# Royal Mail Group Procurement

# Vehicles Environmental Strategy

Royal Mail

Tony Shaw Sept 2009

# Agenda

- Context
  - Royal Mail
  - Vehicles
- Targets
- Approach to date
- What's next
- h2 ? – Does it Fit
- Challenges

# Context - Royal Mail brands

- The entire UK population is a customer of Royal Mail Group
- The reach / coverage of Royal Mail Group is greater than any other postal operator
- In the UK, Royal Mail Group operates under the brands Royal Mail, Post Office and Parcelforce Worldwide

T/O:£6.8bn

## Royal Mail

MD: Mark Higson

- Letters and packages business
- Duty to deliver a letter to each UK address for a standard price
- Obliged to collect daily from every letter box

T/O: £0.98bn

## Post Office Ltd

MD: Alan Cook

- Runs UK post offices
- 94% of UK people live within a mile of a branch
- Visited by 28 million people every week
- The UK's largest retail and financial services chain

T/O: £0.4bn

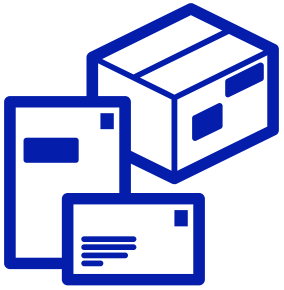
## Parcelforce Worldwide

MD: David Smith

- Express parcels business
- Delivers around 150,000 parcels a day
- Provides access to the world's largest delivery network

# Context – Royal Mail Operations

We deliver to 27 million UK delivery addresses



82 million items of mail per day

33,000 vehicles

650,000,000 miles per year

360,000 tonnes $CO_2$ from fleet alone

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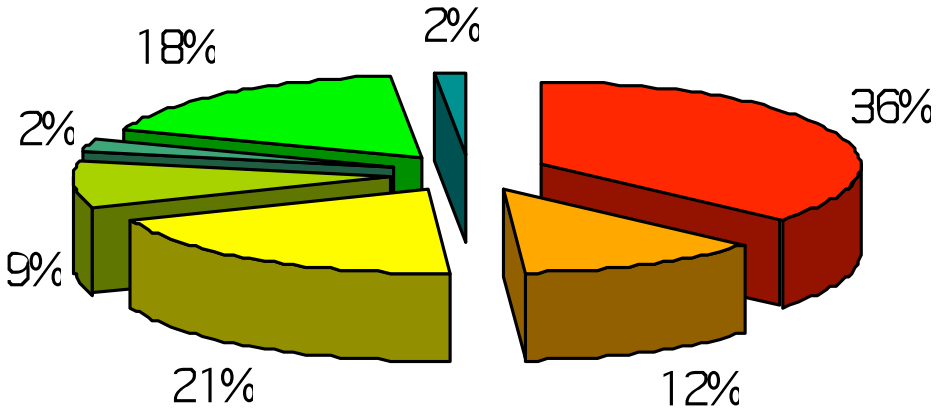
# Context - Royal Mail CO2




- Scope 1 Business road
- Scope 1 Natural gas and oil
- Scope 2 Grid electricity
- Scope 3 Business air & rail
- Scope 3 Personal travel (on business)
- Scope 3 Commuting to work
- Scope 3 Business mail in privately owned vehicles

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# Context - Vehicle Types

| | Car Derived | Small Panel | Medium Panel | Large Panel | Sml People Carrier |
|---|---|---|---|---|---|
| | | | | | |
| Nos. | 15,197 | 4,538 | 1,277 | 1,558 | 1,253 |
| Miles p.a. | 14,000 | 17,000 | 16,500 | 21,500 | 13,000 |
| Lifecycle yrs: | 3 | 4 | 4 | 4 | 3 |

| | Crew/Post Bus | Heavy Small | Heavy Medium | Heavy Large | Trailers |
|---|---|---|---|---|---|
| | | | | | |
| Nos. | 3,257 | 2,191 | 345 | 1,351 | 2,448 |
| Miles p.a. | 10,500 | 48,000 | 54,000 | 83,000 | |
| Lifecycle yrs: | 5 | 5 | 5 | 4 | 7 |

