



Royal Mail

POWERED BY POSTIES

ESG Report
2023-24

Royal Mail Group Limited



ABOUT US

As the UK's sole designated Universal Service Provider, Royal Mail delivers a 'one-price-goes-anywhere' service on a range of letters and parcels to around 32 million addresses across the UK.

Our direct contribution to the UK economy totalled £6 billion last year in terms of gross value added. We are the 8th largest contributor to the UK economy out of all UK corporations.¹

Royal Mail Group Limited is a subsidiary of International Distribution Services plc (IDS), a UK-listed transport and logistics operator. Royal Mail Group Limited's business includes the two main brands: Royal Mail and Parcelforce Worldwide. For ease, we refer to Royal Mail Group Limited as Royal Mail throughout this report and its associated documents.

Further information on the ESG performance of IDS, including its other main subsidiary GLS Group, is available in the IDS Annual Report and Financial Statements 2023-24, which can be found on our IDS website.

This report is our 22nd annual ESG Report. It details Royal Mail's environmental, social and governance performance for the reporting year 2023-24, which ended on 31 March 2024. Further details on the scope of this report can be found in our ESG Appendix.

NAVIGATING THIS REPORT

-  Link within this report
-  Link to external website
-  Link to external document

In this report, we highlight how our areas of focus, targets and key initiatives are linked to the UN Sustainable Development Goals (UN SDGs).

 **We have a suite of reporting documents that support this report. All documents can be found [here](#).**



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2023-24 HIGHLIGHTS

UK'S GREENEST DELIVERY COMPANY²

Building on our position as the UK's greenest parcel delivery company, we were delighted to reach two significant milestones in our Steps to Zero environment strategy this year.



More information can be found on pages 10 to 21 of this report.



SBTi validation

In September, we announced the validation of our Net-Zero and near-term targets by the Science Based Targets initiative (SBTi).

10 million litres of biofuel

We deployed over 10 million litres of Hydrotreated Vegetable Oil (HVO), a low-emission drop-in renewable diesel alternative, at six refuelling locations. Switching from diesel to this fuel type resulted in emission savings of c.30,000 tCO₂e.

REFORMING THE UNIVERSAL SERVICE

Royal Mail plays a unique and vital role in connecting the nation through the Universal Service – our legal commitment to deliver a one-price-goes-anywhere service to the UK's 32 million addresses.

The Universal Service has remained largely unchanged for over 20 years and is now unsustainable as letter volumes continue to fall. That is why, following extensive engagement, listening to thousands of customers across the UK, we have put forward a proposal for vital changes to deliver a more efficient, reliable and sustainable Universal Service for years to come.



To read more about our proposal and what this means for our customers, employees and communities, see pages 23 and 50.



CARING FOR OUR PEOPLE

We expanded our wellbeing programme and in February 2024, we celebrated the first year of our partnership with British Heart Foundation.



More information can be found on pages 22 to 41 of this report.



141 defibrillators

We funded the installation of 141 community defibrillators in areas with the greatest need.

200k wellbeing hub visits

We launched our new online wellbeing hub providing support across the areas of Mind, Health, Money and Life.

PROMOTING AN INCLUSIVE CULTURE

We took steps to change Royal Mail for the better, to promote an inclusive culture where everyone is treated with dignity and respect.



More information can be found on pages 42 to 51 of this report.



Change for Good

We launched a campaign to reinforce high standards of behaviour at work and build a positive culture.

99% completion rate

9,300 managers completed our annual compliance refresher training, with an overall completion rate of 99%.

² Based on average gCO₂e emissions per parcel delivered by UK parcel operators, as published by Citizens Advice 2023 Parcels League Table.

DIRECTOR OF CORPORATE AFFAIRS' STATEMENT



Following extensive engagement and listening to the needs of thousands of customers and stakeholders, we have put forward a proposal to deliver a more efficient, reliable and sustainable Universal Service, with limited changes to what matters most to customers. 99

As we look back on an historic year for Royal Mail, I am delighted to report strong progress across our far-reaching ESG agenda.

Taking steps to zero

We have continued to deliver on our Steps to Zero environment strategy to achieve Net-Zero by 2040 and further strengthen our position as the UK's greenest parcel delivery company³. Our total emissions continued to fall, 8% against our base year and 2% against the prior year, while our average carbon per parcel delivered now stands at 200gCO₂e, a drop of c.10% against the prior year.

We achieved this result despite returning to normal levels of activity, following the 18 days of Industrial Action in the prior year. It was largely achieved thanks to fuel reductions in our fleet and estate and the deployment of 10 million litres of biofuel in some of our larger trucks. Today we are proud to have the UK's largest electric vehicle (EV) delivery fleet, with c.5,000 EVs deployed, and purchasing only renewable energy across 100% of our estate. We also removed flights to Jersey and the Isle of Man to streamline services, with the added benefit of reducing carbon emissions.

These steps bolster the green benefits our network of posties has long provided, with more than half of our delivery routes being wholly or partially on foot. It's vital we protect the integrity of our unique 'feet on the street'

delivery model for generations to come, which is why the reforms we've outlined in our recent submission to Ofcom's call for input into the Universal Service are so important.

Also in the year, we are extremely pleased to report that we've already met our 2030 target to reduce waste volumes by 25%, with a 27% reduction on our base year. As we continue to evolve our circularity strategy, I'm excited by the new ways we're finding to partner with our customers to drive our shared goals. For example, in October we announced a new partnership with Nespresso UK to enable coffee capsule collection and recycling for households across the country.

Another area of collaboration is our development of a new holistic supplier ESG programme for our top 100 most significant suppliers. As part of this programme, we will work to identify initiatives that support Steps to Zero and accelerate our decarbonisation process.

Finally, we were proud to announce in September that our Net-Zero and near-term targets had been externally validated by the Science Based Targets initiative (SBTi). This confirms our ambitions are in line with the latest climate science and marks an important step in our journey towards Net-Zero.

People at the heart

To deliver for our customers and communities, we must be there to support our people. We want to ensure our colleagues are healthy, safe and well at work, and feel that they can reach their potential.

Our priority in the year has been to rebuild relationships with our people and address the impact that the industrial dispute had on our culture. We are taking action on our colleagues' feedback through our Company Trust and Engagement plan, where we aim to improve the employee experience.

In July, we launched an enhanced wellbeing programme, which offers comprehensive support in areas of Mind, Health, Money and Life, through a new online wellbeing hub. The expanded provision includes unlimited mental health consultations for employees and partners and builds upon the highly competitive employment terms and benefits we already offer.

We also launched Change for Good, a new campaign to change Royal Mail for the better by creating an inclusive culture where everyone is treated with dignity and respect. This included a relaunch of our Business Standards, a new tool for raising concerns, and delivering training, to help drive colleague and leadership accountability in this important area.

In February, we celebrated the first year of activity in our four-year partnership with British Heart Foundation. Through our efforts to train employees and young people in CPR, we're making a meaningful impact to protect heart health and save lives, and I look forward to seeing our partnership develop further.

Looking ahead

As the provider of one out of every 200 jobs in the UK, Royal Mail continues to play a unique and vital role in connecting the nation through the one-price-goes-anywhere Universal Service. As we look ahead, we remain focused on where we must work hard to deliver on our ESG goals and continue our transformation.

Urgent reform to the Universal Service is required to unlock Royal Mail's full potential. That's why, following extensive engagement and listening to the needs of thousands of customers and stakeholders, we have put forward a proposal to deliver a more efficient, reliable and sustainable Universal Service, with limited changes to what matters most to customers. We call on Ofcom to act swiftly to introduce our proposed reforms by April 2025 at the latest given there is no need for legislative change.

Today we can look forward with confidence at our pathway towards greater sustainability for the benefit of our people, customers and communities.

Jenny Hall
Director of Corporate Affairs

³ Based on average gCO₂e emissions per parcel delivered by UK parcel operators, as published by Citizens Advice 2023 Parcels League Table.

OUR APPROACH

OUR SUSTAINABILITY VISION

As we transform our business and drive towards Net-Zero, we want to be the sustainability leader in our industry – one that is respected by communities in every postcode and valued by our people, customers and wider stakeholders.

THREE KEY PILLARS



TAKING STEPS TO ZERO



PEOPLE AT THE HEART



OPERATING WITH INTEGRITY

OUR VALUES

Be positive
about what we can achieve.

Be brilliant
for our customers.

Be part of it
each one of us is responsible.

Introduction

Taking steps to zero

People at the heart

Operating with integrity



ESG RATINGS

We are independently rated as a leading responsible business.

ESG ratings allow our investors and other stakeholders to compare our ESG performance and disclosure against peers and leading practices. We use the results of these assessments to develop targeted improvement plans. The plans are shared with internal stakeholders and are used to guide discussions on reporting and disclosure best practice. The results are also used to inform our annual ESG materiality exercise, which incorporates the views of all our main stakeholder groups.



Our ESG materiality assessment can be found on page 6 of this report.

Silver
EcoVadis

71
S&P Global CSA (DJSI)

4
FTSE4Good

AA
MSCI

44.5
Bloomberg Gender
Equality Index

B
CDP
Climate Change

79%
Workforce Disclosure
Initiative

Low risk
Morningstar
Sustainalytics

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The support of our stakeholders is crucial to our success and to the ongoing sustainability of our business. We communicate proactively with our stakeholders to seek their views and understand their expectations.

ASSESSING WHAT IS MATERIAL

In addition to regular communication with our stakeholders, we conduct an in-depth materiality assessment every two years to help prioritise the ESG topics that are most important to our business and stakeholders. We review these topics on an annual basis. Our most recent assessment took place early in 2023.

For the first time, our assessment followed a double materiality approach to incorporate both impact materiality (inside-out) and financial materiality (outside-in). This approach aims to provide a more holistic and dynamic view of our material issues and a broader perspective on current and future priorities.



For more information, please see pages 2 to 3 of our ESG Appendix.

OUR 5 MOST MATERIAL ISSUES

1

CLIMATE CHANGE AND EMISSIONS REDUCTION

Achieving our Net-Zero ambitions by decarbonising our business and assessing climate risks and opportunities.

2

HEALTH AND SAFETY

Ensuring a safe and healthy work environment for our people, while considering the safety of our customers and other members of the public.

3

CUSTOMER SERVICE

How we deliver fast, convenient and environmentally sustainable services, offering great quality of service at affordable prices.

4

LABOUR STANDARDS AND HUMAN RIGHTS

Safeguarding fair pay and conditions for our people and preventing human rights abuses in our supply chain.

5

SERVICE RESPONSIBILITY

Maintaining a high level of mail integrity, addressing cybersecurity threats and protecting our customers against criminal activity in the postal system.

DOUBLE MATERIALITY MATRIX



⁴ In 2023-24, we reviewed our materiality matrix and adjusted the position of 'Employee Engagement & Culture' to reflect a higher impact on our business. We understand the impact that Industrial Action has had on our employee engagement and that this is a concern for our stakeholders. Details on how we are responding to this can be found on page 28.

ESG

KEY PERFORMANCE INDICATORS

The table below sets out Royal Mail's progress against ESG-related key performance indicators (KPIs), which align to our most material issues and the UN SDGs.

These KPIs are essential for the successful delivery of our business strategy and support our sustainability vision.

Environmental performance is tracked year on year against our base year of 2020-21. Social and Governance is assessed as year on year performance, unless otherwise stated.

The performance of a range of ESG-related metrics impact the remuneration of our people, including Executive Directors, through the annual bonus plan. For 2023-24, this included progress towards our commitments to reduce carbon emissions.

ASSURANCE OF MATERIAL DATA



It is important to us that our ESG data is compiled and calculated to a high standard, including for business-wide targets. Data marked with the symbol have been verified by an independent third party.



Our assurance statement and reporting criteria are available on the IDS website.

KPI STATUS KEY



Achieved – goal met or met ahead of time and to be maintained or improved



On track – likely to meet goal on time



Ongoing focus – continued progress toward goal required



Not on track – significant progress required to meet goal

N/A

Measure only

	Material issue	SDG	KPI	Goal	2023-24 performance ⁵	Status
	Climate change and emissions reduction		Achieving Net-Zero (%)	Net-Zero by 2040	-8%	See page 12
			Carbon per parcel (gCO ₂ e)	Maintain the lowest recorded carbon per parcel	200gCO ₂ e	See page 14
			Zero-emission final mile (%)	100% by 2035	23%	See page 15
			Zero-emission company cars (%)	100% by 2030	64%	See page 19
			Renewable electricity purchased or generated from 2022 (%)	100% from 2022	100%	See page 18
	Resource efficiency		Water consumption (%)	25% reduction by 2030	1% increase	See page 18
			Waste generated (%)	25% reduction by 2030	-27%	See page 20

⁵ 2023-24 performance against our 2020-21 base year.



ESG

KEY PERFORMANCE INDICATORS

	Material issue	SDG	KPI	Goal	2023-24 performance	Status
 PEOPLE AT THE HEART	Health and safety		Lost time accident frequency rate (per 100,000 hours worked) (number)	Reduce the amount of time lost to accidents	0.78 ^A	✓ See page 24
			Total accident frequency rate (number)	Reduce the number of accidents	2.93	○ See page 24
			Fatalities (number)	Eliminate fatalities	1 – Employees ^A 5 – Third party ^A	○ See page 25
			Sickness absence (%)	Reduce sickness absence	6.75% ^A	✓ See page 26
	Diversity, equity and inclusion		Female representation (all levels) (%)	25% by 2025	20%	○ See page 30
			Senior female representation (levels 1-6) (%)	33% by 2025	26%	○ See page 30
			Ethnic minority representation (all levels) (%)	15% by 2025	13%	○ See page 30
			Senior ethnic minority representation (levels 1-6) (%)	11% by 2025	7%	○ See page 30
			Youth representation (frontline) (%)	18% by 2025	8%	○ See page 30



ESG

KEY PERFORMANCE INDICATORS

	Material issue	SDG	KPI	Goal	2023-24 performance	Status
 PEOPLE AT THE HEART	Employee engagement		Trust score (out of 100)	Measure only	59	N/A See page 28
	Community impacts		Total community investment (£) (includes cash, time, in-kind and management cost)	Measure only	£5 million	 See page 36
			Charity partner fundraising (£, since November 2022)	Aspiration to raise £2 million by 2026	£463,300	 See page 37
			Charity partner awareness raising (number, since November 2022)	Training 100,000 employees in CPR by 2026	7,251	 See page 39

	Material issue	SDG	KPI	Goal	2023-24 performance	Status
 OPERATING WITH INTEGRITY	Customer service		First Class Quality of Service (%)	93% of First Class items delivered the next working day	74.5%	 See page 50
			Customer complaints (number)	Measure only	910,303	N/A See page 50
	Responsible procurement		New contracts awarded to SMEs (%)	Measure only	19%	N/A See page 48

TAKING STEPS TO ZERO

We aim to lead by example in helping tackle the most pressing environmental challenges facing our world. Among these, we recognise climate change as a key global threat, which we seek to address through a comprehensive strategy that prepares our business and our communities for a low-carbon future.

MATERIAL ISSUES:

Climate change and emissions reduction

Resource efficiency

Stewardship of the environment



UK'S GREENEST DELIVERY COMPANY⁶

Royal Mail is the UK's greenest delivery option⁶ for letters and parcels. Our c.81,000 posties walk up to a billion steps a day and just over half of our delivery routes are either purely or largely on foot. We want to go even further to reduce emissions and improve air quality.

In 2023-24, we continued to deliver on our Steps to Zero strategy to maintain our position as the UK's greenest delivery option⁶ for letters and parcels, while recognising the need to go further and faster in our mission to decarbonise our business and drive wider change.

Royal Mail's total (market-based) emissions were 1,171 KtCO₂e in the year, representing an overall decrease of 8% on our 2020-21 base year and a 2% decrease since last year. We achieved these reductions despite opening the Midlands Parcel Hub and returning to normal levels of activity following Industrial Action in the prior year.

Decarbonising our business

Since launching the Steps to Zero strategy in 2022, our efforts have been focused on decarbonising our business. This has driven strong emissions reduction performance across Scopes 1 and 2 through the delivery of targeted decarbonisation strategies across our zero-emission deliveries (see page 15) and zero-emission operations (see page 17) pillars.

Scaling our impact

Our attention and effort will now turn to scaling our impact. This will be primarily focused on collaborating with our suppliers and peers to reduce our Scope 3 emissions and embracing circularity to reduce waste generation and water use, supporting the pillars of collaborating for action (see page 19) and making circular happen (see page 20).



DECARBONISING OUR BUSINESS



ZERO-EMISSION DELIVERIES

Optimising our on-foot delivery methods while electrifying our delivery vehicles.



ZERO-EMISSION OPERATIONS

Redesigning an efficient, parcels-focused network that utilises low-carbon transport modes and drives energy efficiency in our buildings.

