

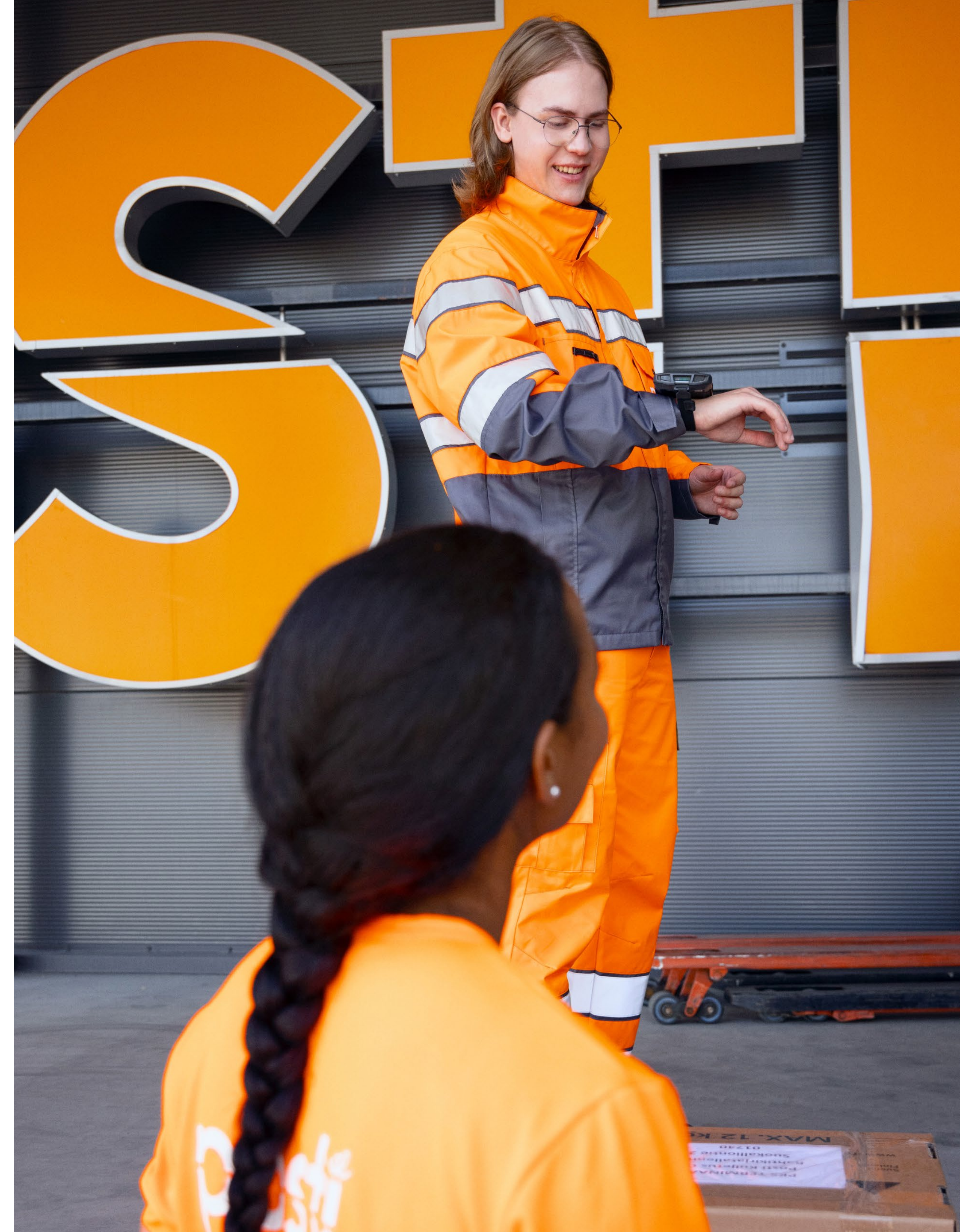


## 2021 Sustainability report

[www.posti.com/en/sustainability](http://www.posti.com/en/sustainability)

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# Posti's direction

# President and CEO's review

2021 was the second consecutive year with the COVID-19 pandemic affecting all activities, both ours as a company and in society as a whole. Our main priorities during this challenging period have been, on the one hand, taking care of the health and safety of our employees, partners and customers, and, on the other hand, ensuring the continuity of our operations so that shipments are delivered and the wheels of society keep on turning. Posti employees have shown over and over again incredible resilience in these very challenging circumstances, even though the prolonged situation has tested everyone's coping. As an optimist, I want to believe that we are moving on from this situation as one Posti.

For almost 400 years, Posti has been carrying out the mission for which we are still working today: responsibly delivering what matters to you – on your terms. In order to continue to carry out this task for the centuries to come, we must be able to operate without emissions and in such a way that people feel well.

Last year, we conducted a very extensive Peakon personnel survey. I am particularly pleased with the activity with which our colleagues gave open feedback. We received about 37,000 open responses. By the end of

the year, our teams had defined more than 1,200 development actions that will now be implemented. However, the work is only just beginning – we will tell you more about it in this report.

I would also like to bring up the multi-year collective agreements for the mail communications and logistics industry as well as the collective agreement applicable to the parcel sorters of Posti Palvelut Oy approved in August. The agreement was reached well ahead of schedule.

COVID-19 has not slowed down, but rather accelerated, the transformation of the postal sector as the number of parcels has increased and mail delivery has declined. In this transformation, we have a particular responsibility towards our personnel and partners. Posti must change, but the journey must be humane at the same time. Finding a common direction is a remarkable step towards a controlled and responsible transformation.

We are on the right track towards fossil-free logistics. Last year, we promoted the use of electricity and renewable fuels in particular. Our more than 1,600 electric vehicles and Finland's largest fleet of 19 biogas-powered trucks



are concrete examples of the actions that will help us reach our zero emissions target. A year ago, we reported that our own emissions had decreased by as much as 14 percent compared to the previous year. The good pace continues, and we achieved a 10 percent improvement this year.

At the beginning of 2021, we introduced our revised strategy. Despite the challenging circumstances, the execution of our strategy has had an excellent start which is reflected in our last year's results.

At the heart of our growth are parcel and logistics services in Finland, Sweden and the Baltic countries, along the entire delivery and fulfillment value chain. In 2021, we streamlined our operations around this core, demonstrated by the divestment of the Russian business at

the end of the year, and the acquisition of the Swedish logistics company Veddestagruppen announced in early 2022.

Above all, from the growth point of view, the most important thing is that we are able to better understand our customers' needs and develop our services together with customers.

I would like to thank each and every one of our and our partners' employees and all of our customers for the past year. We are committed to building a company that is even more sustainable and serves customers' needs increasingly well. This report outlines what we have done to achieve this objective over the past year, and also where we need to develop further.

I hope you enjoy reading this report!

**TURKKA KUUSISTO, PRESIDENT AND CEO**

# Posti in brief

Posti is one of the leading delivery and fulfillment companies in Finland, Sweden and the Baltics. We tend to the smoothness of our customers' everyday lives and business by offering a wide range of postal, logistics, freight, and eCommerce services. We have the widest network coverage in Finland, and we visit around 3 million households and companies every week.

Our net sales  
EUR  
**1,595.0**  
million

**+11%**  
growth in parcel  
volumes in Finland  
and the Baltic  
countries

Our personnel  
**21,000**  
at the end of 2021

Our adjusted EBITDA  
EUR  
**181.6**  
million

We operate in seven countries through five business groups: Postal Services, Parcel & eCommerce, Freight, Transval and Aditro Logistics



# Highlights of the year

## Among the best one percent

In 2021, the international research company EcoVadis awarded us a Platinum ranking for sustainability. The platinum level is the highest possible ranking.



## SBTi approval

Our zero emission targets were approved by the Science Based Targets climate initiative. Globally, we are one of three companies in our industry committed to the most stringent goals.

# 1,600

Our electrification is progressing. We already have about 1,600 different electric vehicles. We have about a hundred electric vans and their number will be doubled in 2022. The first electric truck was deployed in fall 2021.

# -10%

Our emissions continued to decline. Last year, our emissions decreased by 10 percent year-on-year.

# -32%

The Group's accident frequency was 23 percent, improving by 32 percent from the previous year. The number of accidents at work decreased by around 26 percent and the number of serious occupational accidents by 18 percent.

## World sustainability Awards 2021

Posti was awarded as the winner in the carbon reduction category of the World Sustainability Awards 2021 in October.



# Posti's strategy and operating environment

Our strategy renewed in early 2021 remains unchanged. Parcels and logistics services in Finland, Sweden, and the Baltics are at the core of our growth. To support this, Postal services in Finland play an important complimentary and supporting role. Improving customer experience is at the heart of everything we do as we continue Posti's renewal.

Our clarified purpose crystallizes both our professional pride based on centuries of experience and our continuous desire to keep ahead of our times: Responsibly delivering what matters to you – on your terms.

Therefore, our revised values – reliable, respectful and progressive – provide a strong foundation for implementing our purpose .