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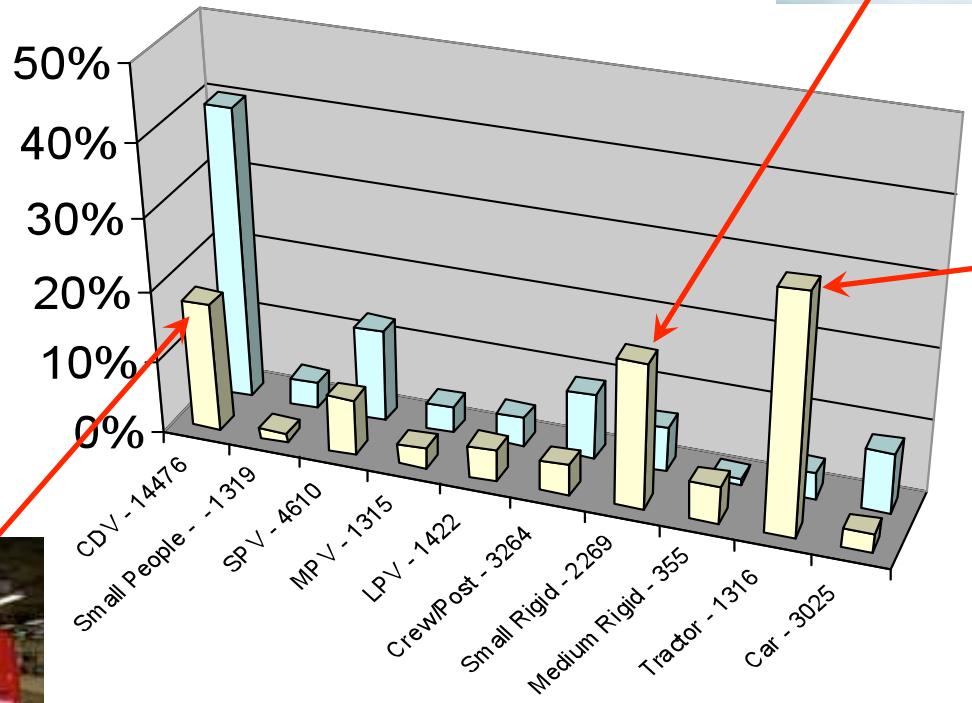
# Context – Vehicle $CO_2$

