

# GREENHOUSE GAS VERIFICATION REPORT

Project number: 4791168147  
Issue Date: 03/29/2024

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

## CANADA POST CORPORATION

for January 1st, 2023 to December 31st, 2023, in accordance with ISO 14064 Part 3: 2019. Canada Post Corporation's organizational GHG Statement has been verified to meet the requirements of ISO 14064 Part 1: 2018 and that there is no evidence that the GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information.
- Has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.

### January 1st, 2023 to December 31st, 2023

- Direct emissions: 98.91 ktCO<sub>2</sub>e
- Energy Indirect emissions (Location-based): 29.32 ktCO<sub>2</sub>e
- Energy Indirect emissions (Market-based): 15.31 ktCO<sub>2</sub>e
- Indirect emissions: 675.67 ktCO<sub>2</sub>e
- Total Energy Consumption: 713,523.38 MWh

LA

Lauren Alexander  
Lead Verifier

UL Verification Services Inc.  
2211 Newmarket Parkway, Suite 106  
Marietta, GA 30067 USA

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

UL Solutions' 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.



## Canada Post Corporation

Level of assurance: Limited

Project number: 4791168147

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## Introduction

Canada Post Corporation (hereafter referred to as “Canada Post”) has contracted UL Solutions to verify Canada Post’s GHG Statement to ensure organizational GHG inventories are complete and accurate for the purposes of internal and external reporting. Canada Post has provided a GHG statement to UL Solutions covering the period of January 1st, 2023 to December 31st, 2023, in accordance with ISO 14064 Part 1: 2018.

## Approach

UL Solutions 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 Solutions 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

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

## Level of assurance

Canada Post requested that UL Solutions provide a limited level of assurance for their organizational GHG statement.

## Objectives

To verify by limited assurance that Canada Post’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 statement is prepared consistent with 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 Drive Ottawa, ON K1A 0B1
Control approach	Operational Control
Locations/sources	Multiple Location facilities
Period of evaluation	January 1st, 2023 to December 31st, 2023
Types of GHG included	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub>
GWP values applied	IPCC AR5
Intended users	Internal

**Table 1 - Sources in Scope**

Scope	Activities	Emissions (ktCO <sub>2</sub> e)
Direct (Scope 1) Heating	Fuel used in Canada Post - Managed Real Estate Portfolio and Managed PMD facilities	31.9
Direct (Scope 1) Fuel	Fuel used in owned fleet	66.4
Direct (Scope 1) Refrigerants	Refrigerants used for HVAC at Canada Post-Managed Real Estate Portfolio (JLL), PMD and Compass	0.6
Energy indirect (Scope 2) Electricity	Electricity used in Managed Real Estate and PMD facilities – location-based approach	29.3
Energy indirect (Scope 2) Electricity	Electricity used in in Managed Real Estate and PMD facilities – market-based approach	15.3
Other indirect (Scope 3, Category 1) Purchased Goods and Services	Production of goods and services purchased by Canada Post	81.1
Other indirect (Scope 3, Category 2) Capital Goods	Production of capital goods purchased by Canada Post	62.8
Other indirect (Scope 3, Category 3) Fuel and Energy Related Activities	Upstream fuel and energy-related activities	32.7

Other indirect (Scope 3, Category 4) Upstream Transportation and Distribution	Fuel used in contracted upstream and downstream transport fleets	488.9
Other indirect (Scope 3, Category 6) Business Travel	Fuels used for business travel	10.2

**Table 2- Sources in Total Energy Consumption**

Sources	Energy Consumption (MWh)
Natural Gas	160,912
Heating Oil	8,176
Propane	845
Diesel	64
Propane Use	13
Gasoline Use	212,367
Diesel Use	60,778
Electricity	270,369

## Materiality

The intended users of the GHG statement are internal and external 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 Solutions' opinion, based on the evaluation activities conducted in accordance with ISO 14064 Part 3: 2019 to Canada Post's organizational level GHG Statement for January 1st, 2023 to December 31st, 2023, limited level of assurance has determined that there is no evidence that the GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information.
- Has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.

Canada Post's GHG statement for January 1st, 2023 to December 31st, 2023, written in accordance with ISO 14064 Part 1: 2018 has been verified by UL Solutions to a limited level of assurance. The emissions by scope are verified as follows:

01/01/2023 - 12/31/2023

Direct	Energy Indirect	Energy Indirect	Indirect	Total Energy Consumption
98.91 ktCO <sub>2</sub> e	29.32 ktCO <sub>2</sub> e (Location-Based)	15.31 ktCO <sub>2</sub> e (Market-Based)	675.67 ktCO <sub>2</sub> e	713,523.38 MWh

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.