SCALING OUR IMPACT



COLLABORATING FOR ACTION

Harnessing our size and scale, to play a positive role in delivering a low-carbon future for our supply chain and our workforce.



MAKING CIRCULAR HAPPEN

Transforming our operations to embrace circularity by reducing our waste and designing more sustainable products.

ENVIRONMENTAL STEWARDSHIP AND COMPLIANCE

Our ambitious strategy is supported by environmental management systems that aim to reduce local pollution and protect nature.

⁶ Based on average gCO₂e emissions per parcel delivered by UK parcel operators, as published by Citizens Advice 2023 Parcels League Table.

OUR ENVIRONMENTAL TARGETS

This year, our Net-Zero and near-term decarbonisation targets were externally validated by the Science Based Targets initiative (SBTi).

This validation provides confidence for our customers that our ambitious targets are aligned with the latest climate science and a 1.5°C decarbonisation pathway, to reduce our greenhouse gas (GHG) emissions across all Scopes.

Decarbonising a business of our size to achieve Net-Zero by 2040 requires a series of targets for both our own operations and our value chain. Progressing towards these targets is important for meeting the expectations of our customers and delivering good outcomes for our planet.

Our environmental targets and 2023-24 performance against our 2020-21 base year are summarised in the table opposite. We continued to deliver on our carbon reduction targets, making strong progress with our emissions reductions across Scopes 1 and 2.

While carbon emissions remain our most material environmental impact, transitioning to a more circular economy and supporting our customers to do the same, helps reduce our reliance on finite resources and improves waste management. This year, we are pleased to report that we exceeded our waste reduction target. Read more about our progress on page 20.

Strategy pillar	Targets	2023-24 performance ⁷	Versus target
	Reduction in Scope 1-2 emissions by 2030	-18%	vs -50% by 2030
	Reduction in Scope 3 emissions by 2030	-2%	vs -25% by 2030
	Reduction in Scope 1-3 emissions by 2040	-8%	vs -90% by 2040
	Zero-emission final mile by 2035	23%	vs 100% by 2035
	Zero-emission company cars by 2030	64%	vs 100% by 2030
	Renewable electricity purchased or generated from 2022	100%	vs 100% from 2022
	Reduction in water consumption by 2030	1%	vs -25% by 2030
	Reduction in waste volume by 2030	-27%	vs -25% by 2030



⁷ 2023-24 performance against our 2020-21 base year.

OUR 2023-24 EMISSIONS PROFILE

UNDERSTANDING OUR EMISSIONS



SCOPE 1 Direct emissions

- Vehicle fleet fuel consumption
- Building estate natural gas consumption for heating
- Fluorinated gases for cooling and heating systems



SCOPE 2 Indirect emissions from electricity

- Building electricity consumption
- Electric van fleet electricity consumption
- Rail freight electricity consumption
- On-site solar electricity generation

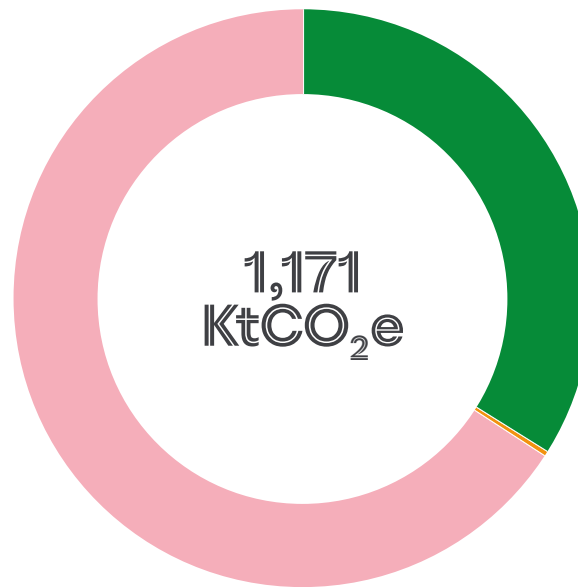


SCOPE 3 Value chain emissions

- Purchased goods and services
- Well-to-Tank (WTT) emissions – the emissions associated with the production, transportation, transformation and distribution of fuel consumed
- Domestic and international air freight
- Downstream transport and distribution of freight
- Business travel
- Employee commuting

EMISSIONS BY SCOPE

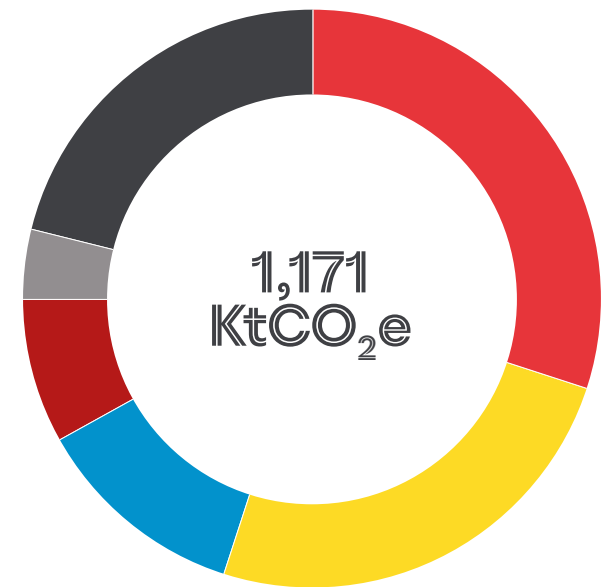
Our direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3) are equally significant, recognising the need to decarbonise our fleet of around 46,000 vehicles⁸ and 1,400 properties, along with supply chain transport providers and other purchased goods and services. Under a market-based approach, our Scope 2 emissions are near zero because we predominantly purchase and generate 100% renewable electricity. A further breakdown of our Scope 3 emissions by category can be found on page 19.



- **34%** Scope 1 (394.6KtCO₂e)
- **0%** Scope 2⁹ (0.3KtCO₂e)
- **66%** Scope 3 (775.8KtCO₂e)

EMISSIONS BY ACTIVITY

We segment our emissions into key business activities and recognise that our international and domestic transport networks are our highest emission activities at present. Our final-mile emissions are comparatively very low for our industry due to our local delivery office presence, coupled with a growing zero-emission delivery model.



- **30%** Domestic transport network
- **25%** International transport network
- **12%** Domestic final mile
- **8%** Our estate
- **4%** Our people
- **21%** Supply chain spend and other

⁸ Total number of fleet vehicles, excluding trailers.

⁹ Scope 2 emissions under a market-based approach.

2023-24 PERFORMANCE

EMISSIONS SUMMARY

Royal Mail's total (market-based) emissions were 1,171KtCO₂e in the year, representing an overall reduction of 8% on our base year in 2020-21 and 2% since last year.

This was largely due to our Scopes 1 and 2 emissions decreasing 18% on our base year. We achieved these reductions despite opening the Midlands Parcel Hub and returning to normal levels of activity following Industrial Action in the prior year. These reductions were due to the deployment of c.10 million litres of Hydrotreated Vegetable Oil (HVO) in our fleet of large trucks. Additionally, continued fuel reductions in the vehicle fleet and estate contributed to our emissions reduction, alongside progress in the following areas:

- 100% of the electricity purchased and generated is renewable via purchased tariffs and Renewable Energy Guarantees of Origin (REGO) certificates.
- A continued focus on energy efficiency measures across our operations, including optimising time and temperature controls throughout the coldest months.

Reflecting the good progress made in decarbonising our operations, the majority of our key intensity metrics reduced compared with the prior year:

- Normalised per £ million of revenue, emissions were 57.9tCO₂e/£M compared with 63.8tCO₂e/£M in 2022-23 (Scopes 1 and 2 (location-based) only).
- CO₂e emissions per parcel were 200gCO₂e for Royal Mail parcels and 215gCO₂e for Royal Mail and Parcelforce Worldwide parcels. This is in comparison to 221gCO₂e and 237gCO₂e respectively in the prior year.
- CO₂e emissions per letter increased slightly to 29gCO₂e compared with 27gCO₂e in 2022-23. This is wholly attributable to a reduction in letter volumes.

Royal Mail and Parcelforce Worldwide – Parcels

215

gCO₂e
(2022-23: 237 gCO₂e)



Royal Mail – Parcels

200

gCO₂e
(2022-23: 221 gCO₂e)



Royal Mail – Letters

29

gCO₂e
(2022-23: 27 gCO₂e)



2023-24 GHG EMISSIONS SUMMARY¹⁰

CO₂e ('000 tonnes)

	2023-24	2022-23 ¹¹	2021-22
Scope 1	394.6	417.4	483.7
Scope 2 (location-based)	59.1	55.4	58.6
Scope 3^{12,13}	775.8	778.5	901.6
Total (all Scopes)	1,229.5	1,251.4	1,443.9
Scope 2 (market-based)	0.3	0.8	1.3
Energy consumption '000 kWh	2,153,157	2,104,861	2,434,395

¹⁰ We report our carbon emissions in line with the Greenhouse Gas (GHG) Protocol Corporate Standard. The standard classifies a company's GHG emissions into three Scopes. Scope 1 emissions are direct emissions from sources that are owned or controlled, including the combustion of fuel and operation of facilities. Scope 2 emissions are indirect emissions from the purchase of electricity, heat, steam and cooling purchased for own use. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. We also report 'Outside of Scopes' emissions in our ESG data pack to account for the biogenic emissions associated with the combustion of biogas and biofuel, which sit outside of Scopes 1 to 3. For further information on our reporting boundaries, conversion factors, and calculation methodologies, please refer to our published reporting guidelines.

¹¹ 2022-23 Scopes 1 and 2 emissions data have been restated following the provision of data that were previously estimated. Scope 3 emissions data have also been restated for data that were previously estimated and, additionally, to correct a data calculation error for Scope 3 categories 1 and 2.

¹² We report 100% of our Scope 3 emissions across all relevant and material categories. See page 19 for a more detailed breakdown.

¹³ Scope 3 emissions data have been restated for 2021-22 and 2022-23, to correct a data calculation error for Scope 3 categories 1 and 2.

ZERO-EMISSION DELIVERIES

Our final-mile delivery network, and our fleet of vehicles supporting it, is the largest in the UK.

As the UK's sole Universal Service Provider, we deliver to around 32 million addresses. Our posties walk up to a billion steps a day and over half of our delivery routes are purely on foot or via the 'park and loop' method, which utilises a shared van but is largely on foot.

Our 'feet on the street' delivery model is unique to Royal Mail and significantly contributes to keeping our emissions low compared to those of other operators. Maintaining and enhancing this model is an important part of our zero-emission deliveries strategy.

Our final-mile delivery network is the most visible part of our carbon and air pollutant footprint, representing 12% of our total emissions profile and 21% of our air pollutant emissions.

We have set the target of achieving a 100% zero-emission final mile by 2035. To achieve this, we will:

- Transition our final-mile fleet to operating zero-emission vehicles.
- Use our fleet efficiently to support and enhance delivery walking routes.
- Embrace innovation to re-invent our delivery model.



ELECTRIC VANS

We have around 40,000 delivery and collection vans. Over the past year, we have continued to invest in deploying electric vans and the charging infrastructure to support them. We operate the UK's largest electric van delivery fleet, with around 5,000 electric vans.

Our current electric van fleet is in operation at 164 units, 18 of which are fully electrified. The number of delivery routes operated by electric vans has increased and just over half of our delivery routes continue to be wholly or partially on foot, meaning that 23% of our delivery routes are now zero-emission.

While electric vans deliver significant emission reductions, they also provide a great return on investment. A financial review of 15% of our electric van locations undertaken last year showed that, on average, vehicle maintenance and fuel costs fell by 55% and 80% respectively. Factoring in the additional investment required for an electric van and the associated charging infrastructure, our electrification scheme is anticipated to break even at around 3.5 years into the vehicle lifetime and therefore very likely to achieve net savings over the total vehicle life-cycle of seven years.

5,000

Electric vans deployed

18

Fully electric units

23%

Zero-emission delivery routes



ZERO-EMISSION DELIVERIES

AERIAL INNOVATION

In July 2023, we teamed up with SkyPorts, Orkney Islands Council and Loganair to launch the Orkney I-Port operation, which provides an inter-island mail distribution service using Unmanned Aerial Vehicles (UAVs). This is the first UK drone delivery project that can be conducted on a permanent basis under existing regulatory frameworks, due to the unique landscape of Orkney and the proximity of the islands to one another.

The service provides considerable benefits, including improved timeliness of deliveries, cost and emission savings, and improved overall connectivity for island residents.



HELPING TO TACKLE AIR AND NOISE POLLUTION

Switching to zero-emission vehicles will help reduce our air pollution contributions by approximately half. However, some pollution sources, such as brake pads and tyres, will remain. As a result, we continue to explore innovations that can help to reduce air pollutants deriving from vehicle use.

By transitioning our delivery vans to electric vans with zero tailpipe emissions, we release fewer pollutants such as nitrogen oxides (NOx) and particulate matter. Electric vans are also much quieter than their diesel counterparts, helping to reduce noise pollution, which is particularly beneficial in urban areas where this is known to negatively impact the wellbeing of residents. For our diesel and petrol van fleet, we use telemetry data to reduce vehicle idling time, which can produce up to twice as many tailpipe emissions as an engine in motion.

We recognise the need to be engaged with and supportive of local authority plans to tackle congestion and air quality in urban centres. We continue to collaborate with local authorities and advise on how Royal Mail may best support these initiatives.



DEVELOPING GREEN SKILLS IN OUR WORKFORCE

To support our infrastructure and vehicle provision, we have trained more than 15,600 colleagues in 'green' electric driving, for safety, efficiency and confident charging management. This is a transferable green skill that our workforce can take with them into a low-carbon future, either with personal car use or at work.

Additionally, we have trained over 350 of our mechanics to work on electric vehicles, including safe working practices and the use of specialist equipment. This competency is key to maintaining our large electric fleet and provides our mechanics with skills they will use throughout their careers.

ZERO-EMISSION OPERATIONS

Our international, national and local distribution networks support deliveries by conveying mail across the country and beyond. Fleet vehicles and air freight are the most significant sources of our network emissions. Alongside our estate, operational emissions represent 60% of our total emissions profile and 80% of our air pollutant emissions.

We aim to reduce our transport and estate emissions by:

- Operating more zero-emission vehicles and using alternative fuels.
- Redesigning our parcel pipeline to be more efficient and responsive to parcel volumes.
- Removing air freight in favour of road or rail transportation where feasible.
- Focusing on energy performance, controls and behaviours.



ROAD TRANSPORTATION

A key focus of our strategy is our road transportation fleet. More than 93% of mail in the UK is transported by road and comprises 63% of Royal Mail's total emissions profile. We regularly review ways to further optimise our delivery network and our vehicles. Zero-emission and low-emission technologies for linehaul trucks are developing rapidly and we remain committed to working with manufacturers to co-design, trial and test this technology.

This year, we made significant progress on decarbonising our linehaul fleet of large trucks by transitioning six key refuelling locations from diesel to Hydrotreated Vegetable Oil (HVO), a drop-in, fossil-free biofuel that reduces direct carbon emissions by up to 90%. Over 10 million litres of HVO have been deployed since the first location went live in July, resulting in a c.30,000 tCO₂e emissions saving compared with using diesel. We work closely with suppliers to ensure that the HVO we procure is derived from residual waste or other sustainable feedstocks. We purchase only International Sustainability & Carbon Certification (ISCC) certified HVO that has Proof of Sustainability (PoS) certification demonstrating a fully validated and auditable supply chain.

Ensuring our trucks are carrying as much mail as possible on each leg of their journey is important for fuel efficiency. This year, we ordered 140 double-deck trailers for our trucks and we trialled new ways to fill our vehicles, to reduce fuel consumption and remove additional journeys from our network. At our mail centre in Greenford, we trialled one 19-tonne and one 16-tonne electric truck. Both vehicles received positive driver feedback, especially around battery regeneration and charging.

These trials help us to accelerate the green transition of the logistics industry. By sharing feedback with manufacturers and collaborating with other fleet operators, we can contribute to advancing these innovative zero-emission heavy vehicle technologies.



MOVING FROM AIR TO ROAD AND FERRY

Currently, around 4% of our domestic mail is transported by air. This year, flights to Jersey and the Isle of Man were removed as part of an effort to streamline services. This brings with it the added benefit of a much-reduced environmental footprint for the mail that is now being conveyed via existing road and ferry services instead.

Over the next year, we plan to increase the flexibility of our delivery window times, which will enable us to remove a further 18 flight routes. Once fully realised, this will equate to a saving of c.30,000tCO₂e per year, or over 50% of our base year domestic air freight emissions, and a notable reduction in our Scope 3 emissions.