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# Targets

Carbon neutral London by 2012

Including 50% $CO_2$ Tailpipe Reduction

Carbon neutral business wide by 2015

50% CO2 Reduction

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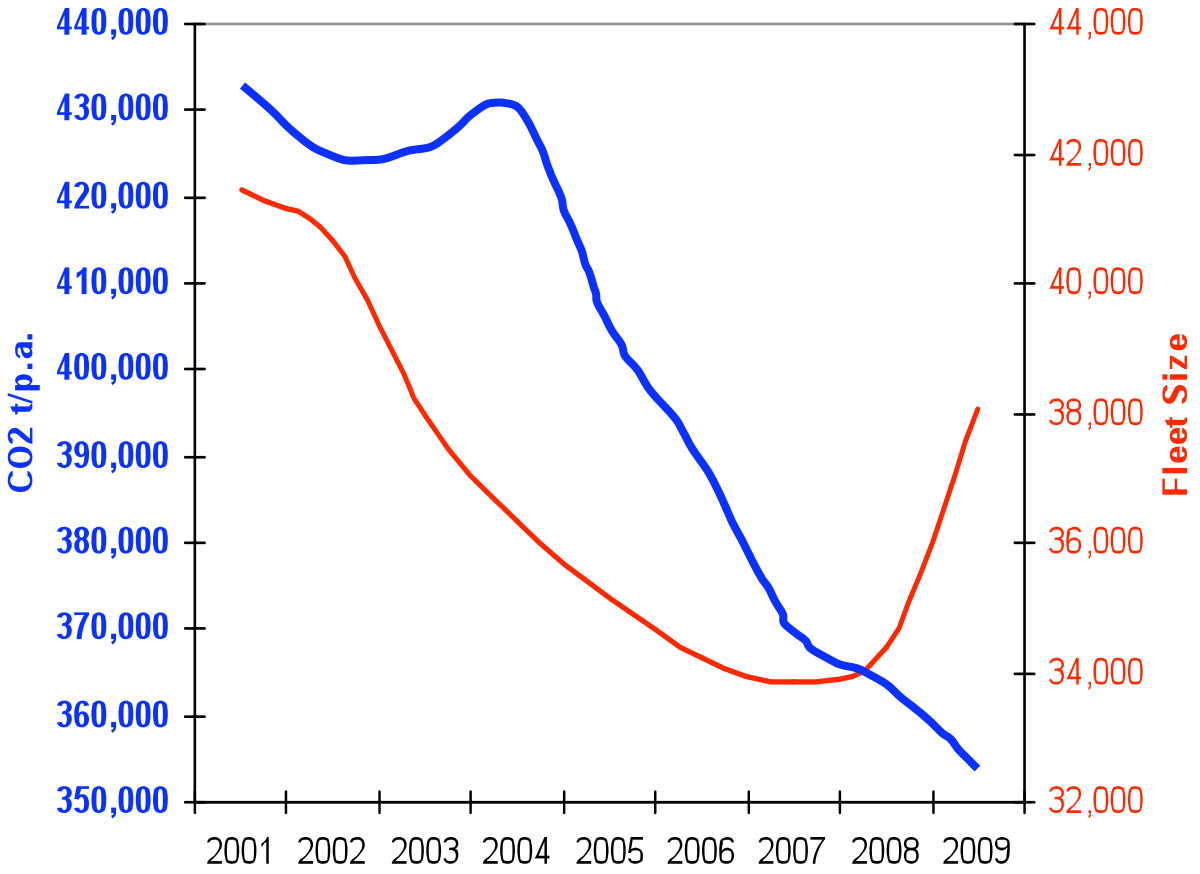
# Approach - Fleet Trends




