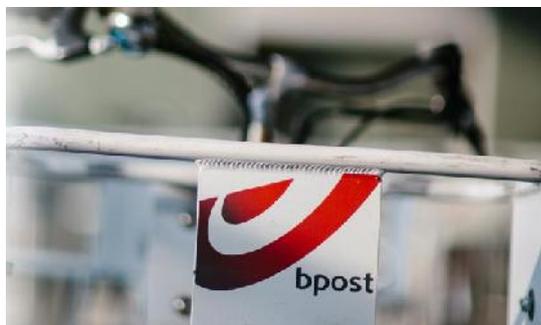




GRI G4

Materiality and DMA's



March, 2016

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1. Introduction

1.1 General

bpst reports for several years on the efforts it is making in the area of CSR (Corporate Social Responsibility). For the annual report of 2015, the transition of GRI (Global Reporting Initiative) G3.1 to the new GRI G4 standard is made. This implies changes such as reporting on the materiality assessment, describing the stakeholder engagement process and describing the management approach (Disclosure on management approach - DMA) for each material indicator. This report elaborates on these three elements. In section "2.1 Material aspects and boundaries (G4 18-23) incl. Stakeholder engagement (G4 24-27)" section of this document, the materiality assessment and the stakeholder engagement process are described.

As of Chapter 3 - the DMAs for all material aspects are included. The management approach consists of three elements:

- a) Report why the aspect is material. Report the impacts that make this aspect material.
- b) Report how the organization manages the material aspect or its impacts.
- c) Report the evaluation of the management approach, including:
 - The mechanisms for evaluating the effectiveness of the management approach
 - The results of the evaluation of the management approach
 - Any related adjustments to the management approach

2. bpost GRI G4 - General Standard disclosure

2.1 Identified material aspects and boundaries (G4-18, G4-19) incl. stakeholder engagement (G4-24, G4-25, G4-26, G4-27)

Identified material aspects and boundaries – G4 18 – 23

Stakeholder engagement – G4 24 – 27

The Corporate Social Responsibility of bpost (G4-18)

The complete report on Corporate Social Responsibility (CSR) of bpost has been created taking into account the Global Reporting Initiative (GRI) guidelines version G4 – ‘in accordance core’ option.

bpost’s vision and overall strategic objective is to embed sustainability in the corporate culture and processes in order to achieve the mission statement of ‘sustainable growth’ and become recognized by the internal and external stakeholders (customers, shareholders, government, employees) as being a committed ‘corporate responsible’ company.

The themes identified within the CSR program were the result of a stakeholder consultation. Three main subjects are addressed: People, Planet and Proximity. Other aspects that are an integral part of CSR – connected with operating and financial results, corporate governance and customer satisfaction – are handled in a cross-disciplinary way. All the actions bpost takes in these fields are summarized in the table at the end of the 2015 annual report.

The information, material for this report and aligned with the GRI standard for sustainability reporting, was gathered from internal departments and is mainly based on information available through internal reporting.

Materiality of the CSR program (G4-19)

Over the last couple of years bpost invested in a CSR program and made considerable efforts to achieve its ambitions in terms of "sustainable growth". These commitments have led to the achievement of ‘excellent’ results in several international sustainability and environmental rankings. In order to orient these CSR efforts even better towards 2020, internal and external stakeholders have been involved in the strategic reflection to define the future CSR practices.

(G4-24, G4-25) The internal and external stakeholder consultations were organized in 2015.

- External stakeholders: Knowledge centers, NGO’s, suppliers and clients
- Internal stakeholders: CEO, Exco and business unit and department representatives

(G4-26) The two stakeholder groups were consulted separately. During these sessions a direct conversation was held related to identified strengths and weaknesses of bpost regarding CSR. The stakeholder consultation resulted in bpost’s materiality matrix reflecting the importance of the topics as assessed by the stakeholders.