ZERO-EMISSION OPERATIONS

POWERING OUR ESTATE

We maintain a large property portfolio, with buildings ranging in size, age and use. Emissions from our buildings and estate account for 8% of our emissions profile. The electrification of our fleet and our parcel growth plans are adding considerable electricity needs to our estate, both in terms of new parcel sorting technology and electric vehicle charging infrastructure. Combined with our Net-Zero ambition and ongoing efficiency improvements, effective energy management is a key priority.

In April 2022, we switched to a 100% renewable electricity tariff backed by Renewable Energy Guarantees of Origin (REGO) certificates, meaning that we purchase and generate 100% renewable electricity. This year, we progressed our plans to purchase renewable electricity via power purchase agreements, ensuring a sustainably priced renewable electricity supply and renewable generation in the future.

During 2023-24, we continued to focus on energy efficiency measures across our operations, particularly our use of heating, where we have further optimised time and temperature controls throughout the coldest months.

Solar energy can help to reduce our renewable energy costs and offer greater resilience to sites with higher demands for electricity supply. Currently, solar panels are installed at ten Royal Mail sites. We are in active discussions with several landlords regarding new solar photovoltaic (PV) installations, with progress expected in 2024 on several schemes.

100%

**We purchase and generate
100% renewable electricity**

10 sites

**Currently, solar panels are
installed at ten Royal Mail sites**



Clive Betts MP views our HVO-fuelled fleet



REDUCING WATER CONSUMPTION

Royal Mail uses almost 1.4 million m³ of water per year, primarily within buildings (washrooms, etc.) and vehicle washing sites. We understand that climate change and a growing population will strain water security and so playing our part to reduce consumption is important.

Throughout the year, we focused on installing Automatic Meter Readers (AMRs) at our water supply points, at those sites using the most water. 35% of our water use is now covered by AMRs, enabling us to identify leaks and water wastage in buildings with high benchmark usage. Our focus for next year will be on closing out identified leaks and installing further data loggers across our property portfolio.

35%

**We installed Automatic
Meter Readers (AMRs)
at our water supply
points, covering 35%
of our water use**



COLLABORATING FOR ACTION

We recognise that achieving Net-Zero and supporting climate ambitions more broadly will require profound changes across our value chain, as well as industry-wide change through close collaboration and partnerships. This pillar of our strategy focuses on collaborating with our suppliers, customers and peers and our workforce to live low-carbon lives. We also engage with government bodies and NGOs to advocate for key policy changes that help support and accelerate decarbonisation.

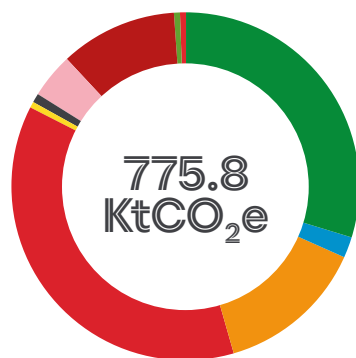
INFLUENCING OUR VALUE CHAIN

Our Scope 3 emissions account for 66% of our total emissions profile and we recognise the need to evolve our supply chain practices. We are developing our strategy to deliver on our science-based Scope 3 targets in 2030 and 2040, and are making progress on our goals by increasing transparency, collaboration and investment.

We have identified our top 100 most significant suppliers based on their Scope 3 materiality and social or governance risks. In partnership with these suppliers, we have commenced the development of a decarbonisation roadmap, and we intend to share knowledge, best practices and join forces where a standardised industry-wide approach is required. Together, we can gather more granular information on suppliers' emissions and risk areas, to increase the accuracy and transparency of our carbon reporting.

VALUE CHAIN EMISSIONS

(Scope 3)¹⁴



30%	Purchased goods & services (235.0KtCO ₂ e)
2%	Capital goods (13.3KtCO ₂ e)
14%	Fuel & energy-related activities (111.7KtCO ₂ e)
37%	Upstream transport (284.9KtCO ₂ e)
0%	Waste generated (0.8KtCO ₂ e)
1%	Business travel (7.5KtCO ₂ e)
4%	Employee commute (34.5KtCO ₂ e)
11%	Downstream transport (88.0KtCO ₂ e)
0%	Product end-of-life treatment (0.1KtCO ₂ e)

100% of our value chain (Scope 3) emissions are captured within the categories presented above.¹⁴ Upstream transportation and distribution, which includes international flights, is our most significant value chain category.

Our calculation approach and the availability of supplier-specific carbon data require continual improvement to ensure that we achieve our Net-Zero targets and realise the benefits of our supplier partnership programme. For example, we currently calculate purchased goods and services using a spend-based methodology. We have identified methodology improvement areas in several categories and are working with our internal stakeholders and suppliers to action these in 2024-25.



BRINGING OUR CUSTOMERS ON OUR NET-ZERO JOURNEY

We are seeing increased demand from our customers for accurate emissions data on their mail volumes. Currently, we provide per parcel and per letter emissions data using an estimated averages approach. We are supportive of certified CO₂e product labelling and will explore opportunities to evolve our per item reporting as our digital capabilities mature.

Standardised and more transparent carbon footprint reporting is a key development across the global postal community. This year, we will share our second electric vehicle impact report with our customers. The report enables our customers to know which areas of the UK we operate zero-emission delivery routes, where deliveries are completed by our posties using an electric van or on-foot.

During the year, we introduced a green surcharge that applies to some products for Royal Mail account customers, to support the delivery of our Steps to Zero plan. Money raised in 2023-24 and 2024-25 through the green surcharge is exclusively used to fund decarbonisation measures in our network, including investing in the deployment of HVO, more zero-emission charging infrastructure, lower-emission vehicle alternatives, and decarbonising our estate heating. The green surcharge complements Royal Mail's wider, ongoing investment in our Steps to Zero plan, enabling us to continue to provide the greenest delivery option for letters and parcels.

ENABLING OUR EMPLOYEES TO CONTRIBUTE TOWARDS NET-ZERO

Equipping our workforce with knowledge about our Net-Zero journey and how they can contribute is critical to its success.

We communicate our Steps to Zero strategy to our workforce and outline the actions colleagues can take to support it at all levels. This year, this included training on driving efficiently, tips on recycling, the benefits of a lower-carbon diet and our company-wide car scheme. This extends our influence beyond our value chain, given our ability to reach around 130,000 colleagues across Royal Mail.

In 2021, we announced plans to ensure that all employee vehicles leased through our company-wide car scheme are electric by 2030. Currently, around 64% of our company car fleet is electric and all our job-need cars are now hybrid or electric.

64%

Around 64% of our company car fleet is electric

GOVERNMENT AND NGO ACTION

We actively campaign for policies and investments that support electrification and the transition to Net-Zero and work closely with national and local authorities and non-governmental organisations (NGOs) to this end. For example, we have advocated for increased incentives towards the supply of alternatively fuelled vehicles and measures to accelerate and broaden the roll-out of public and private charging infrastructure.

This has included regular engagements with stakeholders in Westminster and Whitehall, the devolved administrations and local government to discuss policy positions. We respond regularly to central and devolved government consultations around Net-Zero, transport and energy, among other areas. We are also members of a number of industry bodies and regularly work with them to promote joint positions in support of the sector's transition to Net-Zero.

¹⁴ The GHG inventory categories not presented here have been deemed non-applicable to our business operations. Should this change in any future reporting years, the relevant data will be included.

MAKING CIRCULAR HAPPEN

We are committed to minimising our use of materials, especially virgin and raw resources, to reduce waste generated by our operations and the people we serve. We aim to:

- Create a closed loop between waste disposal and material production by enhancing the incorporation of recycled content and recyclable materials in our products.
- Continuously explore avenues to eliminate raw materials, increase recycled content and promote circular solutions.
- Cultivate a responsible and environmentally conscious approach within our operations, in accordance with the principles of a circular economy.

As a postal operator, we recognise the need to offer our customers circular solutions and facilitate the adoption of rental and return business models, which are integral to achieving a low-carbon future.

OPERATIONAL PRODUCTS

Operational products are used in our delivery network to collect, convey and distribute mail. The majority of these products can be replaced or improved to increase their sustainability and reduce waste. Our strategy to achieve and maintain a 25% reduction in waste by 2030 focuses on efficiencies created by cardboard parcel containment, the use of pallets and, to a lesser extent, mailbag ties and elastic bands.

We took significant steps to enhance the circularity within our operations in 2023-24:

- Replaced our traditional trolley sleeves with reusable plastic sleeves, designed not only for enhanced durability but also increased recyclability at the end of their lifespan.
- Introduced a reuse programme for pallets, aiming to divert more pallets from our waste.
- Adjusted our mail bag practices by reducing the reliance on single-use plastic cable ties and substituting them with reusable 'hook and loop' straps, which can reduce our overall waste footprint by up to 170 tonnes a year.

CREATING A CIRCULAR ECONOMY FOR LETTERS

We are committed to reducing the carbon impact of letters. In addition to decarbonising our delivery fleet, this means identifying ways we can contribute to a circular economy, for example, by innovating printing processes and improving recycling rates.

We work with the mail industry to embed circularity across the supply chain. We also help our customers to create effective and more sustainable campaigns by using our step-by-step mail sustainability guide, and our carbon life cycle assessment (LCA) tool.



Find out more about mail sustainability and access our resources [here](#).

CONSUMER CIRCULARITY WITH NESPRESSO

In October, we announced a partnership with Nespresso to transform coffee capsule recycling for households across the country. Nespresso customers now have two new options for recycling their coffee capsules. Customers can either arrange a free doorstep collection from their local postie using Royal Mail's returns service or drop them off at any of the 14,000+ Royal Mail drop-off locations, including Royal Mail Customer Service Points and Post Offices.

The capsules are then sorted and transported through our network to a specialised reprocessing plant in the UK. At the plant, coffee grounds are separated for use in soil improvement or renewable energy production. The aluminium and plastic components are recycled to create new products. Since the inception of this streamlined process, Nespresso has witnessed a 350% increase in visits to its recycling page on the website and a 10% uptick in recycling bags added to orders.



WASTE MANAGEMENT

In the year, we generated 29.5 kilotonnes of waste, a total reduction of 27% against our base year. This means that we have exceeded our target to achieve a 25% reduction in waste volumes by 2030. In addition to reducing our waste overall, we have recycled, reused, or diverted 98% of our waste, a similar performance compared with 99% in 2022-23.

In 2023-24, hazardous waste increased by around 300 tonnes to 5.5% of our total waste tonnage, partly due to our proactive programme of drainage interceptor cleaning. An interceptor is a pollution control device that holds and prevents contaminants from entering wastewater, reducing the occurrence of watercourse pollution across our estate.

We have collaborated closely with our waste contractor Biffa to uphold a high standard of waste management throughout our facilities. We have also been enhancing awareness among our employees about the importance of proper waste separation and management. We are actively exploring innovative approaches to further enhance our recycling initiatives in a bid to maintain our 2030 waste reduction target.

To maintain our performance and achieve further waste reductions, our focus is on operational products, such as cardboard parcel containment and pallets.

This will be actioned through a combination of initiatives, including:

- Driving performance in our waste supply chain.
- Improving our waste data and communication of waste use.
- Embedding a positive waste segregation culture, alongside targets within the workforce.
- Tackling waste streams from catering and incoming packaging.

=27%

We achieved a 27% reduction in total waste against our base year



ENVIRONMENTAL MANAGEMENT

Our commitment to environmental management underpins our Steps to Zero strategy, empowering us to monitor, uphold and consistently enhance our environmental performance. The guidelines outlined in our Environment and Energy policy establish our key priorities for effective environmental management, and set out our approach to the environmental aspects of our operations, products and services, to prevent negative impacts.

Our environmental management system has been developed and maintained to align with the ISO 14001:2015 standard. Our Parcelforce Worldwide operational sites and head office are all certified to ISO 14001:2015.

The primary sources of pollution incidents are from fuelling infrastructure, vehicle incidents, and off- and on-site littering. Our focus is on enhancing site conditions, design and security measures, and fostering a good workforce culture that collectively aims to prevent these incidents from occurring or, in the event of an incident, to minimise the resulting impact.

We operate the largest commercial fleet in the UK and therefore we use a substantial amount of fuel. We prioritise safety and responsibility in handling this fuel across our estate through various precautions, including emergency planning, staff training, tank inspections and the installation of CCTV and alarm systems to deter theft. In the event of spills, we have procedures in place that consider the severity and scale of the spill, emphasising containment and clean-up actions. Additionally, we have established protocols for co-ordinating with environmental agencies or local authorities, as needed.



Our Environment and Energy policy can be found on the IDS website.



BIODIVERSITY

Our aim is to preserve and enhance biodiversity across our estate. We acknowledge the potential within our estate to contribute to the protection of local biodiversity. By managing our estate in a manner that supports the diversity of flora and fauna, we aim to create opportunities for environmental conservation.

We recognise that the transformation of natural habitats into the built environments associated with urbanisation has led to a decrease in the variety and quantity of supported species in the UK, thus contributing to a loss of biodiversity. Acknowledging the importance of safeguarding all species, we are dedicated to actively participating in biodiversity protection efforts.

In collaboration with our grounds team over the past year, we have completed surveys and identified 175 sites throughout our estate that are suitable for the implementation of biodiversity improvements. These include allowing vegetation to remain undisturbed wherever safe, promoting soil health, enhancing nutrient cycles, and providing a secure habitat to support biodiversity, including bird boxes. Our goal is to reduce lawn mowing where it is deemed safe, foster wildflower growth to create habitats for pollinators and contribute to overall biodiversity. Additionally, we are actively encouraging the natural growth of hedgerows by minimising trimming, as these hedgerows serve as vital shelters, nesting sites and food sources for birds, insects and small mammals.



PEOPLE AT THE HEART

As one of the largest employers in the UK with around 130,000 employees, we are at the centre of communities, keeping our customers connected. Given our scale, we are uniquely placed to have a positive sustainable impact. In 2023-24, Royal Mail contributed £2.9 million directly to good causes and charitable programmes.

MATERIAL ISSUES:

Health and safety

Labour standards and human rights

Diversity, equity and inclusion

Community impacts

Employee skills and development

Employee engagement and culture



PROUD TO BE ROYAL MAIL

To deliver for our customers, we must be there to support our people. They are our greatest asset. It is crucially important our people are healthy, safe and well at work and that they feel they belong and can reach their full potential. We also aim to have a positive impact on the communities that we operate within. We are proud to be a business that cares. Proud to be Royal Mail.



OUR SOCIAL VALUE PRIORITIES

Our social value priorities are delivered through our core business operations, with a focus on improving the lives of our people and making a positive, sustainable impact on the communities that we operate within, on a national and local scale.



ENSURING A HEALTHY, SAFE, DIVERSE AND INCLUSIVE WORKFORCE



ATTRACTING AND DEVELOPING THE NEXT GENERATION OF TALENT



INVESTING IN OUR COMMUNITIES



PROTECTING HUMAN RIGHTS



PUTTING CUSTOMERS AT THE CENTRE OF OUR OPERATION

UNIVERSAL SERVICE AND OUR PROPOSAL FOR CHANGE

Our proposal for reform was developed after extensive engagement and listening to feedback from customers, employees and communities, to meet their changing needs and protect what matters most to them.

For our customers

Our proposal meets customer needs regarding delivery speed and frequency. It offers a 'one-price-goes-anywhere' Universal Service with a choice of First Class and Second Class services. First Class letters would still be delivered six days a week and parcels up to seven days a week.

For our people

As the provider of one out of every 200 jobs in the UK, we want to grow the company so we

can continue to provide the best jobs in the industry. We expect our posties would get more Saturdays off work with these changes, something we know they would welcome.

For our communities

The Universal Service plays a unique role connecting communities across the UK. We would maintain our 'feet on the street' delivery model, ensuring a modern and sustainable Royal Mail with postal workers at the heart of their community.



ASSESSING OUR SOCIAL AND ECONOMIC IMPACT

In 2023-24, the Centre for Economics and Business Research (Cebr) undertook a detailed impact assessment of our UK business to quantify our contribution to the UK economy. We conduct this research every two years based on financial performance data from the reporting year.

This research looked at the impact of our jobs and employment to measure our social and economic contribution, which arises from our provision of the Universal Service. Cebr estimates that one in every 200 jobs in the UK is provided by Royal Mail. Our employment follows the contours of the population: in areas where there are more people, we provide more jobs.

£2.9 billion

contributed through the procurement of goods and services

£10.9 billion

of gross value added by Royal Mail (direct and indirect contributions)

£1.9 billion

contributed in taxes to HM Revenue and Customs

£6 billion

directly contributed to the UK economy by Royal Mail

8th

largest contributor to the UK economy out of all UK corporations

1 in 200 jobs

in the UK is provided by Royal Mail

PROTECTING OUR PEOPLE

Protecting our people and keeping them safe and well is essential to our business. We are committed to ensuring colleagues' health and safety at work and recognise our duty to protect the health and safety of those in the communities we operate in.