2001 – 2008

- 7,000

Ops Efficiencies

$CO_2$ = - 9.3%

2004 / 2008

+ 1,500

Rail 2 Road

Speed Limiting

$CO_2$ = + 17.5% + 11.2%

FUTURE

2009 - 2010

- 1,500

Telemetry

CO2 = - 2.3%

2009 - 2010

+ 7,000

$CO_2$ = - 0.4%

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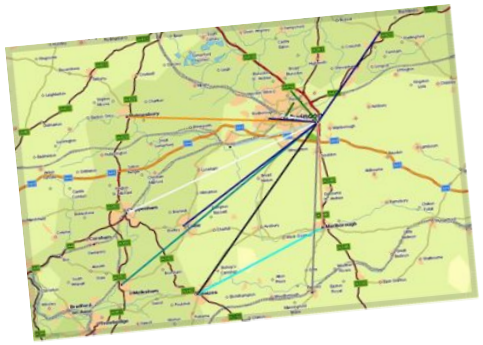
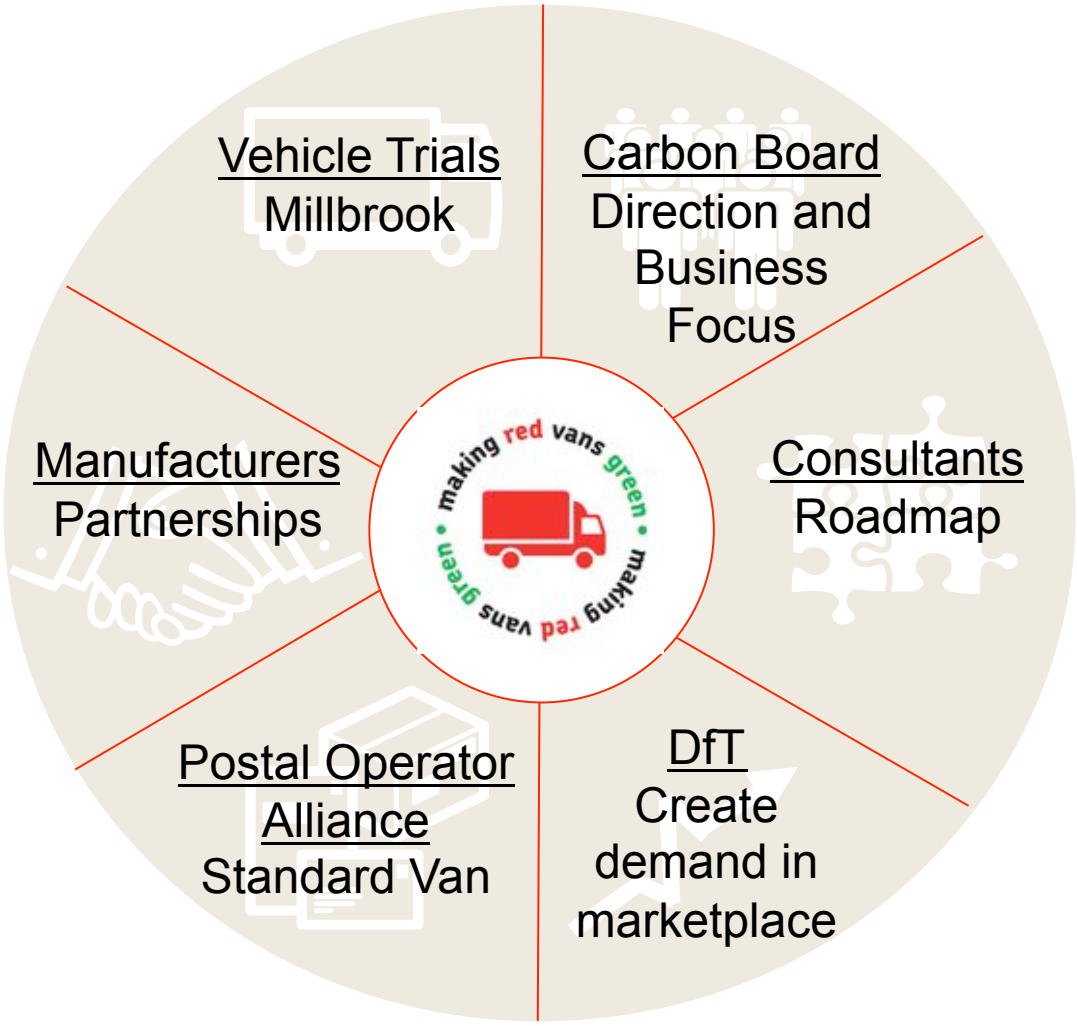
# Approach - Activity to Date

- Culture
  - Telemetry
  - Driver Risk Assessment
- Specification
  - Aerodynamics
  - Speed Limiters
- Technology
  - Alternative fuel trials
  - Bio diesel