Our vision is to be a modern delivery and fulfillment company with progressive profitability. We believe that by providing businesses with service that encompasses the entire value chain, ranging from freight to warehousing and from processing of orders to collecting and transport, we can be an even more valuable partner for our customers and provide the end user a better customer experience.

In 2021, we took multiple concrete steps on the path laid out by our strategy. Examples of these included the renewed real-time tracking for home deliveries, the expansion of our service network, the growth of net sales of our parcel and logistics business and their percentual share of the Group's net sales, as well as the clarification of our business portfolio through, for instance, the divestment of Itella Russia.

This year, we will focus in particular on the well-being of people, improving the customer experience, driving profitable growth and reducing the environmental impact of our operations.

Posti is nearly 400 years old and sustainability has always been part of our DNA. Today, it is a central part of our purpose of existence, our strategy and



**OUR PURPOSE**

**Responsibly delivering what matters to you – on your terms.**

”Our work is significant, for the customers’ benefit.”

**TIMO SUONINEN**  
postal worker, Kuopio.

**OUR VISION**

**Tomorrow’s Posti is a modern delivery and fulfillment company with progressive profitability.**

”We have put a lot of effort into this and I think it is reflected in our customers’ gratitude. We have also received thanks for the fast deliveries, and, among other things, the new map link for parcels delivered to home is a major step forward, so I think that development and reforms are in fact already visible in our day-to-day work in the customer interface.”

**ANNE KOKKO**  
Customer Service Specialist, Rovaniemi.

our values. We will explain our sustainable program published in spring 2021 in more detail in the Sustainability at Posti section of this report.

**Focus on people**

There are currently over 21,000 Posti employees, and as the most competent professionals in the sector, they are our most important resource. One of the focus areas of our strategy is to develop the competence and well-being of our personnel.

In fall 2021, we conducted a Peakon employee survey, where we collected feedback from our entire personnel. The questionnaire saw a response rate of 62 percent, and it was particularly great to see that we received over 37,000 open feedback responses. By December, our various units and teams had identified and defined a total of 1,200 development measures, whose implementation we will be monitoring. In 2022, the questionnaire will be conducted three times under the themes of employee commitment, management and supervisory work, and health and well-being.

As the volume of letters continues to decrease, one of our most important goals will be controlled and responsible management of the change. As a result of rapid digitalization, the volume of letters delivered by Posti has fallen by nearly 67 percent in the 2000s, and the trend is expected to continue.

In spring 2021, we started building a Group-wide change unit with our employee represent-

atives. The key tasks of the change unit are to offer additional work for those who want it and to find full-time employment opportunities. The unit’s operations will also include training, support, job rotation and reassignment services. In the first stage, the focus has been on increasing cooperation between different businesses. The general labor shortage and the labor mismatch challenge us to find new solutions.

**Focus on environment**

We continue our long-lasting and ambitious work for the climate. One essential step in our efforts was the Science Based Targets climate initiative’s approval we received for our zero emission targets. This achievement shows that our targets are based on scientific research and are in harmony with the goal of the Paris Agreement to limit global warming to 1.5°C.

At the time of the approval, Posti was globally one of the three companies in its sector with objectives aligned with SBTi’s most ambitious 1.5°C emission reduction level and committed to a zero emissions target.

We received a valuable recognition for our efforts in October, as Posti won the Carbon Reduction category in the esteemed World Sustainability Awards. We received the award for our concrete emission reductions.

The finalists were praised for their visionary leadership, strong values and clear strategic initiatives needed to achieve the zero emission target. Posti was the only Finnish company to qualify for the final.



At Posti, sustainability is part of the purpose, values and strategic priorities, and its progress is monitored at all levels of management.

### Focus on profitable and sustainable growth

To create a better customer experience, we need to put the customer first in everything we do and work together to provide services that ensure smooth and fast operations throughout the value chain.

We need to understand what our customers need and be able to keep our promises. We want to grow and develop together with our customers and create a common vision of where the retail sector is going in the world.

A good concrete example of this is a quick pilot project implemented together with the customer. In fall 2021, Telia, Posti and Transval piloted next day deliveries for orders placed by 9 p.m. Orders placed in the evening are picked at the warehouse for transport the same evening and delivered to certain postal code areas during the next day. The goal of the pilot is to improve Telia's customers' e-commerce experience, create a competitive advantage and increase sales.

Strong use of technology plays a key role in the implementation of our strategy. Our purpose promises that we responsibly deliver what matters to you – on your terms. From the point of view of the logistics industry, this is a very strong

promise: we let the customer decide. In fulfilling this promise, the use of data is particularly critical. For example, how can we manage the entire value chain with data so that we can deliver on our promise in practice? This is something that we will particularly develop during 2022.

### Changing operating environment

Our business environment has been undergoing drastic changes for a long time now, and the changes are expected to continue also in 2022. The parcel volume growth is slowly returning to the pre-pandemic levels. The continued COVID-19 situation has caused uncertainty in the form of sick leaves, for example, and the regulatory landscape is set to undergo changes with the Postal Act renewal.

Posti's parcel, e-commerce and logistics operations already accounted for 62 percent of net sales in 2021. The number of letters continues to decline.

Changes are also taking place in the regulatory environment. The Ministry of Transport and Communications is preparing a government proposal to amend the Postal Act and introduce new delivery subsidy for the delivery of newspapers in sparsely populated areas. Posti endorses the Ministry's view to reduce the number of delivery days. This change is justified and urgent.

Reducing the delivery days of the universal service obligation to three days and supporting the

#### RELIABLE

**We are a transparent partner and employer, and we communicate openly. We keep our promises and take ownership also when the unexpected happens.**

"We strive for 100% quality and review our mistakes every day. We provide guidance and instructions to drivers on a daily basis to improve quality."

**JOUNI MAKKONEN,**  
supervisor, Helsinki.

#### RESPECTFUL

**We take responsibility for our people, planet and that what we do is meaningful. We feel proud of who we are and what we do together. We respect our colleagues, customers and partners.**

"It is an honor for us to carry forward shipments so that customers can trust our promise to deliver them."

**MARKKU ALKKIOMÄKI**  
postal worker, special services; Tampere.



**PROGRESSIVE**

**We continuously improve our competencies and business to better serve our customers. We are curious and open for change and want to be a proactive frontrunner.**

"We take bold steps in the use of new technologies; we are not afraid of failure."

**VILPPU TUKIAINEN**

Transport Manager, Pirkanmaa and Satakunta.

delivery of newspapers with a government subsidy are absolutely necessary measures to ensure delivery to customers in the coming years, as the volume of printed mail will decrease sharply. If the current pace of decline continues, the volume of letters is estimated to even halve from its current level in the next three years.

Universal service obligation must be revised so that it can be maintained going forward without state subsidies. The profitability conditions for five-day delivery are no longer met. Posti is expected to operate on the market terms in free competition as efficiently as private companies. Competitive neutrality also requires that the regulatory burden on Posti be reduced.

The reform is positive from the point of view of mail recipients and newspaper subscribers. The delivery speed of the universal service letter provided for in the current Postal Act will remain unchanged, and the newspaper delivery subsidy is intended to ensure five-day newspaper delivery and multi-voiced communication in sparsely populated areas. In 2022, we will continue to renew Posti in accordance with our strategy, and the direction is clear. This year, we will focus in particular on the well-being of people, improving the customer experience, driving profitable growth and reducing the environmental impact of our operations.



# Sustainability at posti

Our purpose, values and strategy are the foundation for our sustainability – not forgetting our long history. We carry out our sustainability work in accordance with international sustainability initiatives and conventions. The work is guided by a cross-organizational steering group.

# Managing sustainability

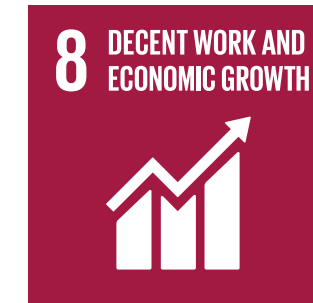
Posti's sustainability work is based on international sustainability initiatives and conventions, such as the UN Global Compact and UN Sustainable Development Goals. Our sustainability work is guided by a cross-organizational Sustainability Forum steering group.

Posti's sustainability is based on the company's strategy, values, commitments and the decision-in-principle of its owner, the state, indicating that state-owned companies should be held as examples of a high standard of corporate social responsibility and sustainability. Sustainability is involved in the definition of the company's purpose. Posti's carbon dioxide emissions target and fossil-free transport by 2030 are a key part of the company's strategy. The remuneration of the company management is tied to climate goals.

Posti is committed to the fundamental principles of the UN Global Compact initiative with regard to labor, the environment, anti-corruption and human rights. In addition, Posti is committed to observing human rights in its

own operations and in its subcontractor supply chain in accordance with the UN principles pertaining to businesses and human rights. In 2021, the Science Based Targets initiative approved Posti's emissions reduction target, which shows that our targets are based on scientific research and are in harmony with the goal of the Paris Agreement to limit global warming to 1.5°C. Through the Business Ambition for 1.5° initiative, Posti is also committed to setting a long-term zero emission target for its entire value chain.