Health and safety remains one of our top five material issues. Our Health and Safety policy is implemented through our Safety, Health and Environment (SHE) management system. This details the standards and procedures that we have in place to effectively manage the risks within our business.

The safety team have a central role in supporting our business with change and transformation programmes, so we can better deliver for our customers.

 Our policy can be found on the [IDS website](#).

2023-24 PERFORMANCE

Improving our health and safety performance is critically important. We monitor our key safety metrics through monthly reporting to the Board and quarterly reporting to the ESG Committee. Our key metrics and goals can be found in the ESG KPI table on page 8.

In 2023-24, we saw a 1% reduction in our lost time accident frequency rate (LTAFR) from 0.79 to 0.78. Our total accident frequency rate (TAFR) increased by 6% from 2.76 to 2.93. This was due to an increase across several accident categories and most notably animal attacks, which is the highest impacting category.

This year, the number of animal attacks increased by 15.6% compared with 2022-23. In addition to animal attacks, slips and trips are among our most common accident types. In 2023-24, slips and trips reduced by 7%. More information on our safety performance and approach can be found on page 25.



DOG Awareness

DOG SAFETY

Dog ownership in the UK has risen steadily over recent years, increasing from 9.6m in 2021 to 11m in 2023.¹⁵ Dog attacks remain one of the biggest threats to posties when delivering letters and parcels. Unfortunately, the number of attacks on our posties is increasing. In 2023-24, 2,271 posties were attacked by an animal. Encouraging responsible dog ownership is crucial to ensuring that we can deliver our customers' mail safely.

In response to this, we now have dedicated resources in place to solely work on dog safety. We are working closely with the police to raise the profile of attacks and ensure that proportionate action is taken when they occur. To help reduce the risk of an attack, we ensure that when our posties report dog risks at an address, these are recorded on our off-site risk assessment system. Customers are informed of this and are required to keep their dogs secure and away from the delivery point to ensure that their deliveries continue.

Royal Mail's Dog Awareness Week aims to encourage responsible dog ownership. Internally, during the awareness week, we shared short learning points from attacks, issued posters, provided refresher training, and signposted posties to our online library of dog-related resources.

We also delivered a successful media campaign which focused on ensuring that the public understand the often devastating impact of dog attacks and what they can do to make sure their pets will not pose a threat. This included updating online advice for dog owners, alongside an educational film in partnership with Merseyside Police. Scan the QR code below to watch the film.



Throughout the year, local teams also continued to engage with schools to raise awareness of the increased risk of dog attacks during the school holidays.

¹⁵ According to figures issued by the PDSA (People's Dispensary for Sick Animals).

PROTECTING OUR PEOPLE

ROAD SAFETY

With over 46,000 vehicles, including our delivery and collection vans, we operate the largest commercial fleet in the UK. Our people drive hundreds of millions of miles each year, and therefore road safety continues to be one of our most significant safety risks.

As trends in the parcels market change, we are modernising our business by investing in larger vans and line haulage to transport the growing volumes and size of parcels. The safety team support this change by assessing the risks and producing appropriate action plans. Using larger vehicles, which in some cases require more vehicle manoeuvres, can increase the potential likelihood of road traffic collisions. In 2023-24, we reviewed and updated our van driver induction training to increase the focus on the key causes of collisions.

In 2023-24, our road traffic collision frequency rate (RTCFR) increased by 21% compared with the previous year, from 13.47 to 16.36. We acknowledge that our performance requires improvement. Our focus is on improving driver behaviour by delivering in-cab training alongside regular road safety communications campaigns and via the use of telemetry.

Despite our efforts to reduce road risks to zero, we regret to report that one employee and five members of the public sadly lost their lives in accidents that involved Royal Mail vehicles. All serious and fatal accidents are investigated by a safety professional to identify the causes, after which we track the closure of any learning points or actions. Key findings are also shared with the relevant Board members. As part of these investigations, we liaise closely with the police where applicable – in some cases, we may be identified as a witness only.



We are also proud to support the road safety charity Brake, and celebrated 10 years of partnership this year. Our partnership with Brake means that we benefit from access to the latest research, experience and expertise, which helps inform our communications campaigns throughout the year. In November, we supported Brake's road safety week campaign to raise awareness of the impact of speeding. All managers in our operations were provided with a briefing for their teams on the importance of driving at safe speeds. Our continued support enables Brake to make roads safer for everyone.

BUILDING SAFETY

Our safety subject matter experts help support the management of our huge property estate. Site managers have an important role to play and are responsible for inspecting their buildings and reporting any defects to our property helpdesk. In 2023-24, we simplified these processes, making it easier for our employees to access property compliance information. The submission of weekly site checks has now been automated, improving the centrally held site safety information.

STRENGTHENING OUR SAFETY CULTURE

Over half of our delivery routes are on foot, meaning that our posties experience changing conditions daily. Hazards include extreme weather, dangerous dogs, uneven paving and congested roads. The majority of incidents occur off-site whilst delivering and collecting mail, and therefore these risks, including driving, remain a high priority area for us.

Having invested significantly in 2022-23, we now have a larger safety team in place. As a result, in 2023-24, we were able to carry out over 1,400 Safety, Health and Environment (SHE) audits across our business. The audit process includes managerial coaching on how to effectively manage risks and maintain compliance with our standards, which is essential for improving our safety performance.

Strengthening our safety culture and ensuring compliance to our standards continues to be our focus. We provide health and safety information and training to all employees, so they understand their responsibilities and can implement the standards relevant to their role. In 2023-24, we gave particular focus to the completion of six managerial training products and overall, there was a 90% completion rate across the target group.



OUR WELLBEING PROGRAMME

With around 130,000 employees, we have a responsibility not only to keep our people safe and healthy, but to support their overall wellbeing. This year, we expanded our wellbeing offer, providing our people with comprehensive wellbeing support.

In 2023-24 our level of sickness absence was 6.75% (2022-23: 7.50%). This reduction was driven by changes agreed with the CWU as part of the Business Recovery, Transformation and Growth agreement, including new sick pay rules, new attendance standards and new arrangements for those leaving the business through ill health. In addition, we invested in enhanced wellbeing support for colleagues and partnered with a new occupational health service provider.

LOOKING AFTER PHYSICAL AND MENTAL HEALTH

Launched in 2023, our enhanced wellbeing programme covers the areas of Mind, Health, Money and Life, with support provided through our new online wellbeing hub. Everything our people and their families need is now available in one place, whether it is help navigating life's big events or smaller day-to-day challenges.

A key element to the expansion of our wellbeing programme was to use data and employee feedback to focus on addressing the issues that were having

the most impact. Issues such as mental health and musculoskeletal support were identified as being important to our people.

Since its launch, our new wellbeing hub has been visited over 200,000 times. We have taken a proactive approach to ensuring that wellbeing information reaches our people. In April, we mailed a wellbeing booklet direct to their homes and aimed for each of our sites to have a wellbeing noticeboard in place. Most recently, we introduced wellbeing rooms to give our people a safe space to reflect, use a service, or have the space to talk to a colleague or their manager.

Our network of 1,315 Wellbeing Ambassadors has grown significantly this year. They help us spread the word about our services and support colleagues with wellbeing issues daily.

Being in good physical and mental health means that our people can feel their best, deliver effectively for our customers and keep doing the things they love. Our wellbeing services now include:

- Unlimited 24/7 access to an online GP via free video consultations and a second medical opinion for any diagnosis received.
- Up to eight physiotherapy sessions a year for employees and partners.
- Unlimited mental health consultations for employees and partners – previously limited to eight per year.
- An Employee Assistance Programme (EAP) available 24/7 via a confidential helpline and online services.
- A new personalised wellbeing report that unlocks lifestyle coaching, personal training and nutritional support.
- Online support for menopause symptoms, as well as for illnesses including cancer and long Covid.

Our services are available to all employees and their immediate family. Over 27,000 people have registered for support via our app, with more than 19,000 registering this year and more than 15,000 using a service.

ADDITIONAL SUPPORT

We offer senior managers the option of a Nuffield Health check every two years. In November, we introduced a Health Fair programme delivered through our onsite gym facilities, where employees have access to a 30-minute health check including blood pressure, cholesterol levels, body composition checks and a lifestyle assessment. This year, also we moved our occupational health programme to a new provider with improved support and referral processes.

Our 'Moments That Matter' guides launched in February and provide help on how to best respond to a colleague who may be facing a difficult or big life event. For example, how to support employees going through fertility treatment and family bereavements.



YOUR HEALTH IN YOUR HANDS

Christopher O'Keefe is a Wellbeing Ambassador and postie at St Helen's Delivery Office. When asked how our expanded wellbeing offer had helped him and his family, Christopher said:

“

My wife Charlotte has been waiting for physio for several years. When her symptoms got worse, she downloaded the app and in just a few clicks, we had her first online video consultation booked for the following day. ”

Christopher explained how he has also benefitted from using our wellbeing services, he said:

“

My consultation was just as quick and straightforward. I received a personal exercise programme through the app. Charlotte and I couldn't be more positive about our experience. ”





LET'S TALK MENOPAUSE

FOCUSING ON FEMALE HEALTH

In 2023-24, we were pleased to be recognised for our menopause campaign at the Everywoman in Transport and Logistics awards. This year, a dedicated working group of volunteers launched the campaign to help normalise menopause conversations. We simplified our menopause workplace support guidance and made menopause awareness learning available to everyone. All employees can now access our new menopause cafes for peer-to-peer support, as well as counselling and resources through our wellbeing hub. This work has been supported by our Women and Allies employee resource group (ERG).



More information on our ERGs can be found on page 32 of this report.

WORK LIFE BALANCE

As a responsible and fair employer, we recognise that it is important to support our people in achieving a healthy balance between work and other priorities. We support alternative and flexible working arrangements that are operationally, commercially and logistically viable or sensible for the business. We encourage colleagues to explore ad-hoc or short-term requirements with their manager and agree informal (non-contractual) flexible arrangements at a local level. For longer-term arrangements, we offer flexible working as part of our Working Arrangements Procedure, which enables colleagues to request permanent and/or temporary contractual changes to their working patterns. This can include job sharing, part-time working and term-time working. For our operational staff, flexible working is a core part of our strategy, with employees locking in the pattern of work that is convenient for them into their contracts.

We have a hybrid working approach in place for office-based staff, which is built on trust and in recognition of the fact that both working environments can deliver different opportunities for productivity, creativity and wellbeing. It reinforces our commitment to support a positive work-life balance, reduces the amount of time spent on travel, and encourages colleagues to use time in the office for more high-value interactions and collaborative working. All our teams and functions have different needs; whilst there is not a one-size-fits-all approach to hybrid working, current guidance is for colleagues to attend their office three days a week to support collaborative working.

PARENTAL AND CARER SUPPORT

We understand how important it is for our employees to take time off work when welcoming a new member of the family or when they need additional time off to support their children. We are proud to provide generous parental leave, as well as a programme of support when returning to work:

- Maternity and adoption leave of up to 52 weeks, with the first 26 weeks fully paid.
- Two weeks' paternity leave with full pay.
- 10 paid Keeping in Touch (KIT) days to support their return to work.

We want to create a supportive environment for those who are breastfeeding, and we advise colleagues to talk through any support they require with their manager if they are still breastfeeding or expressing milk when they return to work. This includes providing a private, hygienic, safe and secure area to express milk, access to a secure, clean fridge in which to store expressed milk, and agreeing appropriate breaktimes or flexibility regarding starting and/or finishing times to accommodate their needs.

For dependants and carers, we offer special paid and unpaid leave for a range of circumstances, such as emergency leave, dependant's leave, carer's leave and the long-term care of a dependant. We provide managers with our People Procedures, manager's guides, and mental health resources and services, to enable them to support colleagues, the parents of dependants or carers who need to work flexibly or take time off due to extenuating circumstances.

For colleagues who wish to take an extended period away from the business, we are supportive and provide a career break that can last from six months to two years, depending on their circumstances and eligibility. We consider this period of leave to be part of a colleague's continuous service.

ADDITIONAL BENEFITS

Across the UK, we are living longer and many of our people could be looking forward to a long retirement. To help employees create more financial security later in life and get ready to make the most of these years, we offer the Royal Mail Defined Contribution Pension Plan and Group Life Assurance cover. Our pension plan is open to eligible new employees of Royal Mail and those eligible employees who are not members of any other Royal Mail pension arrangement.

Through our wellbeing hub and My Bundle+ benefits portfolio, we also offer our employees a wide range of tools and resources to support both physical and mental health and financial wellbeing. This provides our people with access to a range of benefits and discounts to help them and their families save money and enjoy a better lifestyle and financial protection. This includes a range of retail discounts, financial products and tax-efficient salary sacrifice benefits, designed to save employees money. All employee benefits are reviewed annually to provide the best value for our people.

THE ROWLAND HILL FUND

The Rowland Hill Fund, a charity independent of Royal Mail, provides additional help to employees who fall on hard times.

Through grants, the fund supports current and former Royal Mail employees, including those dealing with sudden or long-term sickness, disability or financial challenges. In 2023-24, the fund provided 198 grants totalling over £225,600.



A GREAT EXPERIENCE EVERY DAY

We are proud of the steps we have taken to enhance our wellbeing support. However, to deliver a high level of customer service, we need to foster a culture where our people are engaged and proud to work for Royal Mail.

After a difficult period of Industrial Action, we heard from our employees that resetting relationships, restoring belief and renewing our sense of purpose were important to them. Over the year, we worked hard to empower our leaders so they can clearly articulate our strategy and vision, and enable them to build stronger relationships with their teams.

LISTENING TO OUR PEOPLE

We have a number of employee listening programmes. These include our quarterly People Panels and Non-Executive Director sponsored Employee Voice Forum. This year, the forum activity focused on hearing from managers and frontline employees within our delivery and processing functions and on employee experience during the industrial dispute.



One thing I'd take away from being at the first People Panel event of 2024 is that engaging with your staff is incredibly important. It was nice to speak to other people from Royal Mail. We've learnt a lot, it's been really interesting and there are a lot of things we can implement into our workplaces. 99

Jamie Mantle
Cover Manager, Parcelforce Worldwide



In July, we launched our first Managerial check-in, acknowledging how important it is for our management community to be listened to. Soon after, we launched a listening programme designed specifically for employees within central and commercial functions. These new initiatives have provided deeper insights, allowing us to tailor interventions and more effectively action plan to improve the overall employee experience.

Our company-wide employee experience research activity is delivered through 'The Big Trust Survey'. This annual employee survey invites all employees to share their views on what it is like to work for Royal Mail. During September 2023, c.65,000 employees took part, representing 53% of our workforce, a decline of 16% on the previous survey. The survey results produced a Trust Index score of 59 and an Engagement Index score of 47. Both scores show a decline versus the previous survey of 9 points and 16 points respectively. This was driven by a drop in levels of pride towards the organisation, which was largely due to the legacy of our industrial dispute and quality of service challenges.

TAKING ACTION

We know that when we take action employees feel more engaged and report higher levels of trust. Since receiving The Big Trust Survey results, we have worked locally with teams to ensure that commitments are in place for every team, with meaningful activities taking place.

To support effective action planning, we ran enablement sessions with managers on how to use the survey results dashboard and act on the results, and how to work with their teams on local action plans. The involvement of our people in shaping their local plans, informed by insights, helps colleagues feel heard, demonstrates the actions are being taken, and aims to rebuild confidence in our employee listening programme.

We encourage teams to continue their conversations throughout the year and to adjust action plans, based on what is working or not working.

A GREAT EXPERIENCE EVERY DAY

Whilst local action planning is important for addressing issues impacting specific teams, The Big Trust Survey highlighted areas requiring leadership commitment and action. For example, feeling valued was identified as a key driver of a positive employee experience. Through focus groups and our People Panel, we explored the topic of feeling valued, which informed the three key focus areas of our annual Company Trust and Engagement plan:

- Purpose and connection
- Involvement
- Pride and recognition

Our ambition for this plan is to make changes across these three areas at an organisational level, to improve the employee experience for everyone.

RECOGNISING OUR PEOPLE

We want everyone to feel valued and recognised for their contribution to our business. This year, we introduced new recognition initiatives in response to our identified focus area of 'pride and recognition'. Building on our existing Long Service Awards, we launched a new one-year service card for all employees reaching their first anniversary at Royal Mail. In our delivery function, we introduced a monthly recognition scheme that acknowledges colleagues for high or improved performances and enters them into a bi-annual prize draw.

In addition, we developed a new business-wide recognition programme, The Heart of Royal Mail Awards, which will open for nominations in the coming year.