# Approach to date

partnerships

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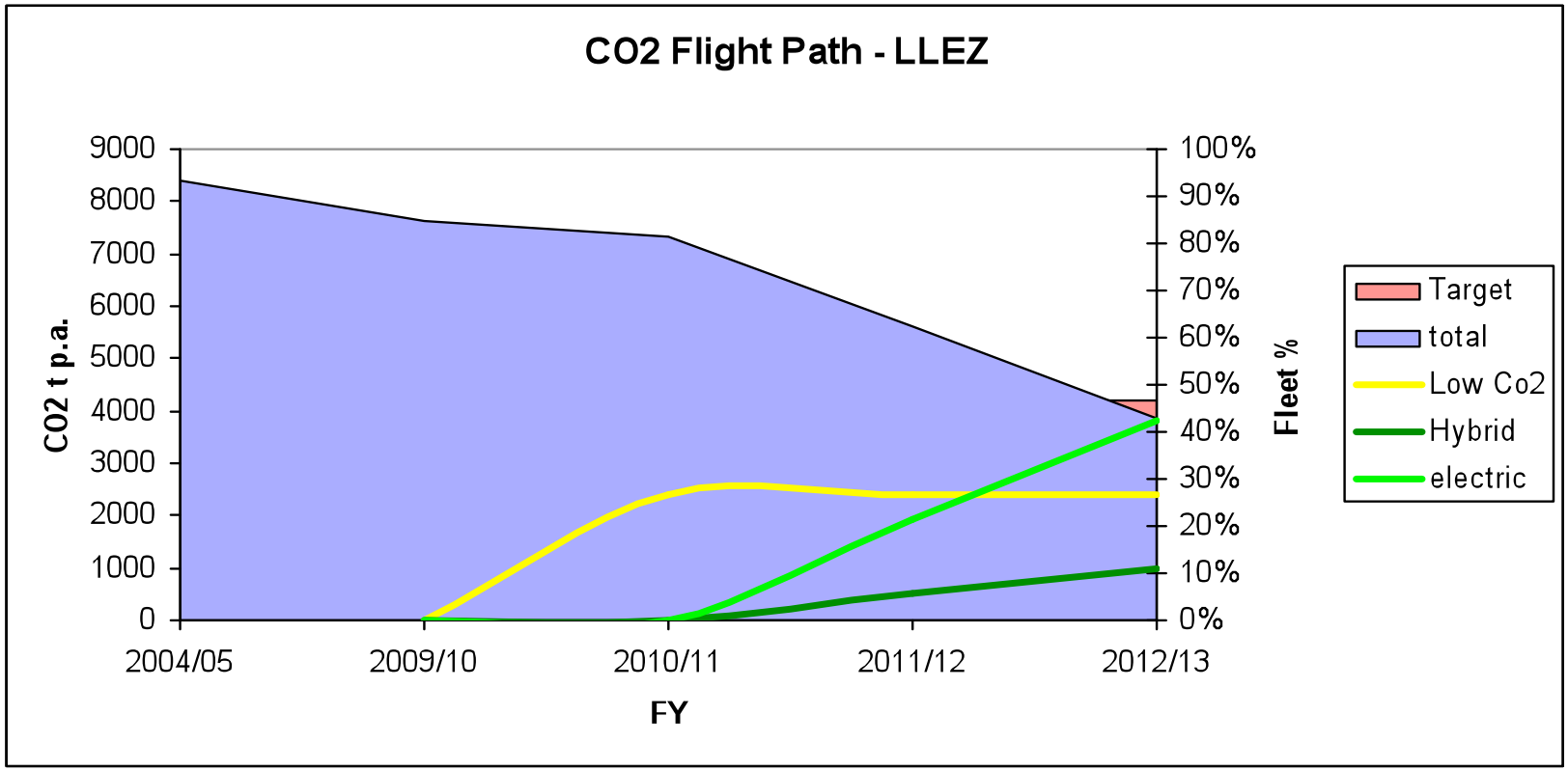
# What's Next - 2012 Target

- Carbon Neutral – 50% of 2004/05 Tailpipe emissions
- LLEZ & <= 3.5t gvw
- 2100 Vehicles
  - 413 'as is'
  - 556 Low Co2
  - 229 Hybrid
  - 884 Electric