Planet: Energy consumption via Fleet, Buildings and env. performance

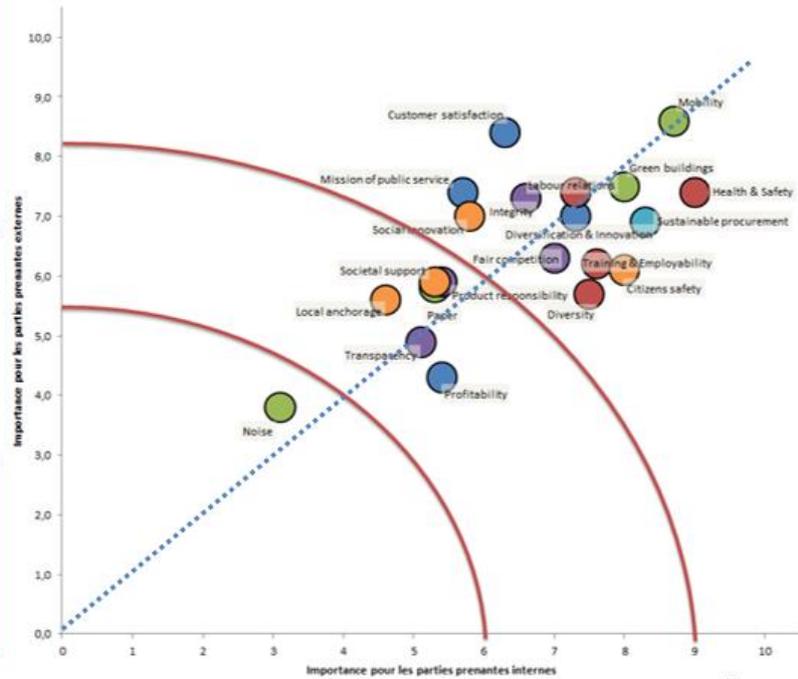
- Energy & Environment
- Green fleet
- Responsible Procurement
- Green Activation
- Mobility
- Green buildings
- Biodiversity

People: Engagement and well being HR

- bpeople (engagement)
- Employability
- Health and Safety
- Diversity
- Prevention
- Ethics (Code of Conduct)

Proximity: towards society and increasing needs

- Innovations
- Community Involvement:
 - Star4YOU
 - Literacy
 - Solidarity



(G4-27) The 3 Ps of bpost

bpost is a semi-public company and deeply embedded in Belgian society. bpost has a significant commitment related to social responsibility. This resulted in the development of a program to integrate CSR in the culture and business operations of the company. This program is based upon three pillars: People, Planet, Proximity.

People

The postal market is constantly evolving. The biggest challenge is to retain a strong presence in the daily lives of our customers. To do so, we need to harness the natural enthusiasm and commitment of each and every employee. The future challenges also require that we adapt our organization accordingly. Change will continue to affect bpost, based on a desire to achieve better results with managed costs and resources, but also in working with motivated and enthusiastic employees.

Planet

Due to the nature of the activities, bpost has an impact on the environment, either through CO₂ emissions or energy consumption. The implementation of systematic CO₂ emission reduction programs linked to our activities is a requirement to guarantee our customers and stakeholders that we handle every letter and parcel with the lowest possible ecological impact.

Proximity

bpost's foremost characteristic is the daily presence throughout the territory of Belgium. This is expressed in the great accessibility of our products and services through a network of more than 1,300 service points and almost 600 (589) postal offices offering postal and banking services.

A green stage

bpost holds the first place in the International Post Corporation's 2015 (IPC) environmental management ranking for the third year in a row. As in previous years, the environmental performance (IPC and ISO 14064 for CO₂ management) was in 2015 audited by external parties. bpost's participation in the Carbon Disclosure Project (CDP) and the preparation of an annual report in line with the GRI guidelines means that these environmental data are publicly available to all stakeholders. bpost wants to remain the best in the IPC ranking by launching new structural and behavior-influencing initiatives to improve the ecological footprint, mainly determined by its activities, buildings and fleet.

3. bpost GRI G4 – Specific standard disclosure

3.1 Economic aspects

3.1.1 DMA Economic performance

DMA – Economic performance

a) Report why the aspect is material. Report the impacts that make this aspect material.