Posti's values and sustainability principles take concrete form in the [Code of Conduct](#) updated in 2021, which sets out the appropriate procedures for various situations. We require Posti's subcontractors and suppliers to observe



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Health and safety
- Learning and development



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Resource efficiency



Make cities and human settlements inclusive, safe, resilient and sustainable

- Air quality
- Circular economy



Ensure sustainable consumption and production patterns

- Responsible sourcing



Take urgent action to combat climate change and its impacts

- Mitigating climate change

More information on the progress of IPC's environmental and climate efforts is provided in [the IPC Postal Sector Sustainability Report 2020](#).

the same procedures and principles. They are described in more detail in the [Supplier Code of Conduct](#), which was also updated in 2021.

At Posti, sustainability is integrated into the company's strategy, and the Board of Directors confirmed the sustainability program in connection with the 2020 strategy update. The Board of Directors and the Posti Executive Board annually monitor the progress of the sustainability program. In 2021, a person in charge of sustainability was appointed to the Posti Leadership team.

The sustainability function is managed by the Sustainability Forum, which was established in fall 2020 and updated in summer 2021, with representatives from several Posti organizations.

The group is tasked with monitoring the progress of the sustainability program and ensuring that sustainability is taken into account in Posti's strategy and investment decisions. The steering group is headed by a representative of the Posti Executive Board, and the personnel and businesses are represented in the group.

In 2021, Posti carried out a sustainability risk assessment in order to develop responsibility work. The risk assessment was carried out in conjunction with an external partner with extensive involvement of Posti's experts. The risks were assessed through the ESG framework, environmental and social responsibility and good corporate governance themes. In addition to the ESG framework, the identified risks were assessed in relation to the UN

Guiding Principles on Business and Human Rights, thus also considering the correctability/non-correctability of realized risks, for example by financial means. The risk findings were related, inter alia, to the following topics: biodiversity, circular economy, diversity and inclusion of personnel, human rights, subcontracting and the supply chain. Corrective actions regarding the risk findings were initiated in fall 2021 and the work will continue in 2022.

### The UN Sustainable Development Goals in the postal and logistics industry

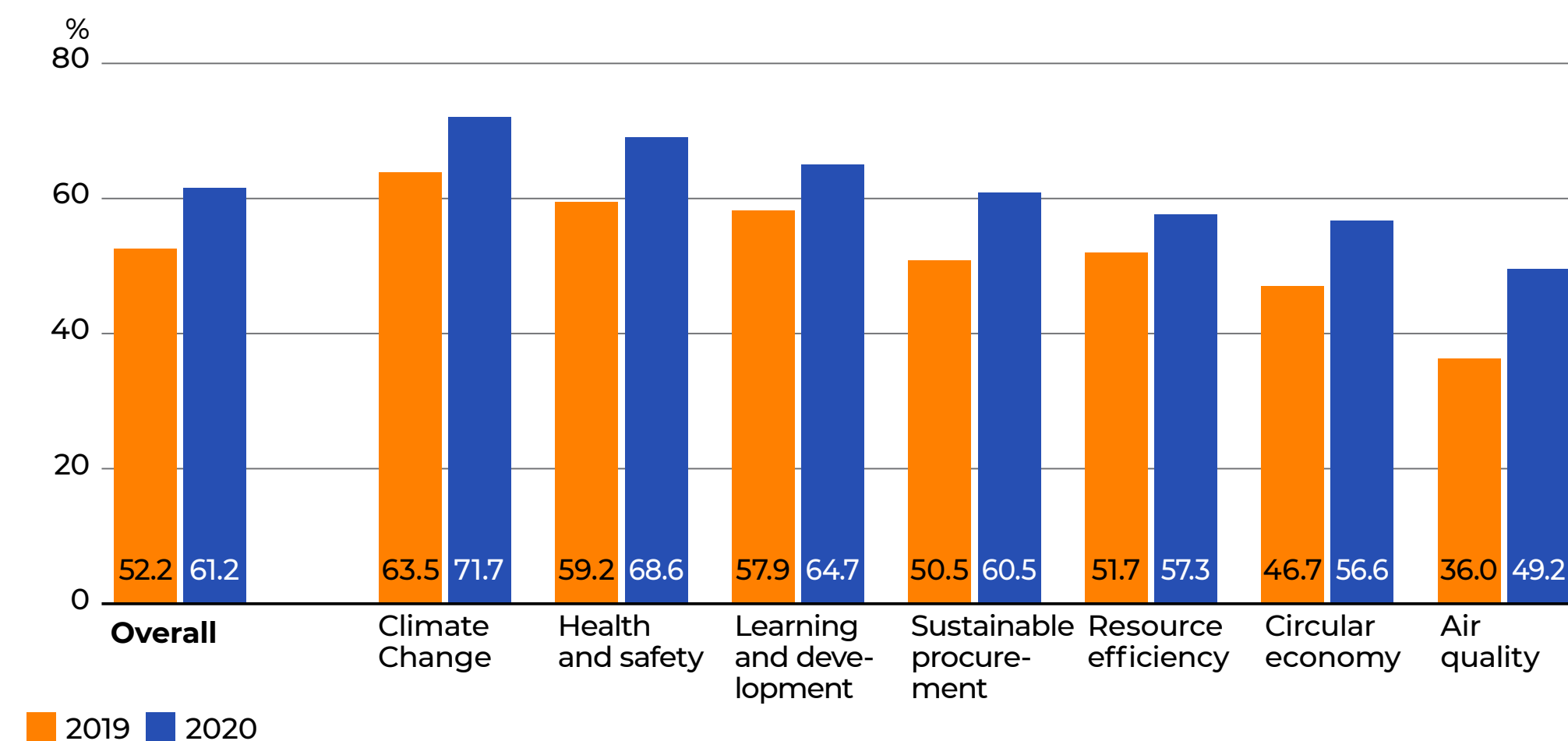
Posti is an active participant in the sustainability efforts of the International Post Corporation (IPC). As an IPC member and part of international industry collaboration, Posti is committed to the promotion of five UN Sustainable Development Goals by 2030. In 2019, the members of IPC agreed on more detailed industry-specific focus areas, which they will promote as part of the broader industry sustainability program. More information on the progress of IPC's sustainability efforts is provided in the IPC Postal Sector Sustainability Report for 2020, in which Posti and 19 other IPC members have reported on their progress in relation to the identified focus areas and targets. The results reported by Posti for 2020 improved in all seven focus areas compared to the reference year 2019. At Posti, the share of electric vehicles in fleet, the use of renewable energy in buildings and the proportion of waste recycled and reused already meet the target levels of IPC's sustainability program performance indicators for 2030.

### EU taxonomy

The EU taxonomy regulation, that will classify environmentally sustainable economic activities, is currently a relevant topic in the field of sustainability. Posti has recognized that the EU taxonomy regulation is relevant for Posti through the Corporate Sustainability Reporting Directive (CSRD) proposal. Posti has made an initial assessment regarding the EU taxonomy

in 2021 and determined that it has operations in industries classified in the EU taxonomy regulation for having environmentally sustainable investment opportunities. Posti continues to assess the company's economic activities in relation to the EU taxonomy regulation and follows up the sustainability reporting related regulatory landscape.

### Sustainability progress of international postal companies according to IPC





# Posti's sustainability program and goals

Posti announced a new sustainability program for 2021–2023 at the beginning of 2021. The responsibility program has four priority areas to promote the well-being of people and the environment. Day-to-day work and continuous development to promote occupational safety and wellbeing, diversity and inclusion, sustainable sourcing and ethical business practices form the basis of sustainability work.

At Posti, sustainability is part of day-to-day work, management and risk management. Our decision-making takes into account not only financial factors, but also the social and environmental aspects of our operations.

Sustainability-related expectations toward companies continuously increase, and companies are expected to actively take part in solving societal and environmental problems. We have identified the changes in our business environment and the expectations of our stakeholders and integrated sustainability even more strongly into Posti's strategy and business. With the sustainability program, we also react to the objectives set by our owner, the State.

As a logistics company, mitigating climate change and work to promote carbon neutrality in both our own operations and society in general is at the very core of sustainability at Posti. Mitigating climate change is also one of the company's strategic goals.

We began to update our sustainability program with regard to climate and environment-related matters in 2019 and set a new ambitious climate target of zero emissions by 2030. In 2020, we committed ourselves to the Science Based Targets initiative, and during 2021, SBTi approved our 1.5°C-aligned climate goal.

In the update that continued in 2020, we defined our role in supporting and facilitating our customers' climate work. We help our customers to reach their sustainability goals and promote sustainable consumption by offering sustainable e-commerce solutions, among other things. More information about this work is available in the chapter "Towards a sustainable future".