# What's Next - 2012 Target

- 2100 Vehicles

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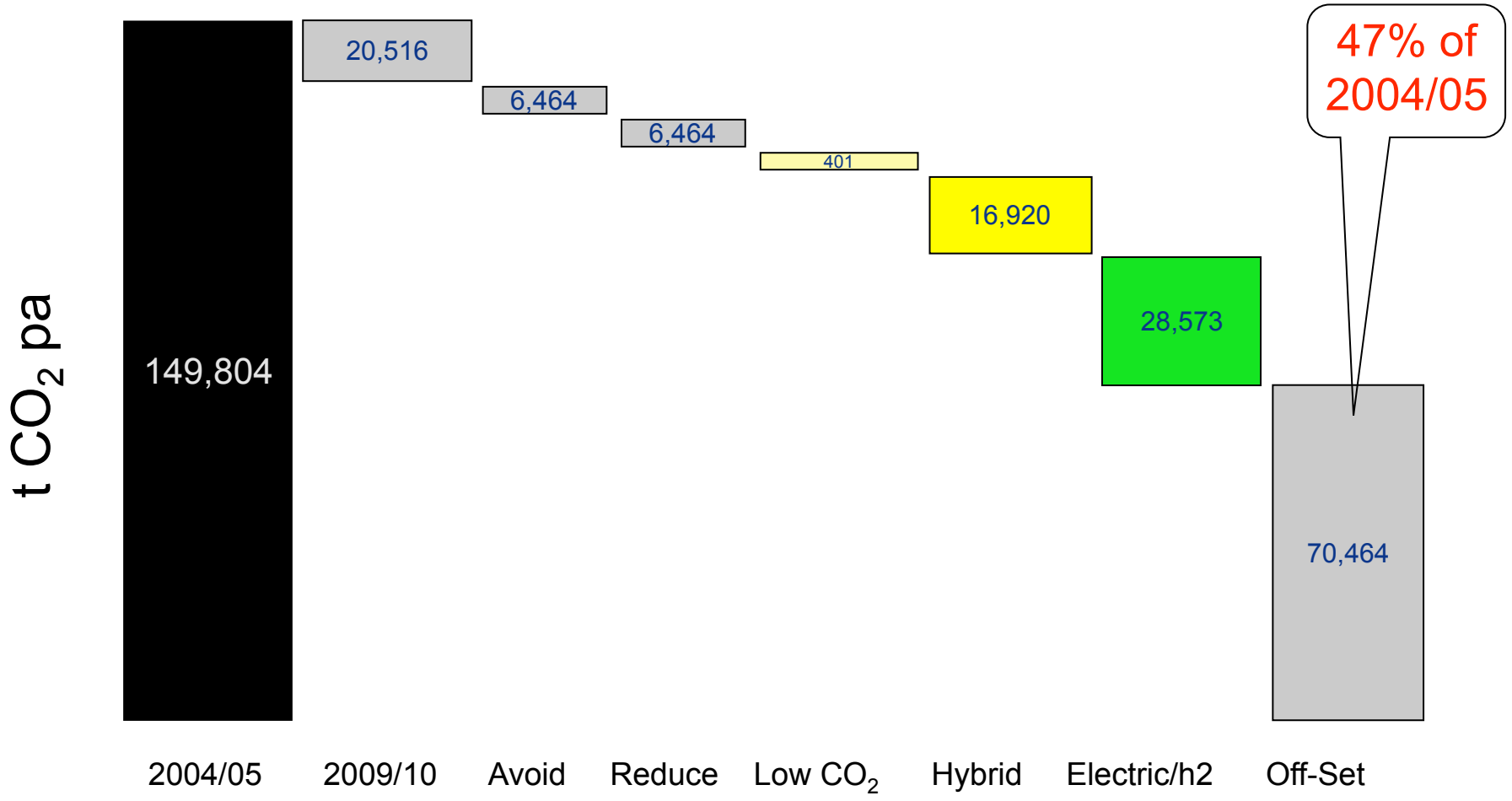
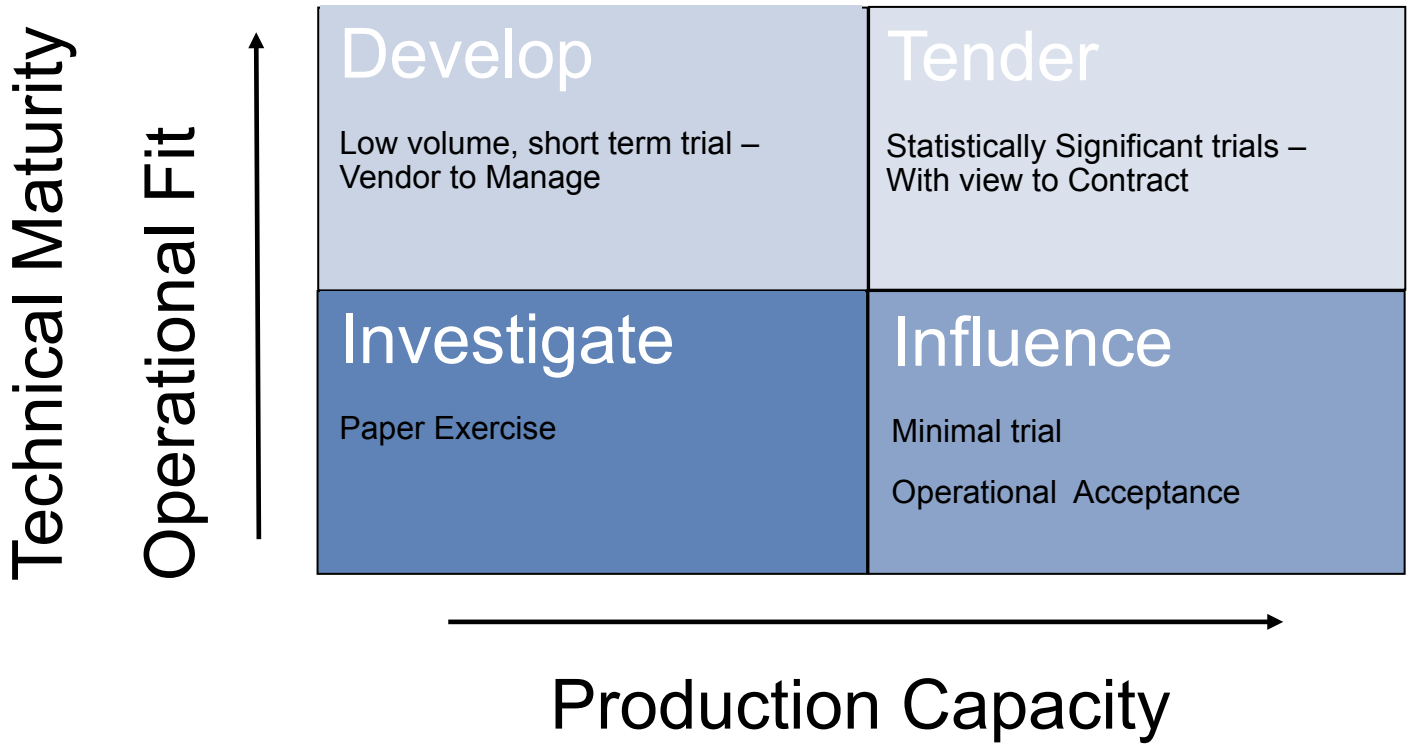
# What's Next -2015 Target (Letters <=3.5t)



