure the adoption of environmental indicators across key supply chain relationships



Key drivers

 Breadth of suppliers we engage with across a range of industries, both nationally and internationally





3 Our environmental targets



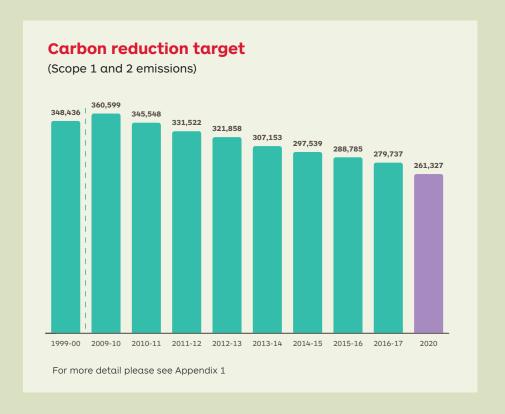
Reduce greenhouse gas emissions by

25% by 2020

(year 2000 baseline)

Since 2000 we have reduced our Scope 1 and 2 emissions* by 20 per cent from 348,436 tonnes to 279,737 tonnes.

These figures are notable given our network continues to grow with domestically delivered parcels up in 2017 15.9 per cent, with more than two million parcels delivered in a single day during Christmas 2017.





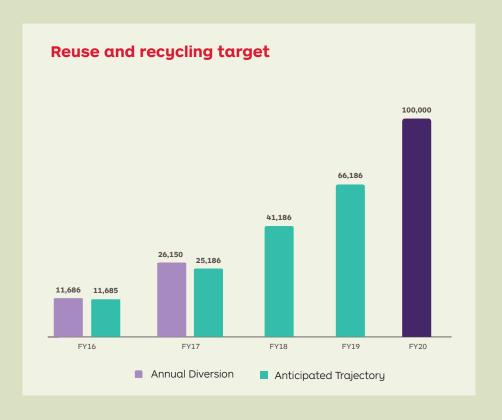
Enable the reuse and recycling of

100,000 tonnes

of material by 2020

Since 2016, we have enabled the return of over 26,000 tonnes of material for reuse and recycling, leveraging both our physical and digital assets, such as our 4,000+retails stores and our 11.6 million delivery points.

Driven through partnerships with existing and new customers, and the responsible management and reduction of our own operational waste, this work continues to position Australia Post as a key enabler of the growing circular economy.





4 Action Plan 2018-2020



Customer

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Areα	Sustainable Development Goals
 O1. Establish a dedicated service (including logistics capability, service, pricing) to enable our customers to reduce, reuse, recycle products and materials which enable growth in the circular economy O2. Develop and maintain solutions (including logistics capability, service, pricing) that support circular economy marketplaces and platforms and reduction, reuse and recycling programs e.g. second hand marketplaces, rental services, peer-to-peer exchanges 	General Manager Intermediaries General Manager, Parcel & Express Services	Progress reported annually	Number of customers/ marketplaces Tonnes of products and materials shipped	Increase in revenue Increase in reuse/ recycling (helping to achieve target)	Responsible Consumption and Production 12







Buildings, fleet and network

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
 03. Maintain a dedicated program (including monitoring and measurement, audits and enhancements) to drive continued improvement in carbon, energy and fuel use and costs 04. Investigate and test new and innovative building and transport related technologies through a dedicated research and development program 05. Maintain a minimum of 5 Star Green Star for Corporate Offices and other facilities where feasible 06. Maintain a program (including monitoring and measurement, audits and enhancements) to drive continued improvement in waste management, reduction and costs 07. Establish a formal process to review our Building Design Standards to incorporate the relevant environmental sustainability elements 08. Incorporate climate change and severe weather related risks into building design standards, property evaluations, asset management activities and network planning 	General Manager Property General Manager Transport	Progress reported annually	Number of audits completed Number of initiatives investigated/ implemented Percentage of buildings (by type) with Green Star accreditation Carbon and cost savings Time of Building Design Standard reviews	Carbon reduction Reduced operational costs Improved risk management	Affordable and Clean Energy 7 Industry Innovation and Infrastructure 9 Sustainable Cities and Communities 11 Climate Action 13

Action Plan 2018-2020



Technology and digital

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Areα	Sustainable Development Goals
09. Integrate energy efficiency into technology asset evaluations, including end-user computing.	Chief Information Officer	Progress reported annuallu	Asset energy efficiency	Carbon reduction	Industry Innovation and Infrastructure
servers and datacentres 10. Leverage IT as an enabler to drive fuel, energy and/or carbon reduction 11. Leverage IT to enable workforce mobility	General Manager Procurement and Environment	annually	Carbon Performance Number of initiatives investigated/ implemented	Reduced operational costs Improved risk management	Infrastructure 9 Climate Action 13