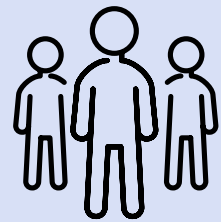

The second part of the sustainability program concerns people. We want all Posti employees to be able to be proud of being Posti employees and the work they do. Meaningful work and value-based management build a positive employee experience and support Posti's personnel in the on-going change process.

Posti's internal and external stakeholders were involved extensively and diversely in preparing the sustainability program. In accordance with the principles of the materiality consideration, the needs of stakeholders were identified through a survey and more detailed interviews of certain stakeholders. We described the preparation of the program in more detail in the 2020 Sustainability Report.

The impact of Posti's business on the environment, society and people was assessed through an Upright Project net impact analysis and an impact assessment by Posti's experts and management.

During 2021, we set targets for the sustainability program priorities and defined the key indicators to ensure progress.

## Sustainability program

	 <b>People</b>		 <b>Planet</b>	
<b>Focus area</b>	<b>Meaningful work</b>	<b>Purpose-driven leadership</b>	<b>Zero Carbon 2030</b>	<b>Together towards green future</b>
<b>Objective</b>	We feel proud of who we are and what we do together.	We lead through common leadership principles, values and purpose.	We will reduce our own emissions to zero and achieve fossil-free transport by 2030.	Posti is recognized as a green industry forerunner.
<b>Key indicators</b>	Improving the employee engagement index.  Result for 2021: 6.4/10.	Improving the leadership index.  Result for 2021: 6.9/10.	Our total emissions (Scope 1, 2 & 3) will be -50% of the 2020 levels by 2030. Includes reducing own emissions (Scope 1 & 2) to zero and fossil-free road transport also in subcontracting.  Result for 2021: own emissions -10%	Carbon handprint of Posti' services.  Result for 2021: 24,000 t CO2 e-commerce and consumer-to-consumer parcel deliveries.
<b>Foundation</b>	<b>Safety, Wellbeing, Diversity &amp; Inclusion, Equality, Sustainable Sourcing, Ethical Business.</b>			

# Stakeholder engagement

We have summed up the importance of our responsibility work by saying that we can be a relevant company for the next 400 years only if we make sure that people are feeling well and our operations do not produce emissions. In order to understand people, we need to engage in active dialogue with all of our important stakeholders.

Identifying the stakeholders and meeting reasonable expectations is also required by sustainability reporting pursuant to the Global Reporting Initiative standard. Information about stakeholders' needs can be received, in addition to meeting them, also indirectly by monitoring social debate. The most important thing is that the stakeholders essential from the company's point of view and their needs have been identified.

The expectation of private customers is reliable, flexible, high-quality digital service at a reasonable price. Seeing to information security and protection of privacy is a must. Corporate customers, on the other hand, need to develop and grow their business in cooperation, as well as to improve the experience of the common customer, the private customer. From the point of view of the personnel, responsible management and managerial work, equal treatment, fair and competitive remuneration, seeing to well-being, interaction and good information flow are important.

From the point of view of the owner and decision-makers, the expectation is reliable and high-quality service at a reasonable price, increasing profitability and solvency, good corporate governance and transparency, employees' rights and environmental friendliness.

Transparent and ethical subcontracting criteria and equal treatment of partners, researching and piloting new business models and technologies and an active role in industry associations are important to subcontractors and partners. From the point of view of non-governmental organizations and the media, swift and reliable flow of information, good availability and rapid reaction are key. Exchange of information and expertise and the development of our own operations based on the information obtained is important.

When we updated our sustainability program in 2020–2021, we had an extensive discussion about the needs of different stakeholders to support our planning work. In 2021, we continued this dialogue.



## Case: Employment of young people at risk of social marginalization

In spring 2021, Posti subsidiary Transval was the first company to start hiring young jobseekers in difficult situations through the “Youth to work” -programme launched by the joint Deaconess Foundation's Vamos project and Varma Employment Pension Company.

Minna (name changed at the request of the employee) is one of the employees hired by Transval through the cooperation programme. She shelves groceries four days a week in a shop in the capital region.

Minna's life was a success in both school and competitive sports before she fell severely ill in high school. First, her friends went away, and after recovering, her grip on school slipped. Her own family did not have the resources or ability to support life in difficult moments.

“I am grateful for the opportunity. The job has brought hope and thinking that I will never get a job has given way to hope. It feels like my life has risen from hopelessness,” Minna says. “I am so relieved and excited at the same time. I've made friends at work and learned new things. The sense of community brought by colleagues feels good and the days feel meaningful.”

At an event organized by Varma in June, the message was clear: Employing young people is a socially responsible act. “We encourage logistics companies operating in Finland to participate. You don't have to offer hundreds of jobs, even just one makes a difference. Let's build bridges between employers and young people together,” Transval announced. You can read more [here](#).



# Examples of stakeholder cooperation in 2021

## Owner, political decision-makers and authorities

We met different parliamentary groups with an extensive group of Posti employees. We provided our expertise in processing dozens of legislative initiatives. We held regular discussions with the owner both at various meetings and through the General Meeting, the Board of Directors and committees.

## Media, NGOs

We participated in Finnwatch's extensive emission offset survey and were involved in the organization's podcast on the topic as an expert. We serve the media by responding to almost one thousand contact requests, primarily within half an hour.

## Personnel

Appreciation and perceiving work as meaningful are extremely important to every employee. We introduced the Peakon tool in order to better understand our employees' needs and launched a new Change Unit together with employee representatives – we will explain these in more detail in the "Relevant work" chapter. Together with the trade union PAU, we reached a mutually satisfactory, long-term agreement months ahead of schedule. We also continued the work of the joint employee-employer equality committee.

## Subcontractors, industry, research community

Last year, our subcontractor partners were also included in the scope of our emissions targets and we continued to develop our cooperation with them, as well as cooperation with our partners, such as Neste, to take the industry forward. With Volvo, we piloted the use of a new electric truck for delivery duties. We participated closely in the work of the Finland Chamber of Commerce in various seminars, such as the "Great Traffic Day", and participated in Palta's carbon handprint survey of service sectors. We continued our work with our international industry organizations IPC, PostEurope and the Finnish Climate Leadership Coalition, among others. Cooperation with educational institutions, such as the Aalto University, Haa-ga-Helia and Universities of Tampere and Jyväskylä also played an important role.

## Customers

We and our corporate customers, such as online stores, have a common customer: a person, a recipient, a user. It is important that we can develop our corporate customer's business together and agilely improve the recipient's experience. We are increasingly closely in constant contact with our customers to understand their needs. We also conducted a very extensive study to better understand our customers' needs. Our internal X Labs innovation activities promote collaborative development with partner companies and stakeholders.





# People

No delivery takes place without a human, and every delivery is received by a human. Our goal is that each and every one of us can be proud of who they are and the work they do together with colleagues. We lead Posti through common leadership principles, values and purpose.

# Appreciative and safe

At the heart of our new sustainability program is the creation of an appreciative and safe working community where our employees can feel pride in being Posti employees and their work.

## Even more preventive

Our focus has shifted to an earlier and more preventive phase in the management of well-being at work and work ability. As a result of proactive work, the number of disability pensions, for example, decreased significantly.



**37,000**  
open  
responses

Peakon tool deployed – during the first round, about 37,000 open responses and more than 1,200 development measures based on the results. The survey using the tool will be repeated three times in 2022.

**23**

The accident frequency for the whole group was 23 percent, up by 32 percent from the previous year. The number of accidents at work decreased by approximately 26 percent and the number of serious accidents at work by 18 percent. The accident frequency rate per million working hours in Finland was 26, improving by 30 percent year-on-year.



# Posti and people

Posti's reform and future are built on people. We want to create an appreciative and safe working community where our employees can feel pride in being Posti employees and their work.

Posti is one of the leading postal and logistics service companies in Finland, Sweden and the Baltic countries, and we serve our customers with 21,000 professionals. We also offer seasonal work each year to thousands of summer and Christmas employees. People, meaningful work and purpose-driven leadership are the cornerstones of our sustainability program. As part of our social responsibility agenda, we also ensure that internationally recognized human rights are respected in our value chain.

## Meaningful work

Meaningful work means different things to different people, but altogether, it is built on our common purpose and values. A good and appreciative employee experience is of utmost importance to us, and it is linked to our strategy and sustainability program. Our goal is that our employees are committed and can feel pride in their work. We regularly measure our development with the Employee Engagement Index, and in 2021, our score was 6.4, on a scale of 1–10.

We are committed to promoting meaningful work and improving the engagement index has been made part of the Group's management incentive scheme starting from 2022.

## Purpose-driven leadership

Our leadership is built on common values, leadership principles, and inclusive management and corporate culture. We support and train management and supervisors, and encourage open and genuine interaction. We regularly measure the realization of purpose-driven leadership with the leadership index, and in 2021, our score was 6.9, on a scale of 1–10. Our goal is consistent leadership and managerial work that shows appreciation of people, partners, customers and the planet.

