

THE BUSINESS CASE FOR SUSTAINABLE POSTAL SERVICES



Sustainable development aligns with key trends shaping the future of the postal sector

Meeting environmental and social standards is quickly becoming a prerequisite for integration with major e-commerce platforms and global supply chains. Sustainable development initiatives also have a wider set of benefits for postal operators, including:

Broadening market access

Improving cost efficiency

Increasing energy security

Strengthening infrastructure resilience

Advancing social innovation

Growing and diversifying revenue

Enhancing investment attractiveness

External funding for clean technologies presents an opportunity to reduce operating costs, offset declining revenues and close the infrastructure investment gap.

The strategic and economic case for sustainable transformation

Postal services are under pressure to modernize. Operators are facing shrinking mail volumes, rising costs and shifting expectations from customers, partners and regulators. Sustainable development can offer a powerful path forward.

Sustainable transformation is not just for people and planet, but is also better for business. When postal operators invest in clean technologies, inclusive services, staff wellbeing and resilient infrastructure, they unlock new markets, strengthen operations and position themselves as critical players in the digital economy.

The UPU is working closely with its members to turn sustainable development into an engine of transformation by mobilizing funding, helping align the needs of operators and partners, and supporting innovation on the ground.



What can sustainability do for the postal sector?

BROADEN MARKET ACCESS

Meeting the sustainability expectations of governments, e-commerce platforms and global clients unlocks new growth opportunities, especially in last-mile delivery. A 2025 UPU analysis of 209 publicly traded e-commerce companies found that 67% require suppliers to adhere to codes of conduct covering emissions disclosure, packaging, labour conditions and human rights. This is illustrated by the commitments of Cainiao – the logistics arm of Alibaba Group – to reduce greenhouse gas emissions across its network, including its third-party delivery partners.

IMPROVE COST EFFICIENCY

Investing in smart electric fleets, solar energy and digital building control systems can generate savings in fuel, maintenance and energy costs. **Thailand Post's** operational efficiency and route optimization measures reduced vehicle fuel costs by 18%, while **Jordan Post's** solar rooftop project has cut its headquarters' electricity bill by 98%.

GROW AND DIVERSIFY REVENUE

Postal operators can use their existing reach and infrastructure to develop new services in health logistics, the circular economy and renewable energy. **Nigerian Postal Service** is exploring business models for an e-waste take-back scheme that charges for data-wiping and recycling, while **Barbados Postal Service** offers home delivery of medications.



INCREASE ENERGY SECURITY

Resilient electrification is key to effective modernization. Clean and decentralized energy solutions, such as rooftop solar and on-site storage, help postal networks withstand fuel price shocks and power outages. Posts can further increase their energy security by becoming critical infrastructure for smart grids, as exemplified by **Swiss Post**, which has piloted generating <u>inputs from solar power</u>, turning post offices into <u>vehicle charging hubs</u> and stabilizing the grid using the storage capacity of its <u>electric scooters</u>.

STRENGTHEN INFRASTRUCTURE RESILIENCE

Planning for climate disruptions helps reduce downtime, protect staff and ensure continuity of service. **Botswana Post's** <u>disaster recovery management (DRM) solar project</u>, proudly supported by the UPU, is more than an infrastructure upgrade—it is a strategic investment in operational resilience, disaster preparedness and uninterrupted service delivery, especially in underserved and remote communities.

ADVANCE SOCIAL INNOVATION

Inclusive services and workplace policies help postal networks contribute to national social policy goals and to attract diverse talent, while ensuring that postal services respond to the needs of diverse and often underserved communities. **Mexico's** CorreosClic platform empowers small businesses and artisans in remote areas to participate in the e-commerce boom. **Pos Indonesia's** female courier programme supports greater recruitment of women, offering up-skilling and flexible working hours.

ENHANCE INVESTMENT ATTRACTIVENESS

Projects with clear environmental and social returns are more likely to attract donors and green investors. **Brazil's designated postal operator**, Empresa Brasileira de Correios e Telégrafos (Correios), is preparing for a historic modernization and green transformation of its infrastructure through a sovereign loan of approximately 3.8 billion BRL's from the New Development Bank (NDB), which will fund strategic projects focused on modernization, efficiency and environmental sustainability.



More reading:

UPU Guide to Postal Social Services



Green infrastructure = growth infrastructure

Postal operators are in a unique position to lead national transitions to sustainable infrastructure. By investing in low-emission fleets, renewable energy systems and inclusive services, they can modernize core operations while delivering real development impact. With the right support, these investments reduce costs, increase service relevance and attract external finance, creating a virtuous cycle of profitability and progress.





WHO-UPU partnership: Expanding access to eye care

The World Health Organization (WHO) and UPU have partnered to improve access to affordable glasses by leveraging the reach of national postal networks. Launched under WHO's SPECS 2030 initiative, the collaboration uses postal infrastructure to deliver essential eye care services to underserved communities—advancing public health through innovative last-mile delivery models. The first pilot, conducted with India Post, is being implemented across five locations in the state of Assam. It aims to test and refine a scalable model for providing vision screening services and spectacle sales through postal networks

The UPU's role in advancing sustainable development

The <u>UPU International Bureau (IB)</u> supports the sustainable transformation of postal services worldwide. Guided by Congress, the IB works across priority areas such as climate action, social services and gender equality, and adapts quickly to new challenges, as demonstrated by the launch of the <u>Post4Health</u> project during the COVID-19 pandemic.

Through this support, the UPU helps ensure that postal operators are equipped to deliver sustainable, resilient and relevant services, both now and into the future.

To help postal operators turn sustainability goals into operational reality, the IB offers:

Funding support	Helping secure external financing for national projects
Technical assistance	Providing analytical tools, policy guidance and expert advice
Partnership facilitation	Connecting postal operators with funders, ministries, technology providers and UN agencies
Knowledge exchange	Offering platforms for sharing experiences, ambitions and lessons learned
Operational guidance	Publishing best practices and implementation tools
Policy advocacy	Promoting enabling environments across ministries and sectors

The UPU Climate Facility

The UPU Climate Facility supports no-regret sustainable modernization of the postal sector worldwide. Through technical assistance, strategic partnerships and mobilization of funding, the UPU helps postal operators implement initiatives that reduce emissions, cut operational costs, support innovation, digital advancement and climate resilience of postal infrastructure, create new sources of green revenue, and increase investment attractiveness and postal service competitiveness, thereby ensuring the continued delivery of essential postal services with long-term financial viability and environmental credibility.

The Facility is a voluntary multi-donor fund established by Congress resolution C7/2023, which aligns with global climate and regional and national development goals while helping postal operators remain competitive in a fast-changing logistics landscape.