See ‘[2.1 Identified material aspects and boundaries \(G4 18–23\) incl. stakeholder engagement \(G4 24–27\)](#)’ – in this document.

bpost is the leading supplier of postal services and logistics solutions to, from and within Belgium. With their expertise and strong distribution network, they develop options for tomorrow’s communication, e-commerce, distribution and logistics nationally and internationally. bpost’s experience as a postal company has given them outstanding logistics expertise which enables them to face the future with confidence. The foundations have been laid upon which bpost can continue to grow. Based on the financial and quality performances all our stakeholders – our clients, employees, partners, the community and our shareholders – can trust us that we will deliver as promised.

b) Report how the organization manages the material aspect

c) Report on the evaluation of the management approach

In the annual report bpost elaborates on the way corporate governance is organized, as defined in relevant legislation, their statutory- and corporate governance charter.

3.1.2 DMA’s Procurement practices incl supplier assessments

DMA - Procurement practices

DMA – Supplier environmental assessment
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DMA - Supplier assessment for labor practices
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DMA - Supplier human rights assessments
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DMA – supplier assessments for impacts on society
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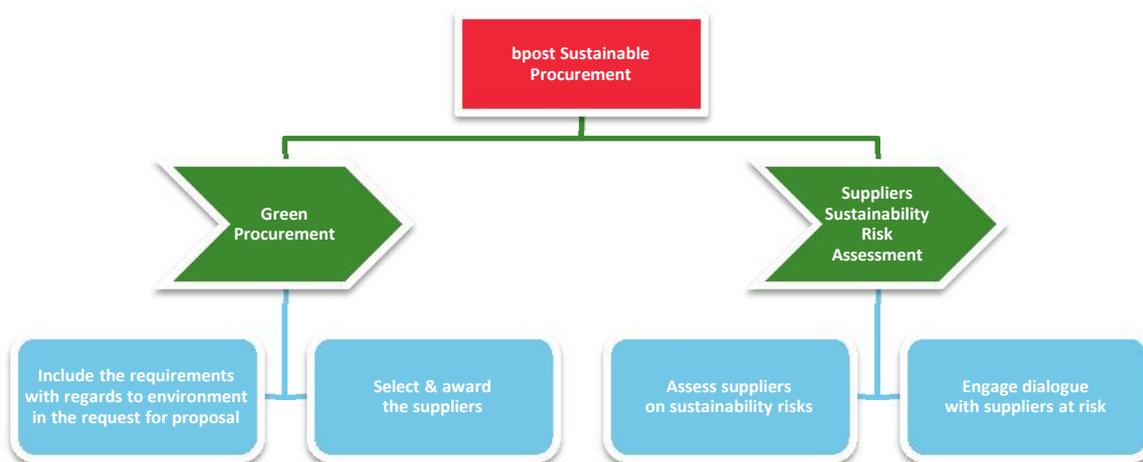
a) Report why the aspect is material. Report the impacts that make this aspect material.

See ‘[2.1 Identified material aspects and boundaries \(G4 18–23\) incl. stakeholder engagement \(G4 24–27\)](#)’ – in this document.

The mission statement of the procurement department is (i) strive towards engaging with the best possible suppliers, (ii) negotiate on all primary aspects like quality, delivery terms and conditions, (iii) strive towards the best price in order to achieve a competitive advantage taking into account bpost's vision on CSR – 3P approach (People, Planet and Proximity).

b) Report how the organization manages the material aspect

bpost's sustainable procurement process is based on two pillars: (i) sustainable nature of the purchased products, materials and services (green procurement policy) and (ii) maturity of suppliers with regard to CSR practices within their organization. The sustainable procurement practice is stimulated throughout the organization and serves as one of the most important aspects in bpost's transition towards sustainable business. This ambition is not limited to their own business but applies to the entire value chain.



c) Report on the evaluation of the management approach

Pilar 1: Green procurement

bpost's green procurement process is based on the European Commission's DG environment for Green Public Procurement (GPP) requirements in which multiple product groups can be differentiated. Each product is judged based on their technical aspects and environmental performance. For each contract, exceeding a predefined value, that has an impact on the environment, a number of sustainability criteria are taken into account in the evaluation of the offer. This process is monitored by bpost's procurement responsible. To enforce the green procurement process, an environmental clause is included in the execution conditions since 2015. The clause obligates the supplier by contract to proactively and innovatively improve the environmental impact of the delivered goods, services or work performed. In case the supplier repeatedly does not comply with the specific requirements of bpost, the contract can, in extreme cases, be terminated.