WE ARE CHRISTMAS

Royal Mail has been delivering Christmas for 500 years. From our iconic red post boxes to Christmas cards and presents under the tree, we are synonymous with Christmas for so many people and businesses across the nation. It is also the time when our customers rely on us most. This year, with stretching targets across the business, we launched a new employee engagement campaign 'We are Christmas' to unite our people and deliver a brilliant Christmas for our customers.

Across a six-week period, we focused on delivering excellent quality of service and introduced an incentive to reward and recognise the efforts of our teams. This resulted in our best Christmas operational performance for four years, with highly engaged teams overcoming obstacles and pulling together to deliver for their customers.

Our internal 'We are Christmas' feature film, which kicked off the campaign, landed the top prize in the internal category at the Brand Film Awards 2024.



ONE ROYAL MAIL

We are committed to ensuring that every employee feels they belong, are represented, and can bring their authentic self to work every day. Our Diversity, Equity, and Inclusion (DEI) ambition is to be the employer of choice for a diverse workforce. We aim to build an equitable, inclusive, and accessible culture where our people, customers and communities can thrive and belong.

We are proud to employ around 130,000 people across the UK, all with different experiences and perspectives. We are committed to providing a workplace where everyone is treated fairly and with respect, and where they are supported to be the best they can be.

For Royal Mail, diversity includes, but is not limited to, age, disability, marital or civil partnership status, pregnancy or maternity status, race, ethnicity and national origin, religion/faith or belief, sex or gender identity, and sexual orientation.

In 2022, we set stretching DEI targets aligned to national averages, while recognising that our performance at the time was behind this. Our focus this year was to continue to drive progress against our targets, engaging our leaders and ensuring that there is leadership accountability for the change we aim to drive. Despite the initiatives that are underway and having made improvements in application rates of diverse talent on our frontline, including under-30s, women and under-represented ethnic groups, we have not reached the level of progress that we are striving to achieve.

Over 2023-24, this has largely been due to attrition. We acknowledge that we have further to go in achieving our targets by 2025. We are focused on implementing measures to increase diversity in our hiring practices, leadership accountability and initiatives to improve culture and retention.

Our strategic priorities are:

- **Increasing Diversity:** We will create a workforce that reflects the diversity of the society we live in, where everyone feels included, valued and can contribute.
- **Generational Transformation:** We will spearhead the biggest-ever growth in entry-level opportunities, using the strength of our brand and Employee Value Proposition, our network of geographical locations and our variety of job roles to attract the next generation to their first jobs with Royal Mail.
- **A Force for Good:** We will make the most of our size and organisational power to spearhead collaboration with external partners for the greater good.
- **An Inclusive Environment:** We will create an environment where employees feel like they can belong and contribute.
- **Vibrant National Networks:** We will work hand in hand with our employee resource groups, supercharging their reach.



Further information on gender diversity can be found in the [IDS Annual Report and Financial Statements](#).



FAIR PAY AND REWARD

Royal Mail provides highly competitive employment terms and conditions in our industry in the UK. In 2023-24, our postie's basic pay was 18-28% higher than the UK National Living Wage (NLW) for the same period. All temporary workers receive pay in line with the NLW, with the majority receiving hourly pay above the voluntary Real Living Wage set by the Living Wage Foundation at national level.

We believe that our people should be rewarded fairly for their work, regardless of gender. Each year, we conduct a Company-wide review to calculate our gender pay gap. In 2023, the total average pay for male and female employees continued to be broadly similar, with male employees paid 1.5% more than female employees on a mean basis and 2.6% on a median basis.

**18-28%
higher**

than the UK National Living Wage for the same period



In February 2022, we agreed a set of DEI targets. Our current representation versus our targets can be seen below.

	Position at March 2024 (%)	Target position March 2025 (%)
Female representation (all levels)	20	25
Female representation (levels 1-6)	26	33
Ethnic minority (all levels)	13	15
Ethnic minority representation (levels 1-6)	7	11
Youth representation (frontline below level 6)	8	18

At holding company level, the composition of our IDS Board aligns with the ambitions set by the Parker Review and the FTSE Women Leaders Review, as well as those announced by the Financial Conduct Authority.



Further information can be found in our [Gender Pay Gap Report on the IDS website](#).

ONE ROYAL MAIL

BUILDING A DIVERSE AND INCLUSIVE CULTURE

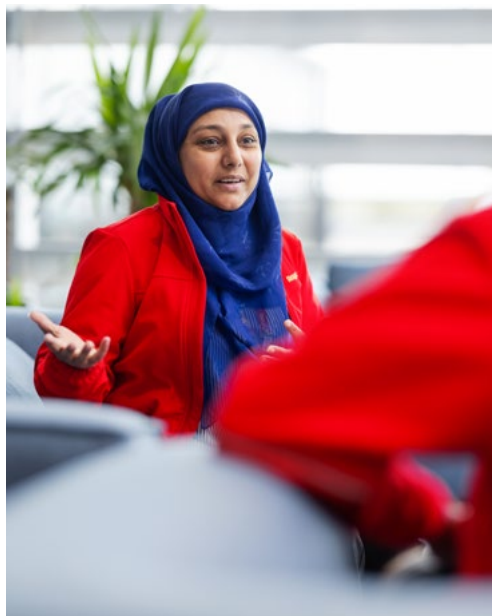
Fostering a diverse, equitable and inclusive culture is more than just the right thing to do. It enables us to attract and retain the best talent that reflects our customers and the society in which we operate. Ultimately, it enables our teams to generate better outcomes for our customers.

Our leaders are critical to building the inclusive culture we are continuing to drive at Royal Mail. In June, employees and leaders from across the UK attended 'One Royal Mail Day'. The event brought together our Employee Resource Group (ERG) leadership teams and sponsors, HR employees and DEI business champions. The event focused on empowering them to build a diverse, equitable, accessible and inclusive culture.

We also launched 'Change for Good', a campaign to change Royal Mail for the better, by creating an inclusive culture where everyone is treated with dignity and respect. This included a relaunch of Our Business Standards, a new tool for raising concerns, and training to help drive colleague and leadership accountability in reporting and preventing inappropriate behaviours.

In addition, we introduced a new DEI hub this year, providing tools for managers so they can better understand and support colleagues in their teams. Development events, such as our DEI Connect and Learn and Inclusion Week sessions, engaged c.500 employees across 11 events covering topics such as allyship, tackling health inequalities and disability.

In 2023-24, we launched a new Neurodiversity Support Programme. This will enable us to provide faster, more direct and tailored support to our neurodiverse colleagues. We remain committed to supporting applications from disabled candidates and employees at all stages of the employment cycle and we provide training, career development and promotion opportunities.



Our operational managers complete Disability and Reasonable Adjustments training to ensure they are confident and effective in supporting employees with disabilities. We provide support and training for those with existing disabilities and for those who have become disabled during their employment. Royal Mail is proud to be part of the UK's Disability Confident scheme and to have achieved Disability Confident employer status.

In 2023, we regained our place in The Times Top 50 Employers for Gender Equality for our commitment to addressing gender inequalities in the workplace. We are also proud to be included in the Financial Times – Diversity Leaders 2024 ranking, for our efforts to promote and advance various aspects of diversity.

SUPPORTING SOCIAL MOBILITY

Young people face higher unemployment levels in the UK, with a youth unemployment rate of 11.4% compared with an unemployment rate of 4.0% for the whole population.¹⁶

With our scale and reach, we have a significant opportunity to improve the representation of young people in our workforce. In September, we launched Future Delivered, our biggest-ever youth employment drive, to tackle youth unemployment and socio-economic inequity across the UK. In partnership with This is Purpose, a global leader in purpose and social impact consultancy, we have started work on a social mobility plan aimed at supporting talent from lower socio-economic groups, both inside and outside the business.

Alongside Future Delivered, our For the People media campaign continues to drive steady progress on attracting diversity, specifically with a focus on our frontline roles. Since launching in 2022, the campaign has brought diverse talent into our recruitment process, supporting an increase in applications from under-30s, females, and under-represented ethnic groups. This year, we were proud to receive an award for this campaign at The RAD Awards, which celebrate the best in recruitment marketing.



More information on the Future Delivered initiative can be found on page 35 of this report.

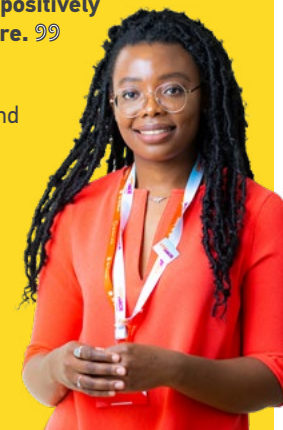
EQUALLY YOURS

Equally Yours is an interactive and engaging development programme designed by the Royal Mail DEI team. Through dynamic group sessions, the programme educates, fosters open dialogue and inspires positive change. During the summer, five employees were equipped with the skills to facilitate Equally Yours, a critical milestone in our mission to bring this training to every corner of Royal Mail. Around 400 employees have participated in the programme, which is open to all employees, with 100% saying they would recommend participating. Importantly, the programme raises self-awareness of implicit bias, allows employees to discuss DEI topics openly and honestly, and provides tools to take tangible action to be more inclusive and reduce discriminatory behaviours.



Being an Equally Yours facilitator has been rewarding, and it is humbling to see colleagues leave the programme feeling empowered to be more inclusive and equitable. This will continue to create a ripple effect that positively impacts our culture. ”

Yoma Omale
Diversity, Equity and
Inclusion Manager



ONE ROYAL MAIL

AMPLIFYING OUR EMPLOYEE RESOURCE GROUPS

In June 2023, we relaunched our DEI networks as Employee Resource Groups (ERGs). Our ERGs play a critical role in supporting the needs of our employees. They amplify employee voices and create communities for our people to celebrate dimensions of difference, and create safe spaces for dialogue between under-represented groups and allies.

Windrush 75 exhibition

In June, the EmbRace ERG celebrated Windrush 75 with a special exhibition at our head office

100 employees and leaders

In August, the NextGen ERG held a launch event, attracting c.100 employees and leaders across the business

100 mothers and children

In December, the Women and Allies ERG held a Christmas party for 150 mothers and children from Hestia's domestic abuse services

EmbRace

The EmbRace ERG brings people together from all backgrounds, races and ethnicities. In June, EmbRace marked Windrush 75 with a special exhibition at our head office, enabling employees to experience the Windrush culture and view our special Windrush stamps. Our people enjoyed a delicious Windrush-themed lunch menu at sites across the UK. In October 2023, EmbRace marked Black History Month with a campaign entitled Celebrating Black Women and Empowering Ethnic Minority Wellbeing, amplifying one female employee each day with a quote of their choice, displayed at every site on TV screens and on social media. Alongside an exhibition at our head office, all employees were invited to join live webinars with external speakers.



LGBTQ+ and Friends

Our LGBTQ+ and Friends ERG champions LGBTQ+ inclusion and promotes acceptance, respect and equality for all. Throughout the summer of 2023, members of the ERG represented Royal Mail and Parcelforce Worldwide at the Edinburgh, London, Brighton and Manchester Pride events.



Women and Allies

This year, the ERG for women and their allies continued to build on their great work with their charity partner Hestia. Hestia supports those in London and the South East who are affected by domestic abuse, modern slavery, mental health and complex needs.

In December, the group held a Christmas party for 150 mothers and children from Hestia's domestic abuse services and fundraised to provide gifts for those supported by six of Hestia's refuges. In March, Royal Mail celebrated International Women's Day with events across the UK to honour women's rights and achievements.



NextGen

NextGen is our ERG reinventing Royal Mail for the next generation. The group's membership is made up of colleagues under 30. In August, they held a launch event for the ERG, attracting c.100 employees and leaders across the business. The event explored topics including the attraction and retention of young people and featured inspirational employees sharing their career journeys.

Caring

Caring is the ERG for working families. In June, the group hosted a Lunch and Learn in collaboration with Carers UK, exploring the support available to carers at Royal Mail. To mark Carers Rights Day in November, a webinar in collaboration with Carers Trust was shared with all employees, amplifying the challenges faced by carers and highlighting the support available.

enABLE

enABLE, the ERG for all things disability, visible or invisible, held a Disability Connect and Learn session to mark the International Day of Persons with Disabilities in January. This was aimed at encouraging open conversations about differences in employee experiences between colleagues who recognise having a disability or long-term health condition and those who do not, and the importance of awareness regarding available support and practical tips on how to be an ally.

REACHING OUR POTENTIAL

Our people are at the heart of our business. We are committed to supporting them to reach their full potential. Giving our people quality opportunities to learn and develop professionally is incredibly important. In 2023-24, we invested £5.3 million in learning and development.

Our approach is to create a culture of learning, connection and possibility by developing the next generation of talent. Through The Academy, which has been running since July 2022, we are focused on growth, innovation and learning. Alongside our flagship Academy training centre in Daventry and sites in Edinburgh, Warrington, Bristol, Gatwick and Oxford, we have recently opened a new Academy satellite training site in Glasgow. Physical training centres are supported by a digital learning platform, which is available to all employees.

Our focus in 2023-24 has been to:

- Build manager capability and support them to develop their teams.
- Use data and analytics to identify development needs linked to business requirements.
- Ensure that all learning and development is delivering positive customer and employee outcomes.
- Co-create solutions across the business to make learning relevant.

To support this, we have developed our in-house learning capabilities and in December, we realigned The Academy team to better deliver for our people and business, creating three core teams:

- **Leadership and management:** In-house experts focused on developing our leaders at all levels.
- **Transformation:** Consultants who partner with the business to build learning and development programmes that support our transformation programmes.
- **Learning and development:** A team responsible for the design and delivery of all training alongside our Digital Academy.

DEVELOPING OUR MANAGERS

In 2023-24, we launched a new Future Manager Development Programme to support high-performing trainee managers with extra learning and development. In January, 105 trainee managers began their 18-month learning journey towards a Level 3 Apprenticeship in Operational Management.

In addition, we released a new Leadership Development Framework that sets out our approach to developing our leadership population. This included the launch of new leadership development initiatives; Leadership in Action and Powerful Presence, and the deployment of an improved version of our core management toolkit workshop, Delivering Success. This training is delivered for those managers with the largest capability gaps, to better equip them with the skills they need to lead their teams.

In 2023-24, we continued to train managers in development discovery tools, so that they can identify their own capability gaps against three core areas: safety, quality and resourcing to workload. To date, 86% of the targeted manager cohort have completed this learning assessment.

IMPROVING PERFORMANCE

This year, we have made big strides in developing our performance appraisal systems by introducing a regular performance and development management process for our frontline employees.

The programme launched in October 2023 across 330 delivery offices, followed by a larger roll-out in February 2024. The process includes training in our people's ability to have multi-dimensional, agile conversations with their teams. Career conversations are completed annually with team members and are held more frequently if required. As part of this process, skills gaps and development areas can be identified, with coaching and action plans quickly put in place.

SUPPORTING CHANGE

It is important that we develop our employees and equip them with the skills they need now and in the future. Our operational transformation teams develop programmes that build required skills and assist employees with the transition to different roles.

In June 2023, our Midlands Parcel Hub opened as our largest automated site. The site uses an Automated Parcel Sorting System, including robotic tippers to assist the movement of parcels and reduce the amount of manual handling. Redeploying and upskilling our people has been a key strand of activity to ensure that everyone understands their roles and responsibilities and how new tasks should be carried out safely.

In 2023-24, 800 employees were redeployed from their local National Distribution Centre and mail centres and were trained in these new ways of working.



AWARD WINNING SALES TRAINING

This year, we celebrated multiple awards for our commitment to the learning and development of our salespeople. Royal Mail was recognised by the Institute of Sales Professionals with the 'Investor in Sales' award. The award demonstrates a long-standing commitment by salespeople at Royal Mail to professional development and sales ethics.

In November, we were awarded Princess Royal Training Awards by the City and Guilds Foundation for two of our core sales training programmes: our 'Inspiring a Sales Mindset for Growth' programme and 'Business-to-Business Sales Professional Apprenticeship' programme. Both training programmes foster growth, development and success in sales.



A WORKFORCE FOR THE FUTURE

With our unrivalled scale and reach across the UK, we believe that Royal Mail is an ideal place to begin or develop a career in logistic services. We are passionate about removing barriers to enable more people access to work. Our early careers programmes are crucial in fostering future talent and shaping the direction of Royal Mail.

We are committed to creating new career pathways for young talent, developing their skills and driving positive social mobility in communities across the UK.

In 2023-24, 141 existing employees started an apprenticeship and 61 people joined Royal Mail through an apprenticeship programme. As of March 2023, 261 people successfully completed their apprenticeships in the year, with a consistent retention rate of 93%.

Throughout the year, we have focused on developing our early careers programmes:

- **Postal Apprenticeship:** 142 Postal Apprentices completed their programmes and progressed into postie roles. 64% were aged 16-18, compared with 36% in the previous cohort.
- **Human Resources (HR) Degree Apprenticeship:** In October, we launched a new apprenticeship for young people to kick-start a successful career in HR. The 33-month scheme includes three 11-month placements alongside a fully funded Level 6 Chartered Manager Degree Apprenticeship.