Supply chain and products

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
 12. Maintain and communicate transparency of our supply chain and a risk based view of ethical, social and environmental issues 13. Investigate new models for electricity procurement 14. Include environmental performance management indicators for key supply chain partners 15. Incorporate sustainable principles in the development of our packaging and maintain a program to identify, evaluate and deploy sustainability improvements 16. Incorporate climate related risks (physical and transition) as considerations in working with key suppliers 17. Identify, test and deploy circular opportunities through our supply chain 	General Manager Procurement and Environment General Manager Consumer	Progress reported annually	Percentage of suppliers undertaking self-assessment questionnaire Models evaluated and outcomes achieved Number of suppliers with Environmental Performance KPI's Percentage of packaging with sustainability review Number of packaging initiatives identified, tested and implemented Scope 3 emission performance Contribution to enterprise reuse/recycling target Number of circular initiatives identified, tested and implemented Number of suppliers with carbon as a performance management indicator. Scope 3 emission performance	Carbon reduction Increase in reuse/ recycling Reduced operational costs Improved risk management	Affordable and Clean Energy 7 Decent Work and Economic Growth 8 Responsible Consumption and Production 12 Climate Action 13



Innovation

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
 18. Incorporate environmental sustainability considerations in our innovation projects 19. Establish environmental sustainability as an innovation objective 	General Manager Innovation	Progress reported annually	Number of innovations and outcomes	Carbon reduction Reduced operational costs Increase in revenue	Industry, Innovation and Infrastructure 9 Sustainable Cities and Communities 11
					Responsible Consumption and Production 12 Climate Action 13



20. Incorporate internal pricing and General Manager Progress Number of Carbon Industry	Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
relevant impacts/opportunities in our business decisions 21. Set a post 2020 carbon target, in line with science based models and consideration of Scope 3 impacts 22. Set post 2020 environmental sustainability targets as relevant 23. 23. Regularly report on sustainability performance and progress against this action plan to senior executives and the Board Infrastructure 9 Reduced operational costs Sustainable Cities and Communities structure 11 Measurable risk improvements Reduced operational costs Sustainable Cities and Communities improvements	sustainability consideration of relevant impacts/opportunities in our business decisions 21. Set a post 2020 carbon target, in line with science based models and consideration of Scope 3 impacts 22. Set post 2020 environmental sustainability targets as relevant 23. 23. Regularly report on sustainability performance and progress against this action plan to senior executives and the Board 24. Enable the effective identification and management of climate change and severe weather related risks through the integration into key business decision making processes. For example business continuity and risk management frameworks and policies, insurance frameworks, investment evaluations 25. Disclose our climate related risks	Corporate Investments General Manager Procurement and Environment	reported	Number of business case evaluations New target established Governance structure Measurable risk	reduction Reduced operational	Industry Innovation and Infrastructure 9 Sustainable Cities and Communities 11 Responsible Consumption and Production 12 Climate Action

Action Plan 2018-2020



Engagement and people

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
 26. Provide communication and training around sustainability in general, our environmental product offerings and related business impacts 27. Be transparent with our customers about our sustainability performance 28. Proactively support our LPOs and contractors around sustainability activities 29. Continue to advocate for our customers to drive better environmental outcomes 30. Drive transparency through the participation in voluntary reporting programs e.g. International Postal Corp Sustainability Report (IPC) and the Carbon Disclosure Project (CDP) 	General Manager Marketing and Community General Manager Procurement and Environment	Progress reported annually	Improved employee engagement Improved supplier/ contractor engagement	Carbon reduction Increase in reuse/ recycling Reduced operational costs Increased customer value	Industry Innovation and Infrastructure 9 Sustainable Cities and Communities 11 Responsible Consumption and Production 12 Climate Action 13



Champion positive change

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
31. Advance the UN Sustainable Development Goals through our Corporate Responsibility strategy, with a focus on new partnerships and initiatives, thought-leadership, communication activities, campaigns and events and employee engagement	General Manager Marketing and Community	Progress reported annually	Number of publications (including whitepapers) on the SDGs Number of forums/events addressing the SDGs	Increased employee self-reported awareness of, and commitment to the SDGs	All



Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
 32. Integrate and maintain climate change and severe weather in our safety policies, processes and considerations. e.g. policies, decisions around personal protective equipment and safety culture 33. Use current and new communication channels to provide forecast and warning information to business, staff and customers 	Head of Enterprise Safety	Progress reported annually	Policies and processes updated Safety enhancements implemented	Decline in the number of relevant safety incidents	Industry Innovation and Infrastructure 9 Sustainable Cities and Communities 11 Climate Action 13



Stakeholder engagement

Action	Stakeholders	Time	Reportable Activity Metrics (examples)	Outcomes Business Area	Sustainable Development Goals
34. We will collaborate with government agencies, customers, business and	General Manager Marketing and Community	Progress reported annually	Collaboration activities	Increase revenue opportunities	Climate Action 13
the community to progress better adaptation, resilience, climate, circular and sustainability outcomes	General Manager Procurement and Environment	J		Improved community resilience	
	Corporate Secretary				



Investing in a modern, low emission vehicle fleet



The introduction of more fuel efficient motorbikes has driven a 62 per cent improvement in fuel efficiency since 2013 with annual cost savings of \$1.39 million, based on a reduction of 1.2 million litres of fuel and annual carbon savings of 2800 tonnes. And our four-cylinder hybrid sedans are 60 per cent more fuel efficient when compared to the older six-cylinder vehicles in our fleet.