We continuously develop our Group-level sustainability work and carried out a sustainability risk assessment in 2021. The most significant social responsibility risks identified in the assessment were related to personnel availability, wellbeing and safety. The results of the



Improving the engagement index is now part of the management incentive program.

assessments are used in supporting and developing Posti's social responsibility work.

During 2022, we will continue our work to promote meaningful work and purpose-driven leadership, engage in active dialogue with our personnel, monitor our development and discuss the setting of the targets of the sustainability program focus areas.

## Measuring employee experience and engagement

In 2021, we introduced Peakon, a new tool for measuring the Group's employee experience and engagement. The tool provides a more comprehensive understanding of employees' coping, employee experience and level

of commitment. The first personnel survey with the new tool was conducted in fall 2021. The response rate to the survey was 62 percent and we received almost 37,000 development proposals. Through the survey, we identified support of the work community and colleagues and the clarity of expectations related to work as common strengths at the business and team level. Areas for development include strengthening ongoing dialogue and communication. During 2022, the survey will be conducted three times, allowing regular and comparable development and monitoring of measures.

# Meaningful work

In addition to wanting to serve our customers by delivering what matters to them, we also want Posti employees to feel that their work is meaningful.

## Competence development

According to our vision, building the Posti of the future, a modern delivery and fulfillment company, requires our personnel's competence being state-of-the-art. The opportunity to develop competence is also one of the most important factors in job satisfaction and a good employee experience. Posti supports and facilitates diverse learning and continuous development. For example, all Posti employees and the personnel of our subcontractors have access to our digital learning platform. We report on the actual training volumes in more detail as part of our GRI index.

However, most of the learning at work takes place in day-to-day work while performing various tasks and taking on new challenges. Therefore, we implement competence development on the whole in accordance with three principles:

**1)** Everyone is responsible for their own competence and its development. Enthusiasm and the

will to develop oneself originates in the person themselves, while the employer and supervisor provide the setting and opportunities for development.

**2)** Most learning happens at work. Formal training is only a small part of the big picture of competence development.

**3)** Planning and organizing competence development activities is not the responsibility of an individual "training organization". Posti's own experts actively take part in planning as well as implementing training.

## Developing digital and technology skills and customer experience

Digitalization spans everything Posti does, with impacts on business and customer behavior, as well as processes and work. Therefore, one of the key areas of competence development is the development of the personnel's digital and technology skills. In 2021, Posti employees attended Big Data and Essentials of Data



## Services of the change unit are developed together with employees.

& Analytics online courses. In addition, we held regular Data Café events addressing business intelligence. Through online courses and events, we reached hundreds of Posti employees.

We also invest in the extensive development of customer understanding, customer experience and customer service expertise. In spring 2021, we promoted customer service and digital skills with continued PUD (Pick Up and Delivery mobile device) and customer service training attended by more than 1,000 Posti and our partners' drivers and drive arrangers.

We also regularly cooperate with educational institutions in the form of guest lectures and student assignments. In addition, we offer thousands of summer and seasonal jobs and diverse internships.

### Change Unit to serve Posti employees

In the transformation of the industry, productive work decreases in some areas and increases elsewhere. In 2021, we established the Change Unit tasked with increasing the active offering of work within the Group. The internal change service will seek a long-term solution for the coming years as well as the use of different work models in the coordination of jobs. The services of the Change Unit are being developed in cooperation between the employer, employees and employees' representatives. The goal is to build career paths for the personnel and increase the active offering of work within the Group. The activities also

include training, support, job rotation and relocation services.

### Diverse and equal work community

As a work community, Posti is equal and non-discriminatory. We respect people of all kinds. Throughout our history, we have consistently promoted a more equal work community and society. In 1864, we were the first state institution in Finland to hire women. In the 1980s, our first diversity committees were in operation, and in 2012, we were involved in launching the Diversity Charter Finland.

Diversity in our work community enriches us: in Finland alone, our work community consists of professionals of different backgrounds, ages and career stages, and together we represent more than 80 nationalities.

During 2022, we will carry out a survey to identify the current state of diversity and inclusion and decide on development measures to build a more diverse and inclusive Posti. We will also expand employees' awareness of and competence in diversity, inclusion and equality.



### Everyday success

Direct positive feedback from customers helps in day-to-day life. In our new home delivery model, the recipient of a parcel is provided with the exact time of delivery

and real-time map tracking. The feedback has been excellent, at the end of the year the score was 4.8/5. Our customers have been particularly delighted with the friendliness and professional attitude of our drivers.

# Purpose-driven leadership

At Posti, our leadership is based on common values, leadership principles and inclusive management and corporate culture. Management has a significant impact on the employee experience of Posti employees as well as on our culture and business. We continuously offer support and training to management and supervisors and encourage our work community to open and genuine interaction.

Managers play a key role at Posti in ensuring that all of our activities are meaningful and aligned with our corporate values. Good management is fundamentally about management of meaning. Managers also need to perceive their work as meaningful and convey meaning-related expectations of customers and other stakeholders to the working community. This way, supervisors can also grow the entire working community's experience of the meaningfulness of the task at hand.

In 2021, we published new leadership principles guiding the entire Group and management which Posti's management and supervisors are committed to in their day-to-day work. The principles define a common and consistent way for management and supervisors to operate and lead during the ongoing change process. We believe that by acting in accordance with them, we will be able to build Posti into

a modern delivery and fulfillment company that grows profitably and sustainably.

As described above, we use the Peakon tool's leadership index as a measure of the development of purpose-driven leadership. The result measured in fall 2021 was 6.9 on a scale of 1–10. Based on the Peakon survey, our various units and teams have identified and defined a total of almost 1,200 development measures. The action plans drawn up on the basis of these will be implemented in 2022. This year, the survey will be conducted three times, with one survey focusing especially on leadership.

Even before the Peakon results were received, we started to implement the revised values and leadership principles shared by everyone in our business operations in 2021. Values and leadership principles have been regularly on the agenda of Posti's management and workshops



**Teams have defined almost 1,200 different development measures.**

have been organized around them. In addition, Posti's supervisors have been offered support and guidance in implementing the values in the work community, and the supervisors have actively and openly discussed the values and their implementation with the personnel. For example, in the production of the Parcel and e-Commerce business group, virtual supervisor days were organized both in spring and fall, discussing and reviewing the leadership principles and values of Posti. In total, approximately 550 business group supervisors attended the events.

At Posti, supervisors are regularly offered coaching management training as well as support for different phases of the employment relationship lifecycle and management skills. Each year, we also carry out a comprehensive Posti Leader training program addressing, among other things, work practices and business management, as well as custom manage-

ment and business management and vocational qualifications on managerial work for Posti supervisors aimed at providing managerial work and leadership with certainty.

Value-based activities were added to the targets of all employees covered by the STI incentive scheme. This means that at the end of the year, the employee assesses their own success against the goals, after which their supervisor makes their own assessment. The achievements of the goals is discussed in performance reviews at the beginning of the year.

During the reporting year, we also launched Posti's value game, providing our personnel with an inspiring and gamified way of delving into our updated values and practices.

# Safety and health

Providing a safe and healthy working environment for Posti employees is a key objective of our people responsibility. This can be achieved by continuously developing the management of occupational safety and well-being at work on the one hand and by extensive risk management on the other. The successful management of sick leave and the effective and extensive prevention of accidents are extremely important in terms of employee well-being and productivity as well as the Group's profitability.

## Well-being at work

At Posti, we have shifted our focus to an earlier and more preventive phase in the management of well-being at work and work ability. We actively seek solutions to extend the careers of our employees at risk of disability in close cooperation with our partners and support managers with the help of our work ability experts.

## COVID-19 situation on the agenda of well-being at work

Ensuring the health and safety of our personnel, partners and customers has been our guiding principle during the COVID-19 pandemic. It has further emphasized the need for low-threshold well-being support and flexible occupational health service channels.

We have invested in managing the COVID-19 situation and preventing infections. The situ-

ation has been closely monitored and protective measures have been decided on based on the authorities' guidelines, risk assessments and expertise of occupational health services. We also conducted a survey on the exceptional situation at Posti, and based on the results, we have succeeded well in communicating and taking measures to protect our employees. In addition, we conducted a workplace survey aimed at Posti employees in expert roles, in which we emphasized the perspective of remote working. Based on the results, we increased the porosity of expert work and introduced shorter Teams meetings.

We supported the physical exercise of Posti employees by offering joint remote exercise lessons and promoted recovery during the working day with the help of a break exercise application. We also invested in providing information about the low-threshold well-being ser-





vices with multi-channel communication and ensured the availability of conversational help.

**Fixed Work supports work ability at an early stage**

One of our big goals has been to take Posti's Fixed Work, or the use of temporary work arrangements, to a new level. The change has been promoted through cooperation between Posti's occupational safety and health. In Fixed Work, the focus is on the existing work ability instead of disability: what the employee can do on the terms of their work ability and how the work can be flexible instead of sick leave. Fixed Work benefits both the employee and the work community. Above all, the aim is to support work ability at an early stage, allow people to continue working and thus promote recovery. Temporary musculoskeletal problems and minor injuries are typical situations at Posti where Fixed Work is a good solution.