In 2023-24, our cohort of 12 graduates completed their programme and progressed into management and leadership roles across Royal Mail.



93% retention rate

261 colleagues completed their apprenticeships, with a 93% retention rate

£2.5 million

contributed via the Apprenticeship Levy programme in 2023-24

For the second year in a row, we supported National Apprenticeship Week as part of the 2024 Supporters Club. In February, we celebrated the achievements of our people and showcased the opportunities available for future talent.

We continue to support the Apprenticeship Levy transfer programme by the Education and Skills Funding Agency (ESFA). As a community responsive company, we provide support in areas where we can have a positive impact locally. Since 2019, we have

committed almost £13.8 million, including a contribution of £2.5 million in 2023-24. This year, we supported 57 apprentices at Northwest Ambulance Service, Action for Children and various hospices across the UK.

In 2023-24, we were proud to receive two awards:

- The Chartered Institute of Personnel and Development People Management Awards awarded us with Best Resourcing Initiative. This recognised our efforts to drive more efficiency and innovation into the volume recruitment process by providing candidates with interview questions in advance, creating a more inclusive process.
- The Purpose Coalition recognised Royal Mail as a leader in our contribution to levelling up and breaking down barriers to boost social mobility across the UK.

APPRENTICESHIP OPPORTUNITIES

The Postal Apprenticeship is a pipeline to joining our frontline delivery team whilst completing an Express Delivery apprenticeship. The programme provides participants with the skills required for a successful career at Royal Mail, underpinned by a broad range of transferable skills and experience to help them deliver maximum value for our customers.

19-year-old Ethan Tyler joined the Postal Apprenticeship scheme in September 2022 at Cheltenham Delivery Office. When asked what made him choose this apprenticeship, Ethan said:

“

I immediately thought of my postie as he really did inspire me. I have additional learning needs and really liked the idea of predominantly working outside, delivering parcels and mail to customers. ”

READY FOR THE WORLD OF WORK

Preparing young people for the world of work is a key part of our 'Future Delivered' initiative. We are offering employability support and work experience placements and engaging with schools to support more young people than ever before.

We are committed to delivering meaningful work experience placements for young people and plan to deliver 1,000 work experience placements in 2024. To support this, we have launched a toolkit for managers on how to make work experience purposeful, impactful and a positive learning experience for young people. In 2023-24, we partnered with Careermap and Pathway CTM to deliver a host of employability sessions for young people in schools. Together, we delivered virtual insight events that reached more than 1,000 young people. Looking to 2024-25, we will expand our outreach programmes focusing on working with schools within social mobility cold spots.

1,000

We delivered virtual insight events that reached more than 1,000 young people

EMPLOYABILITY SKILLS

In September, we launched 'Future Delivered', Royal Mail's most significant employment programme to date to help tackle youth unemployment. The initiative will offer work experience placements and engage with schools to develop young people's employability skills, particularly by supporting talent from lower socio-economic backgrounds.



Read more about Future Delivered on page 31.

LITERACY SKILLS

In partnership with The Postal Museum and the National Literacy Trust, we encourage confidence in reading, writing and creativity. In October, to mark World Mental Health Day, we supported the National Literacy Trust's #Take10ToRead campaign. It encouraged young people to take ten minutes to read and promoted the benefits of reading for our wellbeing.

We continue to support the virtual delivery of The Postal Museum's Jolly Postman – Once Upon A Bicycle programme for a third year. Based on the popular children's book, the sessions inspire a love of reading and connect the fictional story with the factual experience of writing, sending and delivering letters for primary school children.

Across the summer, our Instagram challenge encouraged children to put pen to paper and get involved in all aspects of sending letters and postcards. Accompanied by weekly Instagram videos from postie Terry, we encouraged children to participate in our challenges and become superstar letter writers. From designing envelopes to writing a story about their postie and sending their first letter or postcard, our activities gave parents accessible resources and creative ways to nurture their child's reading, writing and creativity at home.

SKILLS FOR THE FUTURE

We are committed to developing the skills of young people in communities across the UK. Alongside our long-standing commitment to supporting literacy, this year, we started working with British Heart Foundation to teach young people the lifesaving skill of CPR. By building young people's skills now, we can help them to unlock their potential and create a better future.



Read more about our BHF partnership on pages 36 to 40.



AT THE HEART OF OUR COMMUNITIES

As a truly national company with a presence in every community, we are uniquely placed to have a positive impact. We support people in the communities we are part of by:

Leveraging our national scale

Utilising our local presence

Unlocking potential through education

We partner with charities, local community organisations and our greatest asset, our people, to listen, respond and make a lasting difference.

We are committed to measuring and evaluating our impact. In 2023-24, Royal Mail contributed £2.9 million directly to supporting good causes and issues affecting our communities. This included our Articles for the Blind service. The service enables blind and partially sighted individuals to be sent items, such as talking books, mobility aids and relief maps, free of charge.

Our total community investment for 2023-24 was £5 million.



Goal

Total community investment (£)

Performance

£5 million

Aspiration to raise £2m for BHF by 2026

£463,300

Train 100,000 employees in CPR by 2026

7,251

Train 1 million young people in CPR by 2026

3,841



BRITISH HEART FOUNDATION

Our strategic partnership with British Heart Foundation (BHF) enables us to support thousands of people in communities across the UK. BHF was chosen by our people and last year we saw colleagues from all levels across the organisation getting involved. They have been fundraising, volunteering, learning CPR and starting to explore how we can use Royal Mail's unique brand, assets and expertise to support the charity. As one of the largest corporate charity partnerships for heart health in the UK, we are working together to have a significant impact.



Protecting heart health and saving lives in our communities.

PROTECTING HEART HEALTH AND SAVING LIVES

We launched our partnership with British Heart Foundation in February 2023. Since then, our people have been running, baking, trekking, quizzing, cycling and much more to raise vital funds for the charity. It is thanks to them that we are well on our way to raising £2 million!

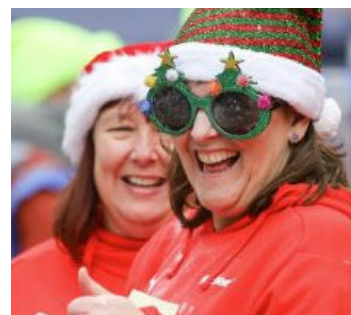


JUNE LONDON TO BRIGHTON

In June, a team of 50 rode from London to Brighton, raising an incredible £10,000.

DECEMBER CHRISTMAS

Throughout December, teams donned their best (and worst!) jazzy jumpers, raising a total of £7,000 for BHF.



FEBRUARY HEART MONTH

In February, Royal Mail raised £10,000 by going even redder for BHF.

GOING THE EXTRA MILE

Fundraising is crucially important, but our partnership is also about going the extra mile for BHF by utilising Royal Mail's size, expertise and unique assets. Different teams have been exploring how they can use their time, skills and knowledge to support BHF's lifesaving work. Throughout the year, teams across Royal Mail started working with BHF on a broad range of joint initiatives:

- Applying a special BHF postmark to stamped mail at key moments throughout the year, to amplify the charity's key campaigns.
- Raising awareness of our partnership and the importance of learning CPR amongst our different customer groups through regular communications.
- Collaborating with our ERGs to help BHF improve the accessibility of their heart health information.

2023

2024



APRIL LONDON MARATHON

In April, Royal Mail runners raised £9,000 as they took on the marathon. Ian Stewart, a Royal Mail driver, ran wearing full postal uniform!

JULY – SEPTEMBER



THE GREAT BIG FUNDRAISING CHALLENGE

Across the Summer, thousands of Royal Mail people came together in teams to raise an incredible £231,000. Running from July until September, the challenge saw people hiking, skydiving, running, riding, baking and taking part in many more fundraising activities to support BHF.



Since the start of our partnership, we have raised nearly **£0.5 million** for BHF.

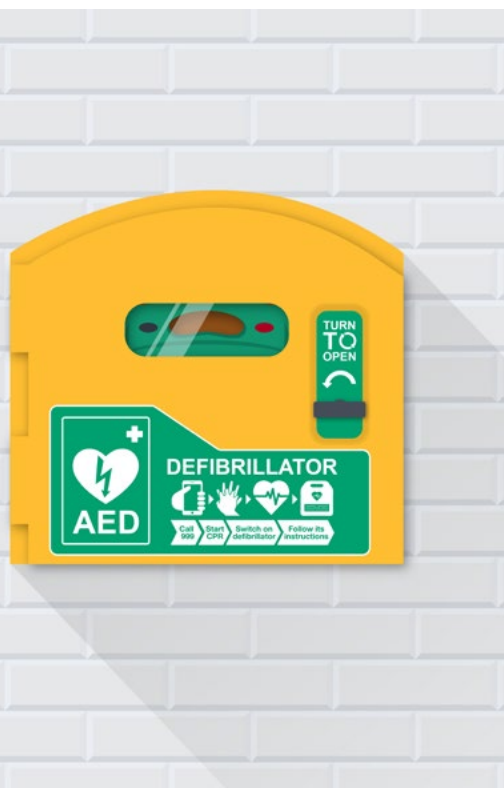
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“The Great Big Fundraising Challenge meant so much to the North East Operational team. We were incredibly proud to fundraise £25,600, taking the top position for most money raised during the campaign. We loved supporting BHF and seeing the positive buzz it brought to our teams. We’re very proud of what we achieved together.”

Anne O'Connor
Special Events Business Partner and BHF Champion

DELIVERING THE COMMUNITY HEARTS PROGRAMME

All funds raised by Royal Mail for BHF are being used to deliver the Community Hearts Programme, which aims to protect heart health and save lives in our communities. The programme has three key aims, with our progress so far detailed opposite.



SUPPORTING OUR COMMUNITIES

Funding community defibrillators

Since November, 141 defibrillators have been installed in areas with the greatest need. People living in the most deprived areas of England and Scotland are on average 99 and 317 metres, respectively, further away from their nearest 24/7 defibrillator than those in the least deprived areas.¹⁷ That is why we are working to increase the number of defibrillators in local communities to improve survival rates.

Making heart health information more accessible

For the first time in 20 years, this August, BHF's vital helpline was made free to call. Since then, over 12,500 calls have been made to the freephone helpline, with members of the public no longer being charged to speak to an experienced cardiac nurse.

Training young people in CPR

In September, we launched Classroom RevivR, a free CPR teaching tool for 11 to 16-year-old pupils in educational settings across the country. 3,841 pupils were trained in the first seven months. By equipping young people with these lifesaving skills, more lives will be saved in the future.



More information on the first year of our partnership can be found in BHF's impact report.



What a tremendous example Clapton Girls' has set for schools. Their experience really shows that equipping their students with the lifesaving skill of CPR can give them the confidence to step in during an emergency situation. Figures released by BHF show that nearly half of adults (43%) have never learnt CPR, suggesting as many as 23 million are yet to learn the skills to save a life. 99

Lizzie Moscardini
RevivR Programme Manager, BHF

♥ LIFESAVING SKILLS

As part of our partnership with BHF, we are equipping young people with lifesaving skills. By educating young people and training them in CPR using Classroom RevivR, more lives will be saved in the future.

Since rolling out Classroom RevivR in October, pupils at Clapton Girls' Academy in Hackney are already benefiting from the skills taught. A group of students witnessed a passer-by collapse on their way to school and had the confidence to step in during an emergency situation to assess and help. Eventually, the individual started breathing again and the teenagers monitored him until an ambulance arrived.

DELIVERING THE COMMUNITY HEARTS PROGRAMME



♥ DAN HOWELLS

Dan Howells, a postie from Stourbridge Delivery Office, answered cries for help from a woman when her husband had collapsed. Dan started CPR and continued for around 15 minutes until the paramedics arrived. Dan's amazing actions and bravery saved the man's life.

Would you know what to do if somebody's heart stopped?

No? Then scan the QR code with your phone to access BHF's online tool.



Dan Howells with BHF Ambassadors S Club.



It was just 'right time, right place' but you never know what's going to happen or what's round the corner. It has made me realise how important CPR training is and that learning this easy skill really could save someone's life. 99

Dan Howells
Postie, Stourbridge Delivery Office

SUPPORTING OUR PEOPLE

Confidence to save a life

- Every minute without CPR and defibrillation after a cardiac arrest can reduce the chance of survival by up to 10%.¹⁸
- Quick CPR and defibrillation is vital to give someone the best chance of survival.¹⁹
- Yet surveys suggest that nearly half of UK adults have never undertaken any form of CPR training.²⁰



These statistics highlight the importance of learning CPR. That is why we are training our people using BHF's online tool. We want to ensure that our people know what to do should the worst happen. Whether they are working alongside their colleagues, at home with their loved ones, or out in their community, we are equipping them with the skills to help save someone's life.

Since the start of our partnership, we have trained 7,251 Royal Mail colleagues in CPR. In 2024, we will move towards a full roll-out of CPR training across Royal Mail, working closely with our Wellbeing Ambassadors, First Aiders and learning and development teams to reach our target.

7,251

Royal Mail colleagues trained in CPR since the start of our partnership

Looking after our heart health

We are committed to supporting our people's wellbeing. Alongside BHF we are helping our people protect their heart health. Our wellbeing hub hosts a dedicated section on heart health that is regularly visited by our people. Throughout the year, we have been sharing BHF's resources on how to help reduce the risk of heart and circulatory disease. In January, we launched heart healthy dishes in our restaurants in partnership with our catering partner. Steps like these are inspiring our people to make healthier choices.



18, 19 BHF launches free defibrillator scheme to save lives in communities across the UK – BHF.

20 Over 23 million UK adults haven't learnt the lifesaving skill of CPR – BHF.

MAKING A DIFFERENCE FROM SCOTLAND TO THE SOUTH COAST

As one of the UK's largest employers, our people are part of local communities right across the UK. From our partnership with BHF, to volunteering and fundraising for causes that are important to them, they are involved in every aspect of our community investment programme. Our posties are on the doorstep day in, day out, keeping our customers connected. By utilising this unique local presence, we are able to have a positive impact right across the UK.

We enable our people to support issues and causes that are important to them and their communities. In 2023-24, Royal Mail contributed £132,000 in match funding for charities and good causes.

Payroll Giving is a tax-efficient way for our people to help the charities they care about. Our scheme holds the Gold Payroll Giving Quality Mark Award and our people have given over £68 million since 1989. In 2023-24, 23,000 colleagues donated £1.8 million.

Many of our people volunteer and build relationships with charities in their local communities. Royal Mail offers grants of up to £400 to help meet the costs of volunteering.

COMMUNITY CHRISTMAS

The cost of living continues to be a challenge for many people across the UK. This Christmas, Royal Mail teams up and down the country were collecting for and donating to those in need.

Southampton Mail Centre collected over £1,200 worth of toys for vulnerable children and young adults. South Shields Delivery Office and Dumfries Delivery Office supported their local toy appeals, with many more Royal Mail people across the UK donating to food banks and donning festive jumpers to fundraise for local causes.



BHF COMMUNITY DEFIBRILLATORS

Through our partnership with BHF we are proud to have funded the installation of 141 new defibrillators in areas of greatest need across the UK. The map shows where they have been installed.



The pink dots on the map indicate where the new defibrillators were installed.

● = one defibrillator



SOUTHWEST FIFE COMMUNITY SPORTS PARTNERSHIP

Southwest Fife Community Sports Partnership received a defibrillator funded by Royal Mail. Nikki applied for one after her husband was suddenly diagnosed with hypertrophic cardiomyopathy and advanced heart failure. He had previously played competitive regional, national and international sport for over 30 years, and as her youngest son and daughter both take part in various sports, Nikki was concerned that there were many people in the community with an undiagnosed heart condition actively doing sports.

Nikki said:



It is a huge peace of mind that we have somewhere local that we can go if and when needed, and it has been hugely well received. We sincerely hope that we don't need to use the defibrillator, but the knowledge of having this equipment is immeasurable. ”



SUPPORTING COMMUNITIES ABROAD

We continue to work with the Disasters Emergency Committee (DEC) to support those in crisis across the world through its international emergency appeals. By providing a free PO Box service, we help direct donations from the public through the post.

Throughout 2023-24, our people continued to support the DEC's Turkey-Syria earthquake appeal. In total, including match funding from Royal Mail, our people raised just over £13,000.



In 2023-24, the DEC directly raised a combined total of £20.3m, with 7% (equivalent to £1,371,162) being received via the PO Box. To show just a few of the many ways in which these donations are reaching the people affected, we were proud to host the DEC's touring photo exhibition at our Midlands Parcel Hub in June. In November, we attended a special event hosted by HM King Charles at Buckingham Palace to mark 60 years of the DEC and recognise the UK's continued response to overseas disasters.