Over the last three years, we have conducted a series of electric vehicle trials across Australia. The first of these started in 2014 and was in partnership with Renault Australia, trialling Australia's first fully electric commercial van.

We have also trialled three-wheeled electric vehicles for Posties, carrying up to 1,200 letters and three times as many parcels as previously possible.

Through these dedicated programs and the insights gained, we hope to see greater integration of electric vehicles across our vehicle fleet in the near future.



Many Posties have chosen to swap their motorbikes for push bikes and electric bikes over the last few years. This has reduced emissions, and improved the health and wellbeing of our people. The electric mail bikes provided by eVehicle Service (EVS) allow Posties to cover up to 35 kilometres in a day and reach 1,000 delivery points.



Road to rail – we have collaborated with one of our largest suppliers Linfox, to move as much freight as possible to rail – the lowest emission form of land transport. This move has reduced our overall greenhouse gas emissions and saved millions of dollars in transport costs all while ensuring no degradation in service to our customers.

Loose load – for over four years, we've embedded into our new sorting facilities the latest and safest technology to sort suitable parcels directly to trailers. The density of freight within loose loaded trailers has been increased by more than 93 per cent, reducing our requirement for prime movers and fuel.

Our achievements



In November 2017, we installed a 2.1 MW solar array at our Sydney Parcel Facility, making it at the time, Australia's largest commercial solar system.

The system will deliver \$800,000 in savings in the first year and deliver a 2,260 tonne reduction in greenhouse gas emissions — enough to power 40 Australia Post retail outlets or 440 average Sydney homes.



6 Improving the energy efficiency of our building network



Our energy efficiency program kicked off in 2010 with the National Energy Management Program (NEMP) and has continued with rolling energy efficiency and renewable energy investments with cost savings and avoidance of \$10 million every year.



PV solar systems have been installed at 49 sites across Australia. Annually this program will help to reduce grid electricity consumption by 5315 MWH's each year, saving 4635 tonnes of carbon and over \$1m in cost savings and avoidance, every year.



In 2014 we invested \$45 million to upgrade StarTrack House in Sydney, Australia Post's NSW headquarters for nearly 50 years. StarTrack House, certified 5 Star Green Star, now includes our second largest rooftop solar array with a capacity of 370MWh of electricity per annum.

And our corporate headquarters in Melbourne, 111 Bourke Street, is soon to achieve 5 Star Green Star certification following a full building refit.



Australia Post is a member of the Melbourne Renewable Energy Project (MREP) which brings organisations and local governments together to agree to purchase Renewable Electricity from a new wind farm in Western Victoria at Ararat.

The wind farm will start generating renewable electricity in the first half of 2019, with a total capacity equivalent to powering 17,600 households and saving 96,800 tonnes in Greenhouse Gas Emissions for the state of Victoria.





7 Driving reuse and recycling



We are working to position ourselves as the backbone of the circular economy, helping our customers solve environmental problems by putting our assets to use in innovative ways. We had great success with our partnership with Nespresso, which allows consumers to return used aluminum coffee capsules for recycling through our network. We've also continued our successful partnerships with MobileMuster and Planet Ark, with mobile phones and accessories and printer cartridges returned through these programs contributing to the more than 26,000 tonnes of material reused and via our network since 2016.

100% recyclable

Australia Post adopted Planet Ark's Australian Recycling Label in 2016 to make it easier for Australians to recycle our range of packaging, regardless of their location and kerbside recycling processes. Our packaging is now 100% recyclable following the adoption of the label and a take back scheme with TerraCycle Australia, which enables customers to post back their satchels and padded bags for recycling.



The Revamp Network was established in November 2016 to provide a collaborative forum for stakeholders to share ideas and participate in opportunities that help drive better circular economy outcomes. The primary focus of Revamp is to support opportunities - and in particular projects or research - that deliver both commercial value to participants and environmental or social benefit by reducing waste to landfill. The Revamp Network operates in an open and transparent manner to ensure projects adopt a shared value approach – there must be commercial value for participants as well as environmental and/or social benefit (ie reduce waste to landfill). Australia Post operates as the 'backbone' of Revamp by helping facilitate, host and coordinate Revamp activities and stakeholders.



