GREENHOUSE GAS VERIFICATION REPORT

Project number: 4790679716
Issue Date: 03/24/2023

UL has verified, to a limited level of assurance, the GHG statements of

CANADA POST CORPORATION

in accordance with ISO 14064 Part 3: 2019. Canada Post Corporation's organizational GHG statements have been verified to meet the requirements of ISO 14064 Part 1: 2018 and there is no evidence that the GHG statements:

- Are not materially correct and are not a fair representation of GHG data and information
- Have not been prepared in accordance with ISO 14064 Part 1: 2018

January 1st, 2022, to December 31st, 2022

- Direct emissions: 102.9 $ktCO_2e$
- Energy indirect emissions (Location-based): 31.0 $ktCO_2e$
- Energy indirect emissions (Market-based): 25.6 $ktCO_2e$
- Other indirect emissions: 651.3 $ktCO_2e$

January 1st, 2021, to December 31st, 2021

- Energy indirect emissions (Market-based): 27.5 ktCO2e

January 1st, 2020, to December 31st, 2020

- Energy indirect emissions (Market-based): 28.0 ktCO2e

January 1st, 2019, to December 31st, 2019

- Energy indirect emissions (Market-based): 29.2 ktCO2e

AW

Adrian Wain
Lead Verifier

UL Verification Services Inc.
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UL performs Greenhouse Gas (GHG) Verification in accordance with ISO 14064 Part 3: 2019. Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.

UL applies a risk-based approach to GHG Verification that incorporates an investigation of the inherent and control risks associated with GHG reporting

UL's verification approach includes but is not limited to the collection and analysis of:

- Qualitative data through the engagement of management.
- Quantitative data through receipt of data files from information management systems.
- Supporting evidence for all data.

A full description of the approach taken in this verification can be found in Appendix A.

UL VERIFIED
• GREENHOUSE GAS STATEMENT TO ISO 14064-1 HISTORICAL INFORMATION
UL.COM/GHG

Canada Post Corporation

Level of assurance: Limited
Project number: 4790679716
Report issue date: 03/24/2023

Introduction

Canada Post Corporation (hereafter referred to as “CPC”) has contracted UL to verify CPC’s GHG Statement to ensure organizational GHG statements are complete and accurate for the purposes of internal reporting. CPC has provided a GHG statement to UL covering the period of January 1st, 2022, to December 31st, 2022 and updated GHG statements for January 1st to December 31st in 2019, 2020 and 2021 for energy-indirect emissions in the market-based scenario.

Approach

UL performs GHG verification in accordance with ISO 14064 Part 3: 2019: Greenhouse Gases: Specification with guidance for the verification and validation of GHG statements.

UL applies a risk-based approach to GHG verification that incorporates a detailed understanding of risks associated with GHG reporting and the controls required to mitigate such risks.

Our verification approach includes the collection and analysis of:

- Qualitative data through the engagement of management
- Quantitative data through receipt of data files from information management systems
- Supporting evidence for activity data

A full description of the approach can be found in Appendix A.

Responsibilities

CPC designated themselves as the responsible party for the preparation and fair presentation of their GHG statements and other supporting information required for evaluation of the statement in accordance with the criteria laid out in ISO 14064 Part 1: 2018. UL is responsible for expressing an opinion of the GHG statements based on findings from verification activities designed to assess whether the GHG statements were materially accurate given quantitative and qualitative thresholds. The data assessed is historical in nature and this report is only valid for the GHG statements of the defined periods.

Level of assurance

CPC requested that UL provide a limited level of assurance for their organizational GHG statements.

Objectives

To verify by limited assurance that CPC ’s GHG statement is materially accurate for the purposes of internal reporting in terms of:

- The GHG emissions are as declared by the responsible party.
- The data reported are accurate, complete, consistent, transparent, and free of material error or omission.
- The GHG statements are prepared as per the criteria laid out in ISO 14064 Part 1: 2018.

Criteria

Criteria against which the verification assessment was undertaken:

- ISO 14064 Part 1: 2018.

Scope

Customer name	**Canada Post Corporation**
Customer address	2701 Riverside Dr. Ottawa, ON K1A 0B1
Control approach	Operational - Control
Locations/sources	Multiple Location Facilities
Period of evaluation	January 1st, 2022, to December 31st, 2022 January 1st, 2022, to December 31st, 2021* January 1st, 2022, to December 31st, 2020* January 1st, 2022, to December 31st, 2019*
Types of GHG	CO_2, CH_4, N_2O, HFCs, PFCs, SF_6
GWP values applied	IPCC AR5
Intended users	Internal