Pilar 2: Suppliers Sustainability Assessment

bpost partners with Ecovadis to conduct supplier risk assessments based on 21 CSR criteria aimed at gaining a better understanding of their vision and results in terms of sustainability.

These criteria can be divided into 4 main categories: environment, green procurement, human resources, and human rights and ethics. Suppliers get a score per category that can stimulate to improve the overall score on sustainability. Scores that are perceived as too low are the basis for a discussion between bpost and the supplier in order to improve the CSR performance.

3.2 Environment aspects

3.2.1 DMA Energy, Emissions and Transport

DMA – Energy

DMA – Emissions

DMA – Transport

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Rapporteren hoe de organisatie het materiële aspect beheert

The ambition of bpost aims to actively reduce its impact on climate and environment by (i) reducing its environmental impact, (ii) reducing its energy consumption, (iii) reducing waste and (iv) striving towards sustainable mobility. In this regard two goals were defined (i) reducing the CO₂ emissions by 45% (vs. 2007) by 2020 and (ii) reducing the energy consumption by 25% (vs. 2005) by 2020. To reach these goals bpost conducts a policy regarding CO₂ emissions in scope I (direct – primary energy consumption), and scope II and III (semi indirect and indirect energy consumption).

These targets regarding the reduction of CO₂ emissions and energy consumption are voluntary targets set by the CEO. The target is in line with the global "Science Based Target Method" to restrict the rise in temperature to 2°C with 1,5°C as an ultimate target, as proposed by climate experts and governments on the COP21 in Paris at the end of 2015.

CO2logic, an independent consultancy firm specialized in CO₂-management, certified that the level of ambition of bpost's target exceeds the requirement of the transport sector.

Reporting to steering committees is periodically done in order to monitor the evolution against those targets in which the CEO, CFO, CHRO, Public Affairs and the Sustainability, Energy and Environment department are represented. CSR criteria are also taken into account in the individual evaluation of the CEO and spread throughout the organization via multiple business unit representatives. bpost also has an Environmental and Energy department which conducts controls on a yearly basis, develops reduction plans and collaborates closely with the different authorities.

3.2.2 DMA Products and services

DMA – Products and Services

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

bpost was the first postal operator and the first communication channel in Belgium to work on the development of a tool to measure the carbon footprint generated during the complete lifecycle of an addressed Direct Mail (DM) campaign. Using this Carbon Meter, customers can measure the carbon footprint generated by their mail and parcels flows. Based on this tool, customers can take well-informed decisions that minimize this environmental impact (in terms of type of paper, use of cardboard, size and inks, for example).

c) Report on the evaluation of the management approach

CO2-neutral initiative for customers

In addition to a “low CO2”-emission solution, bpost gives customers the possibility to offset the carbon emissions generated in the delivery of their mail items. This initiative raises financing for projects to cut greenhouse emissions in emerging countries. This service is practised in the broad range of services bpost offers.

CO2-neutral initiative for bpost

Also in 2015 bpost offsets all carbon emissions of letters and magazines sent to its customers and employees. This project is managed by the Sustainability manager of bpost.

CityDepot

CityDepot gives road haulers the option of unloading their cargo at a specially equipped depot in the suburbs. bpost then makes a same-day combined delivery to the final recipients with smaller, more customized and greener transport. This service offering was further refined in the course of 2015.

3.3 Social aspects

3.3.1 DMA's Employment (1) and labor management relations

GRI G4 – DMA – Employment

GRI G4 – DMA – Labor management relations

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

bpost' statutory provisions explicitly foresee a structure of dialogue/negotiation in which restructuring projects are examined and discussed with the social partners, including their implementation timelines. In 2015 several aspects of the strategic plan were executed, after consultation and negotiation with these bodies.