SUPPORTING COMMUNITIES AT HOME

Building on our ambition to support communities in crisis, in October, we announced a new partnership with the National Emergencies Trust. The Trust is an independent UK charity that raises and distributes funds to support those affected by UK disasters. We will provide the charity with a free PO Box service to support their postal donations when they launch an appeal. The Trust will also work with Royal Mail to support colleagues affected by a domestic disaster.



As one of our inaugural Appeal Partners, who will stand alongside us in future emergencies, we're thrilled to have Royal Mail's support. By helping us to raise vital awareness and funds at speed, we can ensure that together, we can have a significant impact on those affected by disasters, when it matters most.

Mhairi Sharp
Chief Executive, National Emergencies Trust

Throughout 2023-24, we continued to use our unique community presence to support Missing People. Missing People is the only UK charity dedicated to supporting anyone affected by a disappearance and has been a valued charity partner of Royal Mail for over 10 years.

We leverage our local presence through our 'feet on the street' model by sending out alerts of vulnerable missing people to our posties' handheld devices. Since the partnership started, over 300 alerts for missing people have been issued, 249 of whom have been found safe and well.

In 2023-24, our donation was focused on supporting the charity's helpline, particularly around Christmas. Alongside this donation, over the festive season, our people participated in the charity's 'Messages of Hope' campaign by writing messages of support and encouragement to families with missing loved ones.

In September, the charity used their helpline expertise to provide training for our customer service team on handling challenging calls from vulnerable customers. In 2024, we will be working with Missing People to explore how they can better support organisations when an employee goes missing.

OPERATING WITH INTEGRITY

Royal Mail is committed to conducting its business honestly, fairly and ethically at all times.

MATERIAL ISSUES:

Customer service

Service responsibility

Responsible procurement

Corporate governance and ethics



RESPONSIBLE BUSINESS PRACTICES

We are committed to operating with integrity to safeguard our reputation and protect our valued place in society. We have a suite of clear, easy-to-understand policies and guidance documents. They inform employees of what is expected of them and where they can get help when required.

Bribery, corruption and tax evasion are contrary to everything we stand for. We have a strict zero-tolerance policy towards bribery and corruption, and the facilitation of tax evasion, as set out in our Ethical Business policy. All managers joining Royal Mail are required to complete compliance induction training within three weeks of joining the business and thereafter, annual compliance refresher training. Additionally, more focused training is provided in higher-risk areas.

We maintain numerous online registers, including those for registering, in advance, attendance at trade association meetings or other industry events attended by Royal Mail competitors. These encompass gifts, hospitality, sponsorship and donations, and conflict of interest.



Further details on our ESG governance framework and key policies can be found in our ESG Appendix.

99%

Overall completion rate for managers assigned annual compliance refresher training

EMPOWERING OUR EMPLOYEES

Our compliance and ethics programme ensures that employees are trained to make ethical decisions and can be trusted to make the right decision.

Each business unit or subsidiary has a compliance and ethics champion and a coordinator. The champion's role is to promote a culture of compliance and ethics, establish the appropriate 'tone from the top', and own, identify and mitigate relevant risks in their business area. The role of the coordinator is to support the champion and the compliance and ethics function to effectively implement our compliance framework, including through active participation in the compliance coordinator network.

Our Speak Up (Reporting) policy encourages everyone to immediately report any actual or suspected wrongdoing in the Company (whether historic, ongoing or likely to happen in the future) through an appropriate channel. Our confidential Speak Up helpline is available 24/7 every day of the year to current and former employees, contractors, temporary workers, our subsidiaries, suppliers and members of the public.

In September 2023, we issued four different versions of our annual compliance refresher training. Versions were adapted to the employee's business area, the level of risk they face in their role, and the types of activities they are involved in. For example, tailored content and assessment questions that were relevant, engaging and reflected operational activities were created for our operational teams.

We want to ensure employees feel the training is relevant to their role and not just a tick-box activity. As well as being tailored, each user could complete a pre-assessment, which meant that the training focused on the areas they needed most updating on. We are pleased to confirm that in 2023-24, the course covered eight compliance subject areas and the overall completion rate was 99%.



RESPONSIBLE BUSINESS PRACTICES

RESPECT IN THE WORKPLACE

We are committed to fostering an inclusive work environment where all individuals are treated with dignity and respect. We expect all colleagues to demonstrate respect for those around them, and report or challenge any instances of negative behaviours they see or experience at work.

All employees have access to our People policy along with a suite of clear, easy-to-understand procedures and guidance documents on the Royal Mail People App. These describe how to raise concerns and the processes involved.

Work-related grievances and bullying and harassment concerns are managed through our Grievance policy and Stop Bullying and Harassment policy. This year, we launched a new facility on our People App to make it easier for colleagues to raise concerns through one single entry point. Based on the type of concern raised, colleagues are directed to the appropriate channel to raise their concern, be it security, whistleblowing, bullying and harassment or other workplace concerns. In 2023-24, we saw a 13% decrease in bullying and harassment concerns compared with the prior year. This is likely attributable to the resolution of the

industrial dispute, which we believe contributed to an increase in concerns in the previous year. Importantly, the number of concerns upheld was lower at 35% compared with 39% in 2022-23.

We aim to resolve disputes using in-house mediation where possible. This year, 95% of the issues referred, citing bullying and harassment, were successfully resolved through those mediations.

People Case Support Managers continue to provide support for operational managers by independently addressing bullying and harassment concerns and grievance issues raised in our delivery and collections business areas. This dedicated resource has resulted in a 28% reduction in average case length compared with 2022-23.



CHANGE FOR GOOD

This year, we launched a campaign to reinforce standards of behaviour at work. The campaign encourages colleagues to consider how their behaviours can impact others and to report or challenge instances where these behaviours are not being met. Everyone has the right to be treated fairly and with respect. We are all responsible for providing a safe, secure and healthy work environment where everyone is protected from bullying, harassment and inappropriate behaviour.

In March, we launched a new mandatory training product for all colleagues to complete, which was supported by manager-led briefings in our units.



Our key policies, including our People Policy and our Equality, Diversity and Inclusion statement, are available internally on our People App and externally in our ESG Appendix and on the IDS website.



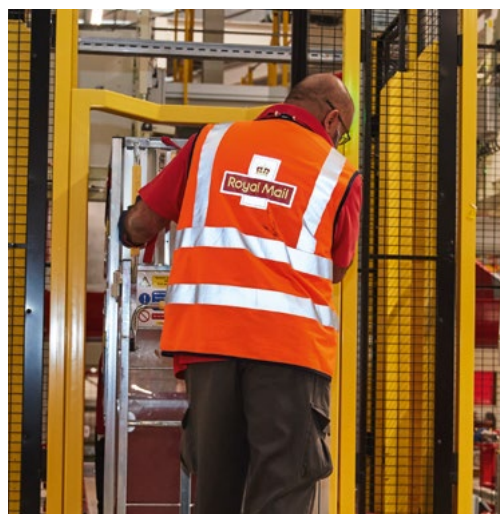
PROTECTING THE MAIL

We take the security of our customers' mail very seriously. We have robust approaches to the security of mail and are committed to maintaining our high standards in meeting and exceeding the expectations of our customers.

The security and integrity of mail services is regulated by Ofcom, and we comply with the Mail Integrity Code of Practice to safeguard the confidentiality of mail and the information conveyed.

This can be found [here](#).

Ensuring our people are aware of the need for data protection, security and integrity of mail forms a central part of recruitment, induction, training and daily activities. Our vetting standards extend to suppliers. We work closely with the relevant authorities, our employees and industry partners to eliminate criminal activity that uses the postal system.



PRIVACY PROTECTION

Royal Mail is committed to respecting our customers privacy and protecting personal information (data) in line with current data protection laws.

Communicating transparently about our use of data and meeting the requirements of the data protection and privacy regulations is of the utmost importance to us. We strive to ensure the protection of all personal data to maintain our colleagues and customers' trust and confidence from our regulators.

We are committed to transparency and fulfilling individuals' information rights requests. Despite seeing a 34% increase in information access requests in 2023 coming into Royal Mail's data protection team, we were able to respond to 93.5% of all information rights requests exercised by Royal Mail's data subjects 'on time' as set out by the regulation.

Royal Mail's privacy framework covers high-volume, high-variety work from managing all data subject rights, data incident reporting, privacy impact assessments, third-party due-diligence and international data transfer risk assessments, to policy and training, as well as a recently formed Privacy Partnership.

Each business function has a dedicated Privacy Partner to support them in achieving their business goals by providing contextualised and timely privacy by design advice and support. This year, Royal Mail's Data Protection Framework was externally audited, ratifying its 2024-25 risk-based priorities, which includes the implementation of the IDS AI Governance Principles and Framework.

PRIVACY PROTECTION IN ACTION

As part of Royal Mail's digital transformation, a large programme of work has been undertaken to replace and improve the current Customer Experience, Sales, and Marketing systems. Due to the extent of data involved in the activity, there has been extensive support from the data protection team, providing Privacy by Design guidance and ensuring that these requirements are embedded into the design of the solution. A comprehensive DPIA, which covers the overarching system, has been undertaken, as well as a number of focused DPIA privacy impact assessments that look at specific elements of the system.

This is a large and evolving programme of work. As with our colleagues, it is essential to maintain the trust of our customers.

It is vitally important to Royal Mail that customer privacy is respected, so their data is only used fairly and lawfully, in ways they understand and expect, and that their data remains secure. Ensuring that privacy requirements are considered as part of the design of a new system helps us to deliver this.



We have an ongoing privacy management programme, which received continued investment in 2023, to:

- Support compliance with UK General Data Protection Regulation (UK GDPR) and evolving data regulations.
- Enable continuous privacy automation and transformation.
- Keep pace with change.

To support this commitment, Royal Mail has an appointed Data Protection Officer (DPO) and dedicated data protection team. Royal Mail's DPO is a member of the International Post Corporation's (IPC) Data Protection Oversight Committee, cooperating with other IPC members on matters involving data protection and information security.



PRIVACY TEAM OF THE YEAR

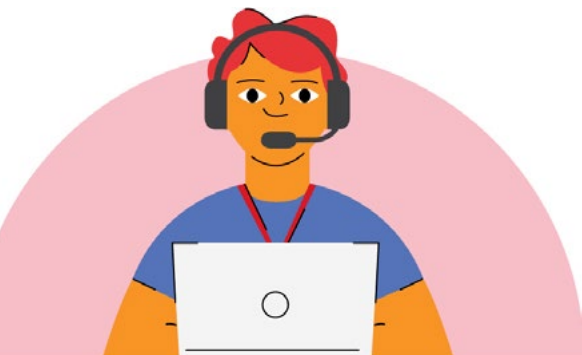
In November, Royal Mail's privacy team were awarded 'Privacy Team of the Year' at the annual PICCASO Industry Awards.

PROTECTING THE MAIL

HOW EMPLOYEES PLAY THEIR PART

At Royal Mail, we recognise the role that our people play in protecting personal data. Our dedicated Data Protection and Information and Cyber Security awareness and education programme (Think Secure) deploys business-wide and risk-based bespoke education and awareness campaigns throughout the year. These are frequent and memorable campaigns designed to provide training and raise awareness of the data privacy and cyber security threats we face as a business, equipping employees with the tools and know-how to protect against them. Campaigns in 2023-24 included Protecting Information in Operations, Cyber Awareness Month and a two-week Data Protection Takeover of internal communications channels in January 2024.

Think Secure is underpinned by our Data Protection and Information Security policies and focuses on key controls and behaviours for all employees to adopt. All employees are mandated to complete annual refresher training, which includes an attestation of understanding and adherence to this policy, which in 2023 reached our completion target of 98%. Our aspiration is 100%, with a target of 96% to account for colleagues absent due to maternity leave, long-term sickness, or new joiners who are still working through their induction.



Our data protection and cyber teams work closely together with a shared vision to protect Royal Mail's data and estate. In 2022-23, Think Secure was shortlisted by the Institute of Internal Communications for Best Design, receiving an 'Award for Excellence'. This award recognised the established brand used on all data protection and information security education and awareness initiatives and, notably, how we work with our partners to create the coveted monthly editions of 'Phish & Tips' – a popular internal newsletter.

We are passionate about training up the next generation of Data Protection professionals, and we continue to partner with Damar Training to support the Data Protection and Information Governance Practitioner apprenticeship. We have two privacy apprentices in the Privacy function for a two-year period, and in 2024 will welcome the next intake.

Our UK privacy notices maintain their 'Crystal Mark' seals of approval from 'Plain English'. This means that they are clear and free from misleading information or jargon.

 **Our Data Protection and Privacy Policy and Information Security Positioning Statement can be found [here](#).**

ENSURING CYBER SECURITY

We recognise that cyber security is a fundamental aspect of our ESG programme and is vital for protecting our customers and our assets, including our data, systems and networks. Furthermore, we acknowledge the importance of mail delivery to society and the role that cyber plays in supporting service continuity.

To defend against cyber threats, in 2022 we implemented a cyber security programme led by our Chief Information Security Officer (CISO). This programme continues to receive investment and the next phase is now underway. The CISO reports to our Chief Information Officer (CIO), who is a member of the Royal Mail Executive Board.

Some of the key components of the cyber security programme include:

- **Technical controls:** We continue to implement various technical controls, such as firewalls, network segmentation, identity and access management, and endpoint protection to help protect against cyber attacks and data breaches.
- **Governance and risk management:** We have established clear governance and risk management processes and accountabilities to help identify and address potential cyber security risks. The IDS Board and Royal Mail Executive Board play an active role in overseeing our cyber position.
- **Employee training and awareness:** We have an ongoing education, training and coaching programme to help our employees understand the importance of cyber security and how to identify and prevent potential threats.
- **Incident response and crisis management:** We have developed a robust incident response and crisis management plan. This plan outlines the steps we will take in the event of a cyber attack or data breach and helps ensure that we are prepared to respond effectively and efficiently.

We review and update our programme on a regular basis to ensure it is effective in defending against the ever-evolving threat landscape.



Malicious websites targeting our customers continue to be an industry-wide issue and to address this we have continued our partnership with a specialist third party cyber-crime disruption service. During 2023-24, 5,800 fraudulent sites have been taken down to protect our customers.

To combat the rise in courier-related scams targeting Royal Mail customers, we continue to promote our 'Stamp Out Scams' campaign to our customers, including expanding awareness across social media platforms. Our Cyber Security experts continue to operate the takedown service if a scam email, text, or phone call is reported.

WORKING TOGETHER WITH OUR SUPPLIERS

Our goal is to be a customer of choice to our suppliers and partners. We work with them to deliver value to our business and our stakeholders whilst protecting them from risks. We are committed to driving our environmental agenda and embedding high standards of social and corporate governance conduct across our value chain. We work with almost 4,000 suppliers annually.

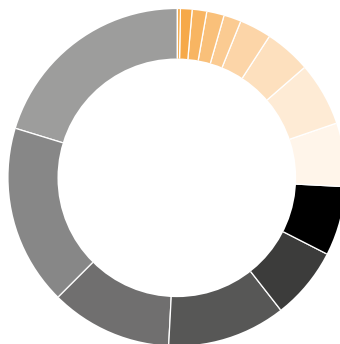
A NEW APPROACH

In 2023-24, we focused our efforts on defining a holistic ESG programme for our suppliers, with requirements being filtered through every step of the sourcing process. This will provide our business and our value chain with a comprehensive, coherent and effective ESG approach to our supplier base.

During the year, our value chain was screened against ESG criteria: allowing us to identify where to focus our efforts for maximum impact. We have now established a revised set of ESG requirements and goals and a clear engagement plan for our top 100 most significant suppliers. By sharing a clear message with our value chain and following it through with specific initiatives, we aim to have a positive impact on accelerating our shared ESG agenda.

Whilst ensuring our suppliers' ESG goals are aligned to ours and that they adhere to the highest standards, our approach is one of collaboration and support. Our procurement, contract management and operational teams are equipped to provide guidance and work jointly to develop sustainable solutions that meet our requirements, while having a positive impact on the environment and society.

SUPPLIER SPEND 2023-24



0%	Hosting and platform
0.25%	Travel
1%	Assets and clothing
1.5%	Marcomms
1.5%	Telecomms
2%	Automation
3%	Property
4.5%	Desktop, EUS, licensing
6%	Print
6%	Application development
7%	Professional services
7%	Utilities
11.5%	Facilities management
11.5%	Logistics
17%	Vehicles
20%	HR and people

MAINTAINING RESPONSIBLE PROCUREMENT

Our supplier ESG programme is embedded into our supplier development, sourcing and contract management processes. All new sourcing processes, including contract renewals, will follow these revised steps and we expect that the whole supplier base will have gone through them within the next three to five years.