* Indirect energy (market-based) only

Table 1 - Sources in Scope for January 1st 2022 to December 31st 2022

Source	Activities
Direct (Scope 1) Heating	Fossil Fuel used in CPC - Managed Real Estate Portfolio
Direct (Scope 1) Heating	Fossil fuel used in CPC - Managed PMD facilities
Direct (Scope 1) Fuel	Fuel used in owned fleet
Direct (Scope 1) Refrigerants	Refrigerants used for HVAC at CPC - Managed Real Estate Portfolio
Direct (Scope 1) Refrigerants	Refrigerants used for HVAC at managed PMD facilities
Energy indirect (Scope 2) Electricity	Electricity used in facilities – location-based approach
Energy indirect (Scope 2) Electricity	Electricity used in facilities – market-based approach
Other indirect (Scope 3) Waste	Waste generated in operations
Other indirect (Scope 3) F&E activities	Upstream fuel and energy-related activities
Other indirect (Scope 3) Upstream Transportation and Distribution	Fuel used for upstream and downstream transport

Other indirect (Scope 3) Business Travel	Fuels used for business travel

Table 2 - Sources in Scope for January 1st to December 31st 2019. 2020 and 2021

Source	Activities
Energy indirect (Scope 2) Electricity	Electricity used in facilities – market-based approach

Materiality

The intended users of the GHG statement are internal and specified a required quantitative materiality threshold of +/-5%. This is also the quantitative materiality threshold suggested by the WRI GHG Protocol for Corporate Accounting and Reporting Standard (Revised edition), where an error is considered to be materially misleading if its value exceeds 5% of the total inventory reported in the GHG statement.

Issuance of Opinion

In UL's opinion, based on the evaluation activities conducted in accordance with ISO 14064 Part 3: 2019 to CPC's organizational level GHG Statement for January 1st, 2022, to December 31st, 2022 and updated statements for energy indirect (market-based) for January 1st to December 31st for 2019, 2020 and 2021, limited level of assurance has determined that there is no evidence that the GHG statements:

- are not materially correct and is not a fair representation of GHG data and information
- Have not been prepared in accordance with ISO 14064 Part 1: 2018

CPC's GHG statements for written in accordance with ISO 14064 Part 1: 2018 has been verified by UL to a limited level of assurance. The emissions by scope are verified as follows:

01/01/2022 - 12/31/2022

Direct	Energy Indirect (Location-based)	Energy Indirect (Market-based)	Other Indirect
102.9 ktCO2e	31.0 ktCO2e	25.6 ktCO2e	651.3 ktCO2e

01/01 – 12/31 for 2019, 2020 and 2021

Source	2019	2020	2021
Energy indirect (Market-based)	29.2 ktCO2e	28.0 ktCO2e	27.5 ktCO2e

Activities performed to the limited level of assurance are less extensive in nature, timing, and extent than activities performed for a reasonable level of assurance.

Verifier Signature:

AW

Adrian Wain, Lead Verifier

Appendix A

Introduction

Appendix A describes how UL executed the verification of Canada Post Corporation (hereafter referred to as "CPC") GHG statements issued for the period January 1st to December 31st , 2019, 2020, 2021 and 2022 in accordance with ISO 14064 Part 1: 2018.

Execution summary

The scope of the verification activities was defined during the verification planning stage and were informed by the strategic analysis and risk assessment based on submitted data and industry research.

The verification activities involved, but were not limited to the items below:

- Strategic Analysis
- Risk Assessment
- Verification Activities
- Verification Conclusions
- Recommendations

The verification was executed by the team shown below:

Lead verifier	Adrian Wain is the Lead Verifier on the engagement. He has over 12 years of experience in carbon management and carbon accounting and is a qualified GHG Verifier. Adrian.Wain@ul.com
Verifier	Heather Pecho is the Verifier on the engagement. She has over 4 years of experience in environmental and sustainability engineering. Heather.Pecho@ul.com
Certification officer	Cooper McCollum is the Certification Officer on your engagement. He oversees a wide range of UL's certification programs. cooper.mccollum@ul.com

GHG management system

Meetings with the Manager of Corporate Sustainability and Environmental Policy of CPC determined that the selection and management of GHG information was determined by the requirements of internal users.

The management of GHG information applies established processes operated by tenured professionals, multiple layers of review are applied during data collection and variance checks applied during and at the end of the data collection phase/

Based on the review of the GHG management system, UL did not find evidence that the GHG management system was not in accordance with the required criteria.

GHG data and information

UL reviewed documentation and asked questions of personnel contributing to CPC's GHG data and information. In addition, GHG data and information were reviewed for the following emissions sources that fall under CPC's operational control: Heating (Natural Gas, Heating Oil, Propane and Diesel), Fugitive emissions (Refrigerant top ups), Owned fleet (Gasoline, Diesel, Propane and Compressed Natural Gas), Purchased electricity, Sub-contracted Ground, Rail and Air delivery, waste generated in operations and business travel.

Data and Information collection process at CPC involves the following:

Direct (Scope 1) - Heating

Data are provided by Real Estate team for managed and Post Master Delivered (PMD) Sites. Consumption data (i.e., Natural Gas, Heating Oil, Propane, Diesel fuel use and Electricity) for both managed sites and PMD sites come from utility invoices that are uploaded into the Capturis database provided by a third party (JLL).

Direct (Scope 1) - Fugitive Emissions

Data are provided by Real Estate team for the sites they manage. This is part of their contractual agreement.