The company's consultation structure provides for local- (zonal consultation committees), regional- (regional consultation committees) and national bodies (Mail, Retail, FM-Cleaning joint subcommittees, central services consultation committee). Before implementation, particular restructuring projects were discussed within the joint committee, the central body for negotiation and dialogue with social partners. In 2015 a number of important restructurings were presented to these bodies and their execution was discussed and negotiated.

c) Report on the evaluation of the management approach

Throughout the year, many actions have been investigated to improve the wellbeing and safety of employees. The social partners have been informed and regularly consulted on these matters. At the beginning of 2014 a new Collective Labour Agreement was adopted for 2014 and 2015. It covers pay-grade contract and statutory members of staff, who make up around 85% of the workforce. It does not apply to non-baremic contractual staff or to auxiliary mail carriers.

After achieving good financial and operating results in 2015, a one-off bonus was paid to all employees as in previous years in accordance with the commitment defined in a special agreement under the Collective Labour Agreement (CLA) 2014- 2015. The new Collective Labour Agreement 2014-2015 again provides a one-off bonus to all employees in 2016, based on the profitability level achieved by the company in 2015. Four one-off performance-related bonuses are provided for, linked to profit, customer loyalty score, legal profit-sharing and attendance levels.

3.3.2 DMA Occupational Health and Safety

GRI G4 – DMA – Occupational Health and Safety

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

bpost strives towards a safe and healthy work environment for its employees. It does so not only by complying and anticipating on the applicable Belgian legislation but also by adjusting the organizational structure in such way that potential risks regarding safety and well-being are tracked faster and improvement actions are followed up on.

c) Report on the evaluation of the management approach

The Prevention department is led by the Director Prevention who provides coaching and support to the CEO, members of the board and senior management in all areas of well-being such as occupational safety, employees' health, psychosocial risks, ergonomics, industrial hygiene, design of workplaces and welfare-related environmental issues.

The Director Prevention facilitates a strong (in)formal relationship with the social partners and is supported by the regional prevention managers, national prevention expert, a project manager for the initiation and follow up of safety projects, set up campaigns and communication and a manager responsible for employee prevention meetings, safety in traffic and global safety trainings.

Important aspects, points of attention or issues regarding prevention and safety for bpost employees are discussed on a monthly joint committee. Attendants of those meetings are members of the board, members of senior management, employee representatives and technical experts. Outstanding topics of the previous meeting are also discussed on a monthly basis to ensure practical follow up on site. An action plan is also conducted on a yearly basis containing goals regarding Health and Safety for each department and the allocation of ownership and budgets.

Besides the national consultation there is also a regional debate every three months regarding prevention and safety. The most important topics or aspects without a solution will be passed to the joint committee (national consultation). All other topics are discussed with the regional prevention managers. In this regard a number of site visits, operational and administrative, are conducted across the country. Observations are classified based on the severity of the violation and the consequence that is given to it.

3.3.3 DMA's Employment (2) and training and education

GRI G4 – DMA – Employment (2)

GRI G4 – DMA - Training and education

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

bpost acknowledges its employees as its most important asset. To stay ahead in a constantly evolving market bpost counts on the natural enthusiasm and motivation of each employee.

b) Report how the organization manages the material aspect

bpost is positioned on the employment market as an organization that is also attractive to people with limited formal qualifications. bpost does not only offer them a job, they also provide training opportunities and the possibility of eventually obtaining a qualification. In a constantly changing environment the development of skills that employees can use in their current jobs and to make a horizontal or vertical switch to other jobs in the future contributes to the employability and performance of its employees, which is considered by bpost as a priority. Lifelong learning, in all its shapes, is considered as a driver in this process.

For skills development bpost relies on its own training center. Technical training is given at the business units and cascade training is considered as a responsibility for line management. The latter is based on the development of 3 leadership models: role model, guide and developer. In 2015 training has been more aligned with certain populations within bpost. For example juniors are now getting a more personal training program aligned with the skills and knowledge needed in the execution of their jobs. This new approach will be enhanced further in 2016.

c) Report on the evaluation of the management approach

In 2015 bpost also used the system of an in-depth survey about the development and learning needs (individually or in team) to set up an approach in which employees are guided before, during and after trainings. Learning initiatives were also tested more thoroughly per team to determine skills needed before and after trainings.