In 2021, we organized 16 training sessions for supervisors on the use of Fixed Work and kept the objectives present in occupational health. There was a significant development in the number of actual Fixed Work days, but we still have much potential to use work modification as a means of supporting work ability.

**As a result of long-term cooperation, the number of disability pensions decreased significantly**

Posti has carried out long-term work ability management work in cooperation with

**Activities have been targeted for those need the most support.**

occupational health services and the pension insurance company. Activities have been targeted at those most in need, and awareness of the emergence of disability, factors affecting the prevention of disability and tools for work ability management has been systematically increased.

In 2021, the number of disability pensions and Posti employees absent on rehabilitation allowance and long term sick leave decreased significantly, the numbers seeing a downward trend for already the second consecutive year. The relative share of partial disability pensions of granted disability pensions also increased. The number of employees receiving disability pension was 40 employees lower and the pension expenditure due to disability pensions nearly halved compared to the previous year.

We are determined to shift the focus of work ability management to an earlier and more preventive phase. Signs of the right direction are the attention paid to early caring and identification as well as increased discussion between the employee and the supervisor about work ability and the possibility of working as work ability changes. The change is also reflected in the increase in Fixed Work, the strengthen-



ing of the sick leave with the supervisor's permission practice and the attention paid to the quality and quantity of discussions in the early support model. The strengthening of these operating models will continue at Posti in the coming year as well.

**Safety at work**

Posti is committed to continuous improvement of occupational safety and our goal is to be a zero-accident workplace. We improve safety at work in our working community through

systematic work, risk management and investment in preventive measures. As a result of long-term work, occupational safety at Posti continued to develop in a positive direction. We have a certified ISO 45001 safety management system, covering about 80 percent of the Group's personnel in 2021.

Posti companies have occupational safety development programs that have been implemented taking into account the characteristics of the business. The programs define measures

to improve occupational safety and the results are regularly monitored by the management of the business groups. Occupational safety management is regularly on the agenda of Posti meetings, starting with the leadership teams. In addition, the accident frequency has been set as a performance incentive indicator for the management and supervisors. In 2021, we updated both the Group's occupational safety management Code of Conduct and the Occupational health and safety policy.

The changing operating environment, such as the increase in parcel and freight volumes and the decrease in printed mail volumes, affects the work and the management of occupational safety. Despite the changes, the trend in the development of occupational safety at Posti has continued to be good. The Group's number of accidents at work decreased by approximately 26 percent and the number of serious accidents at work by 18 percent. The accident frequency rate per million working hours at Posti in Finland, including Transval, was 26. The improvement was approximately 30 percent year-on-year. For the entire Group, the frequency was 23, improving by about 32 percent year-on-year. The recording of proactive occupational safety measures in the Incy system increased from previous years and the quantitative targets for them were achieved. With regard to the future, the emphasis has been shifted to developing the qualitative observation process. In addition, the increased use of the Fixed Work model led to a significant reduction in the number of accidents resulting in absence.



Occupational safety-related trainings, such as the occupational safety card, risk assessment, Fixed Work and accident investigation, were mainly implemented as remote training due to the COVID-19 pandemic. Occupational safety communications to production personnel was organized weekly with safety briefings and by using workplace information screens. In addition, we had daily safety briefings on current safety issues. We also organized a wide range of occupational safety-related campaigns on topical issues and engaged the personnel in the development of occupational safety by organizing personal occupational safety discussions.

Together with the Finnish Institute of Occupational Health, we also investigated the applicability of upper limb and back exoskeletons to the logistics sector. In addition, we launched an extensive development project on the occupational safety culture and management in the fall, which we will continue during 2022.

During the reporting year, we further developed the functionalities of Posti's occupational safety reporting system Incy and expanded the use of mobile functions in different companies. In addition, risk assessment reporting was integrated into the system. Reporting of diverse

## Posti is committed to constantly improve the safety.

observations, such as environmental observations and mail carrier quality feedback, was introduced into the system.

The COVID-19 period also affected safety at work. Especially with regard to audits and on-site inspections, we had to assess our operations partly in other ways than workplace visits. We also carried out COVID-19-related risk assessments in all Posti companies and, in accordance with guidelines issued by the Ministry of Social Affairs and Health and the National Institute for Health and Welfare, assessed how we have protected employees from COVID-19 infections and what measures we have taken to protect those at risk from serious COVID-19 infection. We further specified and defined the COVID-19 guidelines of production employees based on the infection situation, and towards the end of the year, we introduced contingency plans and stricter guidelines related to protection against COVID-19.

During 2022, we will continue to develop occupational safety measures. The qualitative handling of observations, the sharing of accidents and near misses between different organizations and mental occupational safety are the main themes of occupational safety work.

### Personnel per country on December 31, 2021

	2021	2020*	2019	2018	2017
Finland	18,571	17,666	18,307	15,676	16,595
Russia	0	1007	1,355	1,873	2,493
Poland	55	64	65	108	128
Sweden	1,761	1,438	87	142	147
Estonia	428	446	424	408	337
Norway	0	0	22	36	38
Latvia	131	126	110	95	81
Lithuania	182	162	98	93	92
Germany	0	0	0	89	100
Other (USA)	0	0	0	2	3
	<b>21,128</b>	<b>20,909</b>	<b>20,468</b>	<b>18,522</b>	<b>20,014</b>

### Employee turnover, Finland

Permanent employments, Finland (excl. Transval)	
<b>Females</b>	<b>32%</b>
under 25 years	8%
25–34 years	18%
35–44 years	24%
45–54 years	26%
55 years or older	31%
<b>Males</b>	<b>68%</b>
under 25 years	9%
25–34 years	22%
35–44 years	23%
45–54 years	25%
55 years or older	29%

Leaving rate, Finland (excl. Transval)	
<b>Females</b>	<b>15%</b>
under 25 years	38%
25–34 years	14%
35–44 years	11%
45–54 years	10%
55 years or older	12%
<b>Males</b>	<b>17%</b>
under 25 years	42%
25–34 years	25%
35–44 years	13%
45–54 years	7%
55 years or older	11%

### Employee turnover, Posti Group

2021	
<b>Total</b>	<b>20.8%</b>
Finland (inc. Transval)	20.8%
Sweden	13.4%
Estonia	21.3%
Latvia	56.6%
Lithuania	59.5%
Poland	24.2%

### Sickness related absences, accidents and retirement, Finland

	2021	2020*	2019	2018	2017
Sickness related absences (%)	5.7*	5.5**	6.3	5.8	5.9
Lost time accidents (number)	633	862	1,047	899	1,145
Accident frequency, LTAI	26	37	44	43	46
Disability pensions	70	95	87	63	55
Part-time disability pensions	65	67	72	82	55
Total disability pensions	135	162	159	145	110
Average age for retiring on disability pension	58.2	58	58.8	57.6	55.4
Average retirement age	64.1	63.8***	62.6	62.1	61.3
Retired	171	205	308	271	269

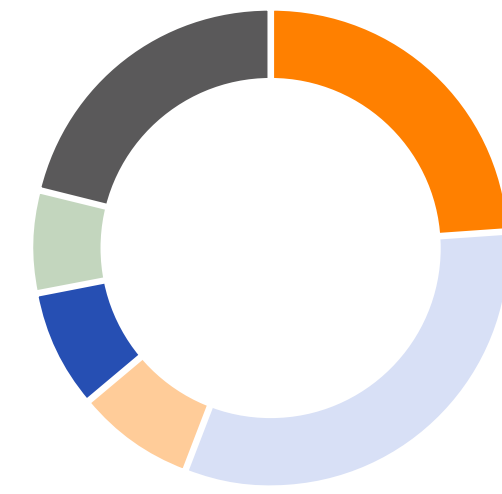
\* Finland; Group (without Russia) 5.5%  
 \*\* Group  
 \*\*\* Corrected, reported figure last year 62.8

### Age distribution of personnel, Posti Group



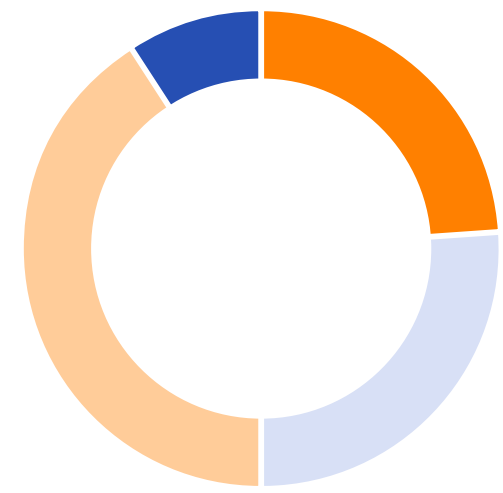
- under 25 (16%)
- 25–34 (25%)
- 35–44 (20%)
- 45–54 (19%)
- 55 or older (20%)