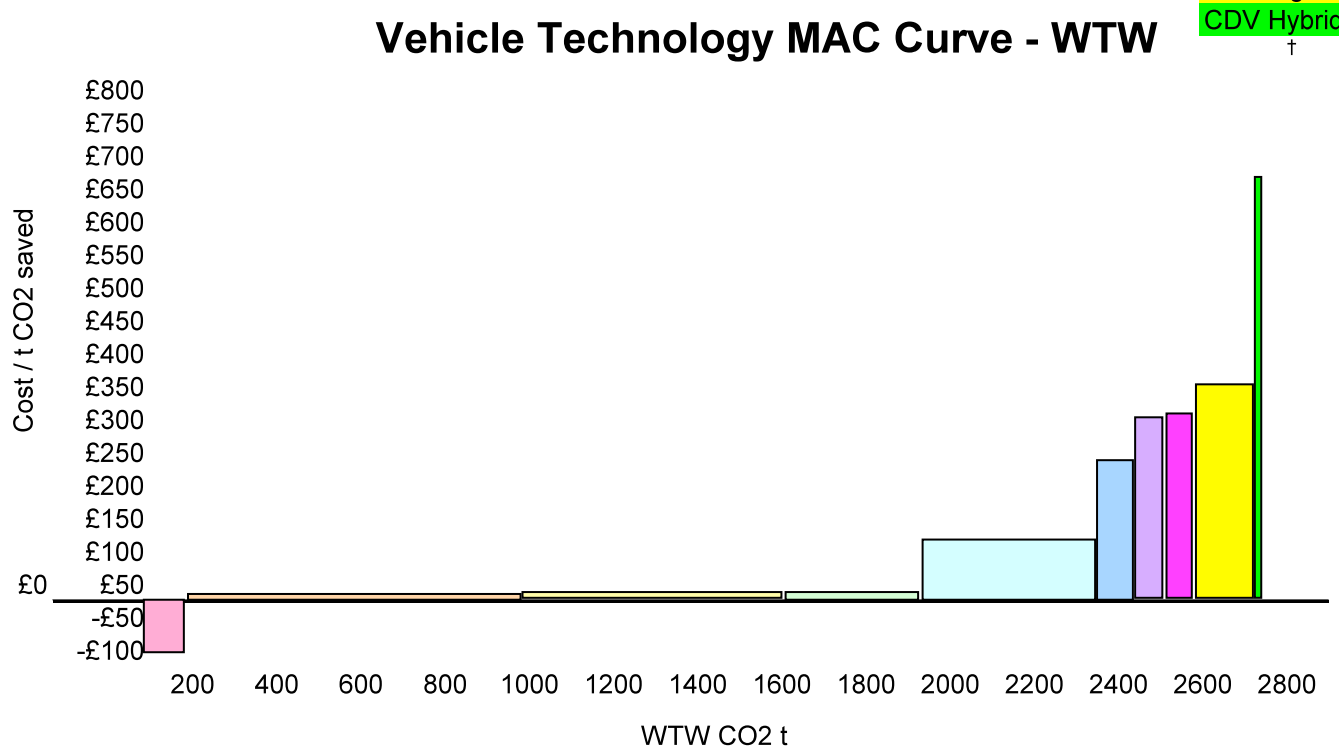
# h2 ? - Product Evaluation



# H2 ? - MAC Curve

| | | t CO2 | £ / t CO2 |
|---|---|---|---|
| Trailer Aero Kit | | 71 | -111 |
| LGV Tractor Methane | † | 898 | £1 |
| LGV Rigid Methane | † | 611 | £3 |
| LGV 7.5t Methane | † | 317 | £18 |
| LGV 7.5t Hybrid | | 404 | £96 |
| LGV 7.5t e | | 47 | £221 |
| CDV Methane | | 76 | £274 |
| CDV e | | 60 | £280 |
| LGV Rigid Hybrid | | 147 | £327 |
| CDV Hybrid - Full | | 11 | £651 |

† Technology not yet in production

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# h2 ? - Opportunities

- Anything Electric Can do…..
- Plus
  - Speed to recharge
  - Range
- Universal Postal Union

# Challenges

- Infrastructure
- Reliability
- Availability
- Cost

# Thank You

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