

Royal Mail: Delivering sustainability through responsibility.

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When it comes to sustainability, advertising and marketing is often seen as facilitating 'Greenwash' - being a cause or symptom rather than a cure. We recognise that many businesses talk about doing something sustainable but rarely is it carried through with any conviction or as part of BAU.

This overview puts direct mail's carbon footprint into context and illustrates how Royal Mail is actually delivering a sustainable future through a series of innovative initiatives that sit at the heart of what we do.

The need for speed:

2008 – The Year of the Frog,

It has become apparent that 50% of all the 6000 odd amphibian species are threatened with extinction if we don't act immediately to save them.

This is important for two reasons:

1) Amphibians have been likened to canaries in the coal mine - amphibians might be warning us of unsafe environmental conditions that could eventually seriously impact our health. They provide vital biomedicines, including compounds, that are being refined for analgesics, antibiotics, stimulants for heart attack victims, and treatments for diverse diseases including depression, stroke, seizures, Alzheimer's, and cancer. The Australian red-eyed treefrog (*Litoria chloris*) and its relatives give us a compound capable of preventing HIV infection, the cause of AIDS.

2) In areas of the world where amphibians have declined, there has been an increase in invertebrate pests that damage crops and that carry human diseases.

Why is this significant? Because it highlights how easy it is to ignore subtle changes in our climate - both physical and political – and the potentially catastrophic effects that can happen as a result. We see there being no difference in the world of business.

Ice Cubes and the importance of innovation:

The Intergovernmental Panel on Climate Change has established that computer modelling was vastly incorrect and that the polar ice caps for example are melting up to 3 times faster than predicted.

When ice that's already in the sea melts it doesn't have such a dramatic effect on sea levels. But that great sheet of white ice is also reflecting lots of the sun's energy back out into space.

And so changes like these require radical thinking. Currently there is a proposal to paint the world's roofs white to try to compensate for the loss of that natural cooling mechanism. Innovative? Radical? Perhaps it doesn't go far enough.

We know that it is this sort of radical thinking and innovation that is required but so often watered down or put aside for short term gain. The fact that people are increasingly expressing a preference for companies with sustainable and ethical credentials means that it is no longer enough to talk about what you are doing as a business – you physically have to demonstrate it – something royal Mail has been doing for a number of years as we shall see.

Churchill and timing:

Churchill mentioned in one of his many speeches that "the time for action is now" and "this is a time of consequences". He was right then and now.

The Sustainable Development Commission last year said that it's a real problem that in political circles they keep talking about 2050.

We know that the big changes we need to make now to stand any chance of making progress must happen within the next 6 years and we are looking at 'sustainability' on two main fronts:

- 1) From a pure economic perspective – to deliver a 'sustainable' business for shareholders – in our case the Government.
- 2) From a logistic perspective - how we go about delivering the 84 million items to every household in the UK every single working day in the most environmentally sustainable way.

Size is a problem.

We realised several years ago that we would be under governmental pressure first and foremost because of our sheer size.

David Miliband said in January 2007 that the '550,000 tons of junk mail is totally unacceptable'. 550,000 tonnes can equally be thought of as 4.4m Bernard Mannings incidentally if you find it hard to visualise that amount!

This Governmental pressure has a political edge to it – not only is it a tangible number but it is becoming an emotive issue among the public and proposed legislation is being considered outside of any potential downside effect it may have on the direct marketing industry as a whole. The 550,000 tonnes should be seen in context. Direct marketing only accounts for 2.0% of paper based landfill in the UK with the highest being newspapers which account for 9.1%:

Newspapers: 9.1% (2,470,000 tonnes)
Magazines: 2.3% (630,000 tonnes)
Direct marketing: 2.0% (550,000 tonnes)

We accept that that is a lot of waste – but not as much as the amount of nappies that end up in landfill as a total (2%) as opposed to mail (1.5%)!

Putting Direct Mail in context:

Every letter creates an average of 26g CO₂, but, 1 minute of power on a PC creates 1.8g of CO₂. Think about how long the average person sits in front of a screen everyday and how much carbon that produces whilst attending to a never-ending stream of emails.

Another way to look at it is a one-way flight from Edinburgh to London creates 70,000g of CO₂ and a TV ad filmed abroad would create on average about 50,000,000g of CO₂ – that's the equivalent of more letters that you could possibly read in a lifetime!

So when one is looking for an easy target it is worth looking at the context. Remember - a lifetimes worth of household mail is equivalent to eating 5 hamburgers in terms of CO₂ emissions. Something else to chew on.

So why use mail?

We believe mail has a unique and important role to play for business due to its unique characteristics:

It's tangible
It can engage every sense
It can reach everyone
It has very few limits

- Open and read rates have increased from 73% to 87% over the last 2 years
- A 2007 study by Fournaise on marketing effectiveness showed that DM is considered the most effective medium
- Customers recruited through mail are 'stickier' than those recruited through other channels

So what are the key things we have been delivering:

Royal Mail - Leading the way

- Award-winning carbon management programme has eliminated over 140,000 tonnes of CO2 emissions in last five years
- 100% of our sites run on green electricity
- A long history of testing alternative fuel vehicles including electric, biofuel, fuel cell, Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG)
- Introduced over 200 double-decker lorries, carrying twice as much as traditional vehicles, allowing us to take over 100 articulated lorries off the road

Award winning activity - delivering responsibly since 2006

- Winner: Corporate Social Responsibility Category. World Mail Awards 2006
- Winner: European Best CSR Programme of the Year. Strategic Risk European Risk Management Awards 2006
- Winner: Traffic & Transport Management Category. City of London's Liveable City Awards 2006
- Winner: Transport, Storage and Distribution Industry Sector RoSPA Awards 2006
- Gold Award: Payroll Giving Quality Mark Institute of Fundraising/HM Treasury 2006

Responsible mail for everyone:

- Practical advice and information through a new website providing advice to businesses and consumers on how to be more environmentally responsible with their mail www.royalmail.com/responsible

Carbon Neutral Door to Door:

In return for achieving our Responsible Mail standards Door to Door customers can have the remaining carbon offset by Royal Mail and make their mailing carbon neutral

Mailing House Scheme - Investing in the future

We're helping to increase the use of environmental techniques across mailing agents through a scheme that rewards those who commit to an environmental policy and achieve certification such as ISO14001

What can you do?

- 1) Don't put shredded paper in the recycled bin – it is not usable for recycling
- 2) Always remove the cellophane from the envelopes or it can contaminate the recycling process

Hopefully this summary has helped to highlight how Royal Mail is delivering a sustainable future through an innovative approach and dispelled some of the myths surrounding direct mail and the impact it has on the environment by seeing it in context.