### Length of employees' career, Posti Group



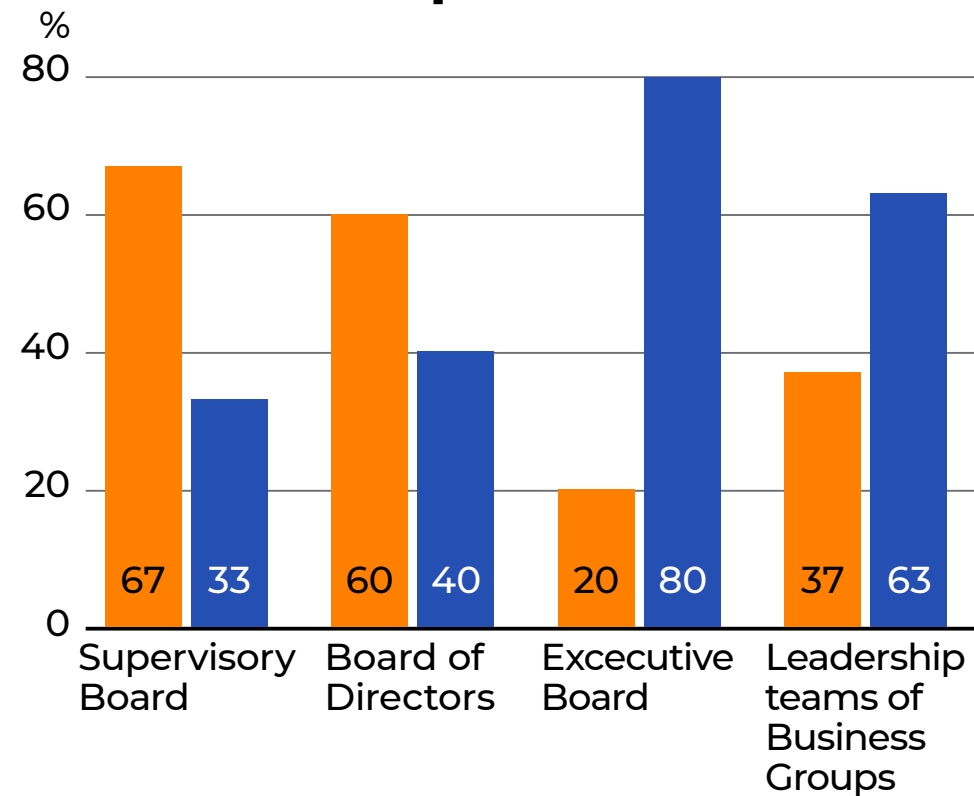
- Less than 1 year (24%)
- 1–5 years (32%)
- 6–10 years (8%)
- 11–15 years (8%)
- 16–20 years (7%)
- more than 20 years (21%)

### Breakdown of employment contracts as per 31 December 2021, Posti Group



- Full-time employees 10,242 (48%)
- Part-time employees 19,886 (52%)
- Permanent employees 17,257 (82%)
- Fixed-term employees 3,871 (18%)

### Number of women and men in leadership roles



- Women
- Men

### Distribution of collective agreements

#### Suomi (sis. Transval)

Stowage industry	0.01%
Stowage industry, managers	0.01%
Transport Workers' Union AKT, forwarding warehouse terminal	1.40%
Transport Workers' Union AKT, vehicle personnel in trade	0.02%
Transport Workers' Union AKT, truck drivers	7.11%
Transport Workers' Union AKT, terminal operations	0.44%
Vehicle and machinery trade	0.53%
Union of Private Sector Professionals ERTO, car traffic sector	1.74%
Food industry	0.11%
Forwarding, managers	0.76%
Information logistics	1.02%
Information logistics, senior	0.56%
Commercial sector	18.24%
Basic chemical industry	0.03%
Rubber industry	0.03%
Bakery industry	0.03%
Meat industry	0.14%
Collective agreement by the Finnish Media Federation, the Industrial Union and Grafinet ry concerning indirect employees	0.79%
Collective agreement by the Finnish Media Federation and the Industrial Union concerning delivery personnel	12.07%
Plastics and chemical products sector	0.13%
Joinery sector	2.86%
Joinery, managers	0.28%
Building construction	0.01%
Technology industries, managers	0.05%
Technology industries	0.65%
Outside collective agreements	0.42%
Collective Agreement for Warehouse and Transportation Supervisors	0.28%
Security services	0.76%
Mail communications and logistics	45.70%
Mail communications and logistics, senior	3.40%
General Collective Agreements Act and Annual Holidays Act	0.35%
Senior indirect employees, Industrial Union TEAM	0.06%



# Planet

We aim to deliver emission-free and support companies and consumers in reaching more sustainable lifestyles and business.

# Concrete actions

Once again, our ambitious emissions targets were backed up by concrete action. Our good pace of reduction continues – last year, our direct emissions decreased again by about 10% year-on-year. Here are a few highlights in addition to the SBTi and the electrification of the fleet mentioned at the beginning of this report.

## Heavy weight electricity

We introduced the first electric truck. We will use the local emission-free and nearly silent electric truck in shipments in the Helsinki metropolitan area. At the time of commissioning, six similar vehicles were registered in Finland.



## Helsinki 100% electric

In Helsinki, we revised the parcel home delivery service and it is now completely electric. In the future, the revised service will also be extended to other areas, in spring 2022 to Turku.

## Finland's largest gas truck fleet

In addition to the electrification of the fleet, our clean heavy-duty gas fleet was supplemented. Our fleet of a total of 19 vehicles runs cleanly on biogas. The largest in Finland, by the way.

## Impacts on biodiversity

We started our biodiversity work with a survey of the impact of Posti's operations on biodiversity. The survey serves as a basis for starting work in this area.



# Posti and the environment

We have been at the forefront of environmental responsibility for a long time – our first environmental program dated back to the last millennium – and we want to continue this in the future. During 2021, we took some important steps towards fossil-free logistics. Or as we call it in our sustainability program: Zero Carbon 2030.

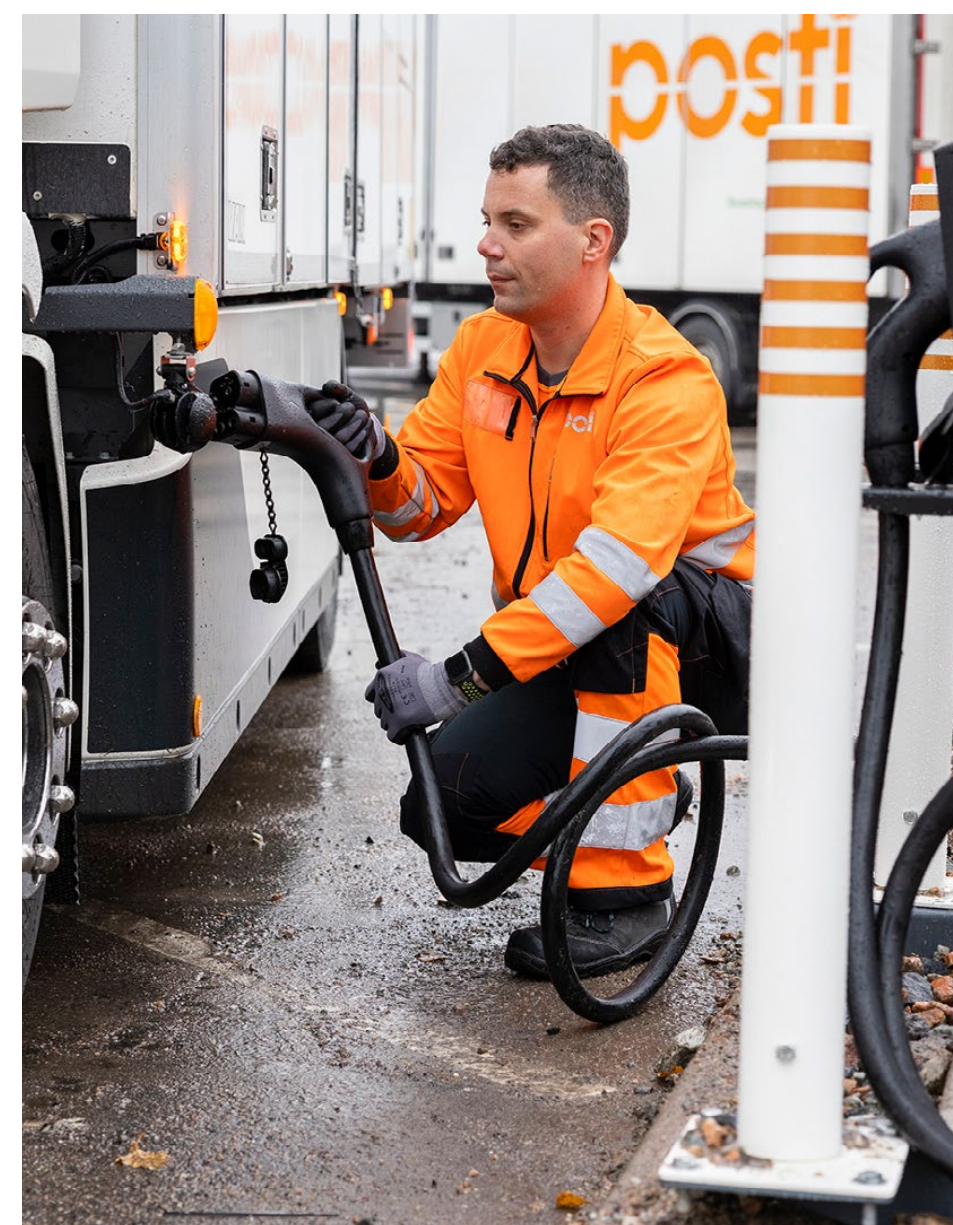
In the autumn of 2020, we committed ourselves to the Science Based Targets initiative, and in August 2021, the SBTi approved our targets. So, we are committed to reducing our own emissions to zero and achieving fossil-free transport by 2030. At the time of the approval, we were globally one of the three companies in our sector committed to the SBTi's most stringent targets, i.e. to reduce emissions in line with the 1.5 degree emission reduction pathway under the Paris Climate Agreement and to set net zero targets by 2050 at the latest.