3.3.4 DMA Diversity and equal opportunity

GRI G4 – DMA – Diversity and equal opportunity

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

Working together efficiently and responsibly is part of bpost's sustainable growth strategy. To support this strategic cornerstone, bpost's diversity policy defines the framework concerning non-discrimination, equal opportunities and respect for individuals in three action domains: human resources management, corporate culture, management culture.

b) Report how the organization manages the material aspect

In 2015 bpost has introduced and included diversity in the business model. This allows bpost to determine the expected behavior of leadership people on the ground.

bpost is also using an online platform, the eDiv tool, developed and maintained by the Center of equality of opportunities. Goals of this tool are:

- Familiarize with the legal framework against discrimination
- Identify, prevent and solve potentially discriminating situations
- Improve management of discrimination within teams

The tool is mainly focused on people managers and HR. Awareness about and integration of diversity is continued through workshops, inclusion on site and through various communication channels.

c) Report on the evaluation of the management approach

bpost was awarded the "Diversity Label" by the Brussels-Capital Region for 2013-2015. To anchor the process further, a two-year consolidation plan regarding diversity was approved by the joint committee.

3.3.5 DMA Local communities

GRI G4 – DMA – Local communities

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

Since 2010 bpost has been encouraging its employees to commit voluntarily in cultural, social or environmental citizenship projects in Belgium. The « Star4U » initiative has been an important program to achieve this.

The projects are in line with the values of bpost and are about social services, health care, culture, development, sports, natural environment, sponsoring and construction – and renovation projects.

bpost also supports the drive towards improved literacy. This commitment is put into practice by giving financial support to the bpost Literacy Fund, established in cooperation with the 'Koning Boudewijn Foundation'.

c) Report on the evaluation of the management approach

Each project is judged on its merits by an independent team of bpost employees. Follow up on the implementation of the project is done by providing documentation (invoices or pictures), together with a report describing the impact of implementation, calendar, budget and financing of the project. In 2016 a new edition will be launched, with special attention for projects that focus on diversity, sustainability and attention and care for humans.

3.3.6 DMA Anti – corruption

DMA – Anti corruption

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

bpost published its Code of Conduct already in 2007. It sets out what the company expects from every employee with regard to professional ethics and working together in harmony. The code addresses various aspects, such as respecting others (behavior in the workplace, diversity and equal opportunities, safety), integrity (conflicts of interest, confidentiality, gifts, backhanders) and quality, communication, attitude and behavior of employees and the service with regard to the general public.

c) report the evaluation of the management approach

This Code of Conduct describes clearly that bpost rejects any form of corruption and monitors compliance to this Code, applicable to each employee, through its processes.

3.3.7 DMA Societal impact of products and services

a) Report why the aspect is material. Report the impacts that make this aspect material.

See '2.1 Identified material aspects and boundaries (G4 18–23) incl. stakeholder engagement (G4 24–27)' – in this document.

b) Report how the organization manages the material aspect

The management contract includes the following obligations for bpost:

bpost shall submit to the State an action plan, on an annual basis, concerning all issues which the previous assessment highlighted as open to improvement. Annually, bpost shall also submit a report to the State on the implementation of the action plan. Prior to submission to the State, both reports shall be submitted to the BIPT (Belgian institute for Postal services and Telecommunication) for advice.

c) Report on the evaluation of the management approach

bpost must perform regularly and at least annually, under the supervision of the BIPT, a customer satisfaction assessment with regard to the execution of its public service tasks. The results of this measurement are submitted to the BIPT annually. This measurement entails, among other things, customer satisfaction towards the different postal service points in terms of waiting time at the counter, proximity, opening hours, speed of service at the counter

The results of the customer satisfaction survey for 2015 indicate that the overall customer satisfaction in both residential and small business segments remains stable.