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Royal Mail Group

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Dear Tom

The Secretary of State, Department for Business, Innovation and Skills, Ed Davey, has asked me to respond to you directly following your recent Parliamentary Question:

"To ask the Secretary of State, Department for Business, Innovation and Skills, what environmental impact assessments have been undertaken for the proposed Royal Mail sorting office reorganisation, with particular reference to its likely effects on (a) vehicle mileage travelled by employees during working hours, (b) mileage travelled by employees on their journeys to and from work and (c) the outsourcing of downstream contracts".

As you are aware we are currently reviewing our processing and delivery operations in a number of regions across the UK and this includes the North East of England. This review supports our business wide investment and modernisation programme, in which Royal Mail is spending more than £2 billion on the introduction of new technology and equipment and upgraded operational facilities, as we need to make sure that we have world class facilities which provide the most efficient and effective network for transporting the post. We also need all our sites to be able to accommodate the new vehicles we are using across our network, including the double deck trailers which are increasingly used to help us reduce our carbon emissions.

The changes that we are proposing are being drawn up on a regional basis and the impact assessments that we have carried out are forecasts at this stage, as they are dependant on the finalisation of the consultations on each area plan. Our assessments show that there will be an overall net reduction in CO2 emissions for the proposed changes. There is a significant forecast reduction in CO2 emissions for part a) the vehicle mileage travelled by employees during working hours, of around 8300 tonnes nationally and, whilst there is a forecast increase in CO2 emissions for part b) the mileage travelled by employees on the journeys to and from work, of around 4800 tonnes, the net impact is forecast to be an overall reduction of around 3500 tonnes per annum. In addition to these reductions there will also be significant reductions in buildings CO2 emissions.

Although we have not yet conducted a detailed impact assessment for part (c) of your question – the environmental impact resulting from other postal operators making use of Royal Mail's network, who will be delivering their mail to fewer mail centres in the future, we anticipate that it will be reduced, in the same way that our own network miles will show a reduction as these customers will

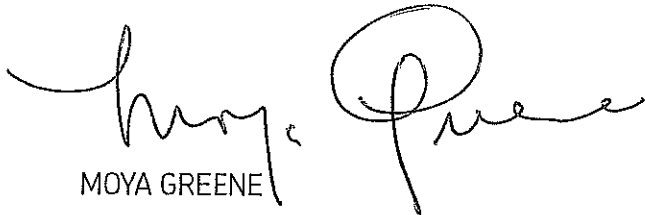


be bringing their mail in one vehicle to one mail centre – Tyneside, for example – instead of using three vehicles to drop off at three different sites – Middlesbrough, Darlington and Tyneside.

I can assure you that while we always need to balance a range of important factors in making changes to our operation – including the health and safety of our people and the changing needs of our customers – we will continue to make Royal Mail a “greener” operation. As part of this approach we have an absolute commitment to reducing the carbon footprint of Royal Mail to build further on the 12% reduction we have already achieved in total CO2 emissions since 2004-05.

I hope you find this reply helpful and we will continue to keep you updated as our review progresses in your area.

Yours sincerely



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