During 2023-24, we provided targeted training for colleagues within procurement, contract management and with supply chain management responsibilities. This training was given in addition to the annual compliance refresher training mandated for all Royal Mail managers. Training included Modern Slavery compliance, Sanctions compliance and the most recent Supplier Code of Conduct. In addition, a series of training events covering Data Protection and International Data Transfers were provided. For all new starters in procurement, we provide a training module on Sustainable Procurement. In January 2024, we ran a full DOI (Declaration of Interest) process and the Royal Mail compliance and ethics team is working to develop and roll out this process to other functions in Royal Mail.

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct is a binding document as part of our relationship with our suppliers.

It reflects our social, ethical and environmental standards and is in line with the United Nations Global Compact and our own policies. By agreeing to the Code, our suppliers and partners are committed to the same standards across their own value chains.

Our value chain strategy incorporates all aspects of ESG. This year, we have reviewed our suppliers' requirements across all three pillars. As a result, we have updated our 'Sustainable Procurement Code' to a new Supplier Code of Conduct. The Code now incorporates guiding ESG principles and is a bidding document as part of our legal framework. We expect all organisations onboarded as suppliers to Royal Mail to comply with the Code.

If we find that a supplier is materially failing to meet our standards as set out in the Code, we will work with them to define remedial actions. This will be monitored over a pre-agreed time period and if, after that period, the remedial action is found to be inadequate, we will terminate our dealings with them. During 2023-24, there were no reported instances of contracted supplier non-compliance with the required standards.



WORKING TOGETHER WITH OUR SUPPLIERS

SUPPLY CHAIN DIVERSITY

Our commitment to equality, diversity and fairness extends throughout our supply chain. We expect all our suppliers to maintain an inclusive workplace and one that is free from discrimination or harassment; this requirement is highlighted in our Supplier Code of Conduct and is part of our supplier selection process.

Royal Mail operates predominantly in the UK and has the largest service coverage. This is only possible due to our commitment to work with SMEs and to support local businesses. Where commercially viable, we structure our contracts to maximise competition from businesses of all sizes, including breaking larger requirements into 'lots'. In 2023-24, we awarded 19% of our new contracts to SMEs compared with 37% in the previous year. This partly reflects the mix of contracts renewed in the year, for example, major IT and fuel contracts that cannot typically be accommodated by SME suppliers.

As part of our supplier ESG programme we will be working with local organisations to identify adequate support for SMEs on their sustainability journey. We understand this can be a challenging process for them and our plans will reflect that.



NEW SUPPLIERS

Due diligence is undertaken on all new suppliers engaged and the level of risk is assessed during the onboarding process. We also screen all potential suppliers before asking them to participate in a tender. During 2023-24, our onboarding supplier profiling questions were improved, with new questions relating to customs and tax compliance. During the 'invitation to tender' stage, depending on the supplier risk profile, we ask additional questions about suppliers' ESG performance. This includes a declaration of their compliance and labour standards, to ensure they meet our standards as set out in the Supplier Code of Conduct.



More information on how we manage supply chain risks can be found in our ESG Appendix on page 6.

PAYING OUR SUPPLIERS ON TIME

We strive to ensure the timely payment of our suppliers. Our Payment Practices report (most recently published in November 2023) shows 95% of invoices between March and September 2023 were paid in under 60 days.

We continue to work with suppliers to help them present invoices in the correct, most easily processed format. We also provide a purchasing card solution and other supplier financing options for suppliers, working with Bank of America Merrill Lynch and NatWest Bank. We publish key statistics and other information on our payment practices in line with the Duty to Report on Payment Practices and Performance on the UK government website. Information is published on a six-monthly basis.



WORKING TOGETHER WITH OUR SUPPLIERS

TACKLING MODERN SLAVERY TOGETHER

We are committed to upholding and protecting human rights in our business and across our supply chain globally. We obey the laws, rules and regulations of every country in which we operate. Royal Mail is committed to implementing the UN Guiding Principles on Business and Human Rights, as well as the UN Declaration of Human Rights and the International Labour Organization's Fundamental Conventions, within both our business and our supply chain.

We are committed to playing our part in helping to prevent any incidence of modern slavery or human trafficking in our business and supply chain. Almost 99% of people who work for Royal Mail are employed on permanent contracts, except where there is a short-term need. Where we do have a requirement for temporary workers, these are provided by approved suppliers, all of which are based in the UK.

We require our recruitment contracts to commit to our recruitment standards. The standards ensure workers are not charged unnecessary fees, that workers' identification documents are not held by anyone, even if done so voluntarily, and that resignation by workers is voluntary and without the threat of punishment. We require that recruitment agencies also adhere to applicable vetting standards for the workers they supply to work at Royal Mail sites or to access our systems, including proof of right to work, proof of appropriate training and various security checks.

Royal Mail is committed to ensuring that modern slavery and human trafficking are not taking place within its business or supply chains. During the year, we updated our People policy to include a statement on modern slavery and supplier companies.



ANTI SLAVERY DAY

As one of the UK's largest employers, we understand the importance of raising awareness of the risks of modern slavery to our people and the public. This year we ran a special postmark in mid-October to promote Anti-Slavery Day. We also marked Anti-Slavery Day through an internal communications campaign.

We will continue to focus on assessing supply chain risks in relation to modern slavery and human trafficking. We are also exploring options for the certification of third-party suppliers for correct employment standards and signposting them to modern-day slavery training materials. We believe that it is only if the business community works together as one that we can effectively raise awareness and combat modern slavery and human trafficking and the associated risks.

DECARBONISING OUR SUPPLY CHAIN

Through a comprehensive engagement and training plan with company-wide stakeholders, suppliers and partners, we are working together to identify initiatives that will accelerate our decarbonisation process as part of Steps to Zero.

We have now identified our top 100 most significant suppliers based on their Scope 3 emissions materiality or level of social or governance risk. We are starting to work with them to gather more granular information on their emissions and risk areas, in order to increase the level of accuracy and transparency of our carbon reporting.

Further information on reducing our Scope 3 emissions can be found on page 19 of this report.



A SUSTAINABLE ACCESSIBLE SERVICE

A modern and sustainable postal service is crucial for our people, our company and the customers we serve. We want to engage with all stakeholders as part of the process to find an outcome that will allow us to compete and adapt to today's market.

At Royal Mail, we have seen a big change in what our customers want: more things to and from people, 24/7, but still delivered by our posties, a relationship they continue to cherish. This is an exciting opportunity for Royal Mail and focusing on our customers is one of our strategic priorities.

Our combined parcels and letters UK network delivers the Universal Service. We are continually finding new ways to improve our services and accessibility, including more online postage options through our website and app, 24/7 drop off at locations such as our parcel postboxes and use of Collect+ stores, and collection from home through Royal Mail Parcel Collect.

Customer service and service responsibility are important material issues to Royal Mail. In 2023-24, we received a 27% increase in complaints compared with 2022-23. We believe this was partly attributable to an increased volume of barcoded and tracked items, which have enabled more customer features such as setting a safeplace location and alternative delivery choices. We monitor our customer service scores and take complaints seriously. We have developed a 'root cause' approach to dealing with complaints. This helps us to resolve customer issues while identifying and addressing the underlying causes.



Our full set of customer service scores for 2023-24 can be found in our ESG data pack [here](#).



QUALITY OF SERVICE

We are committed to improving quality, to deliver the service that our customers rightly expect. Delivering mail on time and in good condition is a key priority and an essential part of the Universal Service. We publish quarterly USO Quality of Service reports, against our delivery targets that are set and monitored by the industry regulator, Ofcom.

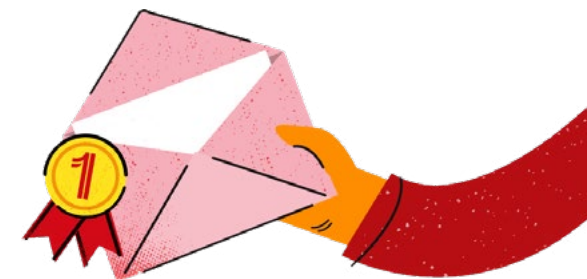


Our results can be found on the [IDS website](#).

Considerable action has been taken to improve quality of service over the course of 2023-24. This has included increased recruitment and new attendance and sick pay arrangements, which have played a significant role in reducing sickness absence. Our Quality Control Centre

drives real time operational performance analysis and enables proactive intervention to improve speed and reliability in affected areas, as required. We have reinforced operational management at both regional and local levels. The use of our Parcel Hubs is being maximised where we can process parcels much faster and ensure higher quality of service in the middle mile. Our Midlands Parcel Hub near Daventry increased its throughput to a record 950,000 parcels in a 21-hour shift.

Christmas is an important period and a time when our customers rely on us most. For the first time, we introduced a quality incentive for our people over Christmas, based on local and national quality targets, providing additional support for the units where quality was most impacted. We reported our best Christmas performance in four years with more than 99% of items posted before the last recommended posting dates arriving by Christmas Eve. Our approach is working. We are on the right trajectory, but there is more to do.



UNIVERSAL SERVICE REFORM

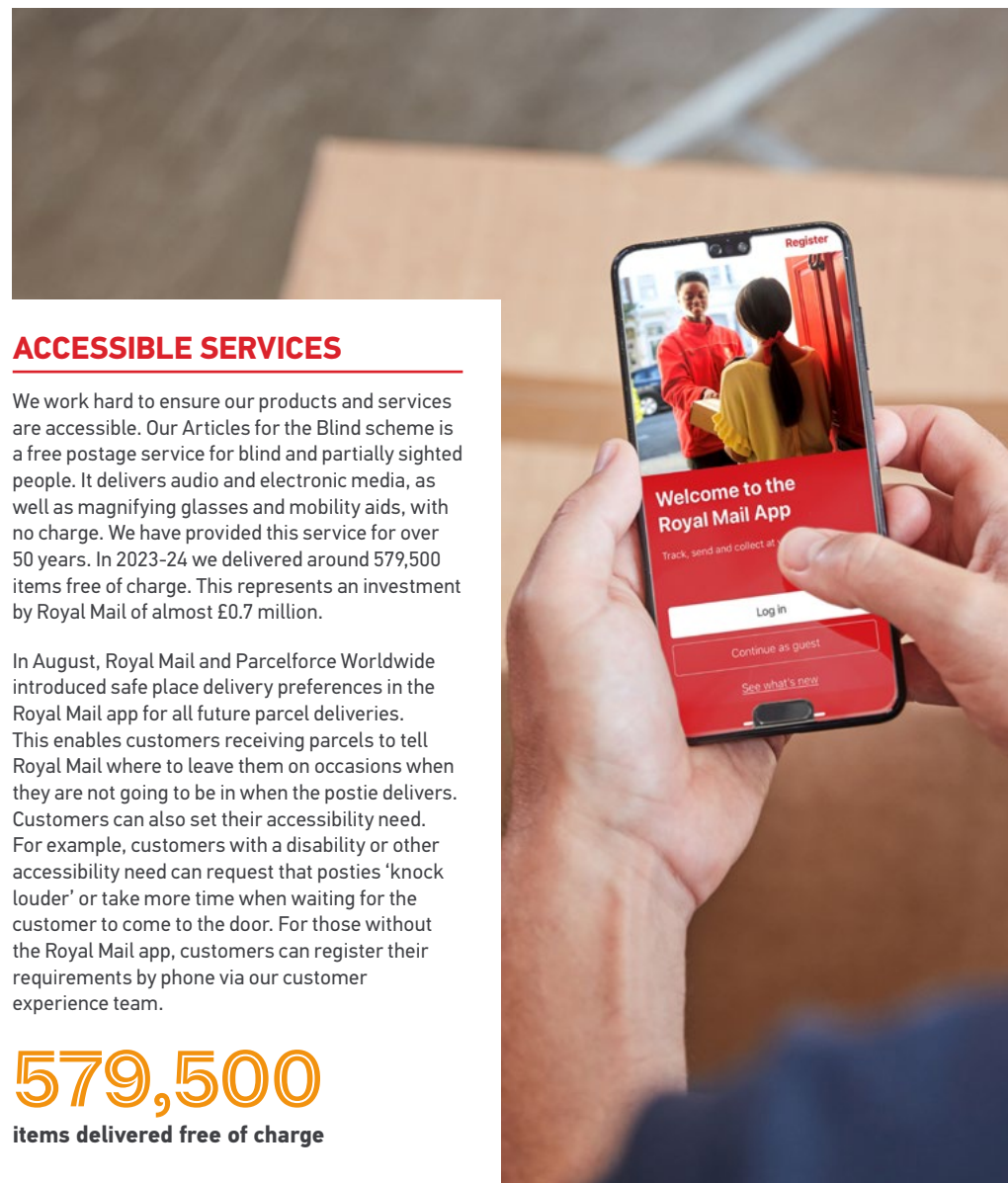
The Universal Service is the legal requirement for Royal Mail to deliver to the UK's 32 million addresses. We remain committed to the one-price-goes-anywhere service and it is a privilege to play a unique and vital role in connecting the whole nation.

The way people communicate has changed, causing a material decline in the use of letters. From 20 billion letters a year posted at their peak in 2004-05, this has reduced to fewer than seven billion letters in 2023-24. Meanwhile, the number of addresses has increased by around four million. Yet the minimum requirements of the Universal Service have remained largely unchanged for over 20 years.

The only way to save the Universal Service is to modernise it, meeting the needs of customers today and into the future and ensuring a more efficient and financially sustainable Royal Mail, with postal workers at the heart of the community. We welcomed Ofcom's call for input on 'the future of the universal postal service'. After extensive engagement, listening to thousands of customers across the UK – including consumers, SMEs, the NHS, publishers and senders of greeting cards, Access customers and bulk mail customers – to understand their changing needs, we put forward a balanced proposal with limited change.

Our proposal for USO reform is built on meeting the needs of customers, protecting what they value and creating a more reliable and financially sustainable service that continues to connect all parts of the country.

A SUSTAINABLE ACCESSIBLE SERVICE



ACCESSIBLE SERVICES

We work hard to ensure our products and services are accessible. Our Articles for the Blind scheme is a free postage service for blind and partially sighted people. It delivers audio and electronic media, as well as magnifying glasses and mobility aids, with no charge. We have provided this service for over 50 years. In 2023-24 we delivered around 579,500 items free of charge. This represents an investment by Royal Mail of almost £0.7 million.

In August, Royal Mail and Parcelforce Worldwide introduced safe place delivery preferences in the Royal Mail app for all future parcel deliveries. This enables customers receiving parcels to tell Royal Mail where to leave them on occasions when they are not going to be in when the postie delivers. Customers can also set their accessibility need. For example, customers with a disability or other accessibility need can request that posties 'knock louder' or take more time when waiting for the customer to come to the door. For those without the Royal Mail app, customers can register their requirements by phone via our customer experience team.

579,500
items delivered free of charge



STAMPING OUT COUNTERFEITS

We work with law enforcement agencies to disrupt the manufacture and wholesale distribution of counterfeit stamps and to prevent them from entering the market. Working with these agencies, Royal Mail has seized 1.5 million counterfeit stamps over the last three years.

Since the introduction of barcoded stamps, we have seen counterfeit stamps in our network reduce by around 90%. This is due to the added security measures, active detection and partnerships with online marketplaces, retailers, law enforcement and trading standards. As a result, counterfeit stamps now account for a fraction of the c.450 million stamps used in the UK each year.

90%
reduction in counterfeit stamps

In 2024, we announced additional steps to help protect customers and to maintain pressure on criminals who seek to profit from the mass production of counterfeit stamps. These include:

- **Development of a new counterfeit stamp scanner in the Royal Mail app:** customers will be able to scan stamp barcodes and check whether it is a recognised counterfeit stamp.
- **Introduction of a new, independent, stamp expert:** in addition to our team of specialists, the independent expert will verify whether a stamp is genuine as part of our escalation process for customer complaints. The decision will be fully independent of Royal Mail and the judgement binding.
- **Increased partnership:** working with retailers and online marketplaces to jointly stop the sale of counterfeit stamps.
- **Increased activity to raise public awareness:** customers can find advice and report cases of the sale of counterfeit stamps online at a dedicated section of the Royal Mail website.



Find out more about how to spot and avoid counterfeit stamps [here](#).



Royal Mail

A NEW REIGN

In May 2023, Royal Mail celebrated the Coronation of their majesties King Charles and Queen Camilla with four special stamps. The stamps illustrate the Coronation ceremony and the traditional street party, as well as some of the causes His Majesty has dedicated his years of public service to: cultural diversity and community; the global ties of the Commonwealth, which he now leads; and sustainability and biodiversity.

This is only the third time in history that Royal Mail has issued stamps to mark a Coronation. The previous two occasions were for King George VI in 1937 and Queen Elizabeth II in 1953. The stamps were designed by Atelier Works and feature newly commissioned wood engravings by British artist Andrew Davidson.