Direct (Scope 1) - Owned Fleet

Data are provided by Fleet team. Fuel data (Gasoline, Diesel, Propane and Compressed Natural Gas) is tracked through the use of fuel cards and is compiled into their database.

Energy Indirect (Scope 2) - Electricity

Data are provided by Real Estate team for managed and Post Master Delivered (PMD) Sites. Consumption data for both managed sites and PMD sites come from utility invoices that are uploaded into the Capturis database provided by a third party (JLL). Under the location-based scenario, provincial generation emissions factors from NIR are applied. Under the market-based scenario, generation factors from the utility providers are applied where available, else location-based factors are applied due to the absence of residual emission factors published for provincial grids.

Note: As part of the verification engagement, UL also performed a verification of Energy indirect (Scope 2) – electricity emissions for the market-based approach for historic years 2019. 2020 and 2021.

Other indirect (Scope 3) - Sub-contracted Ground

Data are provided by Finance who supports the Network Transport team. National Ground Kilometre (KM) data is gathered from monthly accrual files, provided by Transportation team. Regional Ground is based on scheduled service fuel KMs per regular fuel payment schedule (sourcing), ad-hoc fuel usage is estimated using proportional spend ratio (adhoc vs. scheduled) applied to scheduled service KM.

International Ground data are provided by the Network Transport team. CUS data provided by CUS Team and data comes from Statement of Work documents from contracts as provided by Collection & Delivery. RSMC data are provided by RSMC team.

Other indirect (Scope 3) - Sub-Contracted Rail

Data are provided by Network Transport Team. Rail data comes from Scan to Vehicle (STV) system which captures all trips by rail.

Other indirect (Scope 3) - Air Delivery

Flight Data are provided by Network Transport teams. Flight distance based on airport-to-airport kms; kilograms/year based on actual dispatched data from their systems, kilometres/year is flight distance x number of flights per week and year.

Other indirect (Scope 3) - Waste Generated in Operations

Data are provided by Corporate Sustainability team and Real Estate Team. Data submitted for managed sites is consolidated from sub-contracted waste haulers.

Other indirect (Scope 3) - Business Travel

Data are provided by the Business Travel team. Car rental data are provided by the car rental agency for all bookings made under the Canada Post agreement. Air and rail data are pulled from their travel agency reporting site for all bookings made with the agency or with the online booking tool. Taxi and Km's data are pulled from SAP expense claims on what has been reimbursed to employees

Data aggregation processes

CPC's GHG data are aggregated centrally by their Manager of Corporate Sustainability and Environmental Policy. Data from all sources are collected according to a reporting schedule that is communicated to all parties involved and tracked through a status update report.

UL has not found evidence that CPC's data aggregation process was not in accordance with the required criteria. It was observed that CPC reduces the inherent risk to their GHG data to low levels by:

- Engaging the services of experienced consultants to prepare the data aggregation file
- Capturing activity data within a low number of established data bases
- Consolidating and converting the activity data to GHG data within a single file

Analytical testing

A range of analytical testing techniques were used including:

Recalculation: UL selected a sample of activity data from material sources and repeated their multiplication by the stated emission factor to check the correctness of the calculation function within the inventory. This test addressed the risk presented by incorrect calculation. It was observed that the formulas used to convert activity data into emissions data are simple in their construction and straight-forward to review due to their application to aggregated data. UL did not find evidence that the calculations were not in accordance with the required criteria.

Trend analysis: UL reviewed activity data from material sources to observe their progression overtime to check for the presence of anomalous values. This test addressed the risk presented by the introduction of data using an incorrect unit of measure or an incorrect order of magnitude. UL did not find evidence that the progression of data over time were not in accordance with the required criteria.

Emission factor review: UL reviewed each of the emission factors applied to the inventory to check their appropriateness and accurate transfer from source document to calculations. UL did not find evidence that the emission factors selected and transferred were not in accordance with the required criteria.

Control testing

A range of control tests techniques were used including:

- Template review: UL reviewed the data collection templates provided to primary data owners to determine their suitability. UL did not find evidence that the templates were not in accordance with the required criteria.
- Quality control procedure: UL reviewed the quality control procedure for CPCs annual GHG reporting cycle and noted that several stage-gates and review committees are in place. UL did not find evidence that the quality control procedures were not in accordance with the required criteria.
- Training records: UL requested training records for those involved in CPC's annual GHG reporting cycle. Training had been provided on Scope 3 inventory management by reputable providers (WBCSD).
- Policy and certifications: UL requested environmental policies and environmental or quality management certifications. An environmental policy was available but certifications such as ISO 14001 or ISO 9001 were not.

Estimate testing

- Spend based transport distance factors: UL reviewed the use of spend based factors for the determination of transport distance for regional adhoc ground transport. It was observed that the spend based factors were derived from a subset of regional adhoc contracts where both spend and distance data were available (30% of all contracts) and that the derived factors were comparable with planned transport. UL did not find evidence that the utility-based transport distance was not in accordance with the required criteria.