As an example of an innovative co-creation solution, Australia Post teamed up with Nespresso in 2016 to create a specially designed satchel allowing their customers to recycle used aluminium coffee capsules. Customers can collect used capsules in the satchel and then simply post it at any of our street posting boxes. The capsules are sent to a specialist recycling plant where dedicated equipment separates the aluminium from the used coffee grounds. The coffee grounds then go to make compost, while the aluminium from the used capsules is compressed into bricks and sent back to the aluminium industry producers to be reused in new products.

Appendix 1: Our environmental footprint

Monitoring and reporting

We conduct an annual audit of our greenhouse gas emissions which are reported in accordance with accepted guidelines: National Greenhouse and Energy Reporting (NGER) regulations for Scope 1 and 2 emissions; Greenhouse Gas (GHG) protocol for Scope 3 emissions.

Our greenhouse gas emissions are reported annually through our Annual Report. We are also a participant in the Carbon Disclosure Project (comparability to ASX listed companies) monitoring our disclosure and performance, and the International Post Corporation Sustainability Report (comparability against other international postal companies.

In 2016/17 Australia Post generated 279,737 tonnes of Scope 1 and 2 greenhouse gas emissions and 505,556 tonnes of Scope 1, 2, and 3 greenhouse gas emissions:

- Our direct emissions (officially termed 'Scope 1' emissions see Understanding greenhouse gas emissions reporting) primarily arose from the vehicle fleets we operate to move parcels and letters around the country and overseas.
 These totalled 118,291 tonnes.
- Emissions from the consumption of electricity to support our workplaces, parcel facilities and post offices ('Scope 2' emissions) totalled 161,446 tonnes.
- Emissions from activities associated with our supply chain, for example those of third party contractors to support our delivery services ('Scope 3' emissions), totalled 505,556 tonnes.

Understanding greenhouse gas emission reporting

Greenhouse gases are reported as either Scope 1, 2 or 3 emissions

scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity at a facility level. They are sometimes referred to as direct emissions

Scope 2 emissions are those released to the atmosphere from the indirect consumption of energy.

Scope 3 emissions are indirect greenhouse gas emissions other than Scope 2 emissions that are generated as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.

Notes to performance - Australia Post has only included StarTrack Scope 3 emissions from 2014 when the organisation was integrated for a full reporting year. Australia Post reports all Scope 3 related transport emissions based on the calendar year which is then reported to the International Postal Corporation. Scope 1 and 2 emissions have been calculated in accordance with the National Greenhouse and Energy Reporting (NGER) regulations. Scope 3 emissions have been calculated in accordance with the GHG protocol.

In line with reporting guidelines, the figures on page 23 are for tonnes of carbon dioxide equivalence (CO2-e). This adjusts the emission impact of the different types of greenhouse gases as an equivalent amount of carbon dioxide.

Environmental performance

	2012	2013	2014	2015	2016	2017
Scope 1 emissions (tonnes)	119,478	120,367	116,251	115,620	119,345	118,291
Natural gas	5,308	5,819	4,756	4,787	5,278	5,547
LPG (All)	5,820	5,796	5,962	5,753	5,399	5,845
Diesel including generation	96,488	97,320	95,809	95,954	100,301	99,318
Petrol	11,862	11,432	9,724	9,126	8,368	7,581
Scope 2 emissions (tonnes)	212,044	201,490	188,855	181,920	169,447	161,446
Electricity grid	212,044	201,490	188,855	181,920	169,447	161,446
Scope 3 emissions (tonnes)	492,373	457,328	651,563	642,795	592,888	505,556
Energy and fuel losses	36,761	36,120	39,479	34,061	29,483	28,353
Sub-contracted road transport	103,984	109,654	214,232	264,494	237,061	222,046
Sub-contracted air transport	318,245	294,299	351,013	286,104	272,874	202,866
Sub-contracted rail	752	834	5,636	3,538	5,695	5,659
Sub-contracted ship	0	0	1,143	2,324	2,678	3,574
Business travel	6,345	2,678	3,434	4,116	4,910	4,872
LPO electricity	16,790	13,743	26,086	36,996	27,270	25,187
Waste	9,497	N/A	10,539	11,162	12,917	12,999
Other indicators						
Energy consumed (GJ)	Not Comparable	2,633,936	2,499,868	2,426,095	2,443,571	2,404,018
Renewable energy production (GJ)	0	0	291	1,648	3,072	5,403
Number of sites with solar (sites)			2	20	26	48
Waste to landfill (tonnes)			11,060	9,899	9,381	9,285
Waste recycled – operational (tonnes)			7,141	9,092	8,484	10,532
Waste recycled and reuse – customers tonnes				3,364	4,056	4,156
Water (kilolitres)					479,000	449,300

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