Place and date: 2211 Newmarket Parkway, Suite 106, Marietta, GA 30067, USA. 03/29/2024

Verifier Signature:

LA

Lauren Alexander, Lead Verifier

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# Appendix A

## Introduction

Appendix A describes how UL Solutions (hereafter referred to as “UL”) executed the verification of Canada Post Corporation (hereafter referred to as “Canada Post”) GHG Statement issued for the period January 1st, 2023 to December 31st, 2023, in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## 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:

<b>Lead verifier</b>	Lauren Alexander is the Lead Verifier on the engagement and is a qualified GHG Verifier. Email: <a href="mailto:lauren.alexander@ul.com">lauren.alexander@ul.com</a>
<b>Verifier</b>	Heather Pecho is the Verifier on the engagement. She has over 4 years of experience in environmental and sustainability engineering. Email: <a href="mailto:Heather.Pecho@ul.com">Heather.Pecho@ul.com</a>
<b>Reviewer</b>	Adrian Wain is the Reviewer on the engagement. Adrian Wain oversees a wide range of UL verification engagements. Email: <a href="mailto:Adrian.wain@ul.com">Adrian.wain@ul.com</a>

## GHG management system

Meetings with the Manager, Corporate Sustainability and Environmental Policy of Canada Post 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.

## **GHG data and information**

UL reviewed documentation and asked questions of personnel contributing to Canada Post's GHG data and information. In addition, GHG data and information were reviewed for the following emissions sources that fall under Canada Post's boundary: Heating (Natural Gas, Heating Oil, Propane and Diesel), Fugitive emissions (Refrigerant top-ups), Owned fleet (Gasoline, Diesel, and Propane), Purchased electricity, Upstream Transportation and Distribution, Purchase Goods and Services, Capital Goods, Fuel and Energy Related Activities, Business Travel, and Energy Data.

### Direct (Scope 1) - Heating

Data are provided by Real Estate team for managed and Postmaster 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, and Propane) 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 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.

### Other indirect (Scope 3) – Purchased Goods and Services

Canada Post received the inventory of purchased goods and services from Procurement. Emissions from goods and services allocated to other scope 3 categories are removed to avoid double counting (for example, upstream transportation and distribution and business travel). With the remaining inventory, total emissions from purchased goods and services are calculated by aggregating low-level supplier emissions data where the following calculation prioritization is applied. Priority 1: Selecting supplier-allocated emissions data reported in tCO<sub>2</sub>e sourced from CDP supply chain responses. Priority 2: Multiplying spend with supplier in CAD by a supplier emissions intensity tCO<sub>2</sub>e/CAD sourced from CDP supply chain responses. Priority 3: Multiplying spend with supplier in CAD by a supplier emissions intensity tCO<sub>2</sub>e/CAD sourced from the PWC Escher tool. Within Priority 1 and 2, Canada Post performed a review of data quality per supplier to determine whether it was suitable for use, or whether it needed to be substituted with data from Priority 3.

### Other indirect (scope 3) – Capital Goods

Canada Post received the inventory of purchased capital goods from Procurement. Total emissions from capital goods are calculated by aggregating low-level supplier emissions data where the following



calculation prioritization is applied. Priority 1: Selecting supplier-allocated emissions data reported in tCO<sub>2</sub>e sourced from CDP supply chain responses. Priority 2: Multiplying spend with supplier in CAD by a supplier emissions intensity tCO<sub>2</sub>e/CAD sourced from CDP supply chain responses. Priority 3: Multiplying spend with supplier in CAD by a supplier emissions intensity tCO<sub>2</sub>e/CAD sourced from the PWC Escher tool. Within Priority 1 and 2, Canada Post performed a review of data quality per supplier to determine whether it was suitable for use, or whether it needed to be substituted with data from Priority 3.

#### Other indirect (Scope 3) - Sub-contracted Ground

Data are provided by Finance who supports the Network Transport team. National Ground Kilometer (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 (ad hoc 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, kilometers/year is flight distance x number of flights per week and year.

#### 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 sourced from their travel agency reporting solution 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**

Canada Post'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 Canada Post's data aggregation process was not in accordance with the required criteria. It was observed that Canada Post 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 to verify the data.

**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.

**Conversion factor review:** UL reviewed multiple conversion factors applied to the inventory to check their appropriateness and accurate transfer from source document to calculations. UL reviewed the domestic and international ground 40 L / 100 km factor with standards documents and scientific literature. UL also reviewed Canada Post's use of DEFRA factors. UL did not find evidence that the conversion factors selected 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 tested the emission factors used in Scope 2 market-based and Scope 3 Category 1 and 2 factors. UL did not find evidence that the emission factors selected and transferred were not in accordance with the required criteria.

**Peer review:** Observing the trends of the data between multiple different industry peers. Four peers were used during this review. The test addresses the risks that the emissions data significantly diverged from industry expectations. UL did not find evidence that the data was outside of the normal trends for this industry and were not in accordance with the required criteria.

**Data tracing:** Rebuilding aggregate values from their source (e.g., utility bill) to the organization total to check for the inclusion and correct aggregation of all data. This test addressed the risk that values were mistakenly transferred from the source file to the software solution. UL did not find evidence that the aggregations 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 Canada Post's 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 Canada Post'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:** No estimates were used.