Specifically, our commitment is as follows: by 2030, we will halve our total emissions (Scope 1, 2 & 3) from the 2020 levels. This includes reducing all of our own emissions (Scope 1 & 2) to zero and fossil-free road transport also in subcontracting. Adding outsourced transport to our emissions targets is important: we will invest

even more in cooperation with our partners in the future to reach the finish line together.

In the long term, we are committed to net zero targets. The approvals of the SBTi for the net zero targets will be launched during the course of the year, as their criteria were finalized in late 2021. We will seek approval for our goal of achieving net zero emissions by 2040.

What, in concrete terms, have we done in the last year to reduce emissions? Our investments in the electrification of transport are constantly growing. In Helsinki, for example, we revised the parcel home delivery service and it is now fully electric. In the near future, the renewed service will also be extended to other areas. At the end of 2021, we had about one hundred electric vans and the aim is to at least double that number this year. In mid-Novem-



ber, we announced the deployment of the first electric truck.

In addition to vans, we already have more than 1,500 different electric vehicles, such as electric freight scooters, carts and bikes. We already deliver to more than 40 percent of households in basic delivery using electricity and more than 90 percent in the Helsinki Metropolitan Area.

Our biogas-powered heavy-duty fleet grew a lot last year and it is the largest in Finland. We have 19 LBG (liquefied biogas) trucks. As recently as last year, six of them used liquefied natural gas (LNG), but at the beginning of 2022

## The electrification of transport is progressing.

they, too, were transferred to LBG. The plan is to keep expanding the fleet.

We also made progress in terms of production facilities (such as logistics centers) and premises, including energy efficiency. At the end of 2021, we introduced renewable district heating in some of our properties.

At the end of 2021, we also started a survey of the effects of Posti's operations on biodiversity.

Already in our last year's report, we recorded recent information received in early 2021 that our sustainability work ranks in the world's top one percent: EcoVadis, the world's leading organization assessing the sustainability of businesses, ranked Posti at the highest platinum level, among the 1 percent of the most sustainable companies in the world, in 2021. In October 2021, Posti won the Carbon Reduction Award at the World Sustainability Awards 2021.

In 2020, our emissions (Scope 1 & 2) decreased by 14 percent compared to the previous year. In 2021 the figure was 10 percent. Read more about our emissions last year below.

# Towards zero emissions in 2030

We exist to ensure that deliveries important to the sender and recipient go where they are supposed to, whether they are a postcard, a parcel from an online store, a truckload or internal material flow management of a plant. In Finland alone, Posti's and its subcontractors' cars covered a distance equaling 5,000 times around the world. Understandably, this causes emissions.

In total, our greenhouse gas emissions in 2021 were approximately 238,300 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). This figure includes the emissions from our business in Finland, Sweden, Norway, the Baltic countries and Poland. In addition, the emissions of the Russian business before the sale of the business amounted to approximately 32,300 tonnes of CO<sub>2</sub>e for the period January-November 2021. Going forward, the emissions figures in this chapter are reported separately of Itella Russia.

Emissions are divided into emissions from our own operations (Scope 1 & 2) and emissions from the value chain (Scope 3). Scope 1 emissions are caused directly by our own operations – they are caused by the consumption of fuel by our own vehicles and properties. Scope 2 emissions are, in turn, caused by the production of electricity and district heat that we use. Scope 3

emissions are indirect, and in accordance with the calculation standard, they are divided into 15 different emission categories, of which we report the categories relevant to our operations.

Approximately four-fifths (80 percent) of our own emissions (Scope 1 & 2) are caused by transport and one-fifth (20 percent) by facilities. In all, our own emissions account for 20 percent of our total emissions.

In 2021, our own emissions from transport were 37,600 tonnes of CO<sub>2</sub>e, down approximately 10 percent year-on-year. For properties, the figure is 9,500 tonnes of CO<sub>2</sub>e, of which 26 percent was due to the consumption of properties' fuels (heating fuels, reserve power and forklift fuels), 13 percent to electricity and 62 percent to district heating. Real estate emissions fell by slightly over 9 percent compared



to the previous year, despite the year 2021 being clearly colder than the previous year.

Emissions from the value chain (Scope 3) account for 80 percent of our total emissions. One-half of the emissions from the value chain (50 percent) was caused by the lifecycle emissions of fuels used by subcontractors. This figure includes emissions from driving as well as emissions from the production of spent fuel. Approximately one-third (35 percent) was due to the production of the products and other services we purchased and to our capital expenditure. Six percent was attributed to fuels

used in the production of the energy used by our own transport fleet and our properties in a phase other than their use – that is, in the production of fuels, for example. A total of around nine percent was generated from commuting and business travel.

The emission accounting, especially with regard to emissions in the value chain (Scope 3), is an estimate and we are working to refine the calculation year by year. Emissions from purchased goods and services as well as capital goods have been estimated on a cost basis, and commuting has been estimated on the



basis of the number of employees and the average Finnish commuting distance. For other emission sources, more accurate input data is already available.

The emissions in Finland have been compensated by purchasing offset credits from certified climate projects. Our 2021 emissions will be compensated but Posti has decided not to continue compensation from 2022 onwards. Full focus will be on cutting Posti's own and value chain emissions, and as we commit to the climate science, compensation cannot be used as a tool for reaching our goal – fossil-free transportation by 2030.

Because transports cause the majority of emissions and are a key part of our operations, it is natural that attention is mainly paid to them in reducing emissions. During the year, Posti's own fleet covered around 96 million kilometers and the fleet of contract carriers approximately 130 million kilometers.

The two essential factors with impacts on emissions in transports are vehicles and their propulsion technology. Significant investments were made regarding both during 2021. Contract carriers are influenced through cooperation. The procurement of vehicles suitable for the intended use is limited by the general availability of vehicles, their price and the inadequacy of the functional characteristics to perform the required tasks.

Using renewable fuels instead of fossil fuels in vehicles in which it is possible can reduce emissions quickly. Renewable diesel or biogas reduces the lifecycle emissions of fuel consumption by up to 90 percent. In our in-house vans used for e-commerce deliveries, we use renewable diesel to the extent that the vehicles are not electrically powered. We also moved to the use of renewable diesel in heavy-duty home deliveries in the Helsinki Metropolitan Area at the end of 2021. In total, renewable diesel is used in more than 300 of our vehicles. Our own fleet covers roughly 40 percent of parcel deliveries. A small share of our partners' cars also use renewable diesel.

During 2021, we acquired five new gas-powered vehicles: three liquefied biogas (LBG) trucks and two compressed biogas (CBG) trucks. In addition, six LNG trucks gas switched to LBG at the beginning of 2022. Our fleet of LBG trucks is currently Finland's largest – a total of 19 vehicles – and the aim is to continuously expand it. Even though the infrastructure is not yet complete, we are going in the right direction. More new gas filling stations will be opened in the vicinity of the main road network also this year. In general, an extensive station network contributes to an increase in gas-fueled lorries in heavy-duty traffic.

We have been using electricity extensively for a long time – in mail delivery, more than 40 percent of all customers use electricity: electric bicycles, electric scooters, electric delivery carts and, of course, electric cars. At the end of



## Case: 100% electric deliveries, city by city

In the autumn of 2021, we renewed the home delivery of parcels and created a new operating model in which the recipient of a parcel receives a delivery window of +/- 30 minutes, faster deliveries and real-time map tracking. In Helsinki, this upgraded home delivery service is operated 100% by electric vans.

The goal was both to reduce emissions and improve the customer experience. Customer satisfaction was 4.8/5 in the fall and annual emissions are reduced 100 tonnes (CO<sub>2</sub>e). The electric delivery model will next be expanded to other large cities, in spring 2022 to Turku.

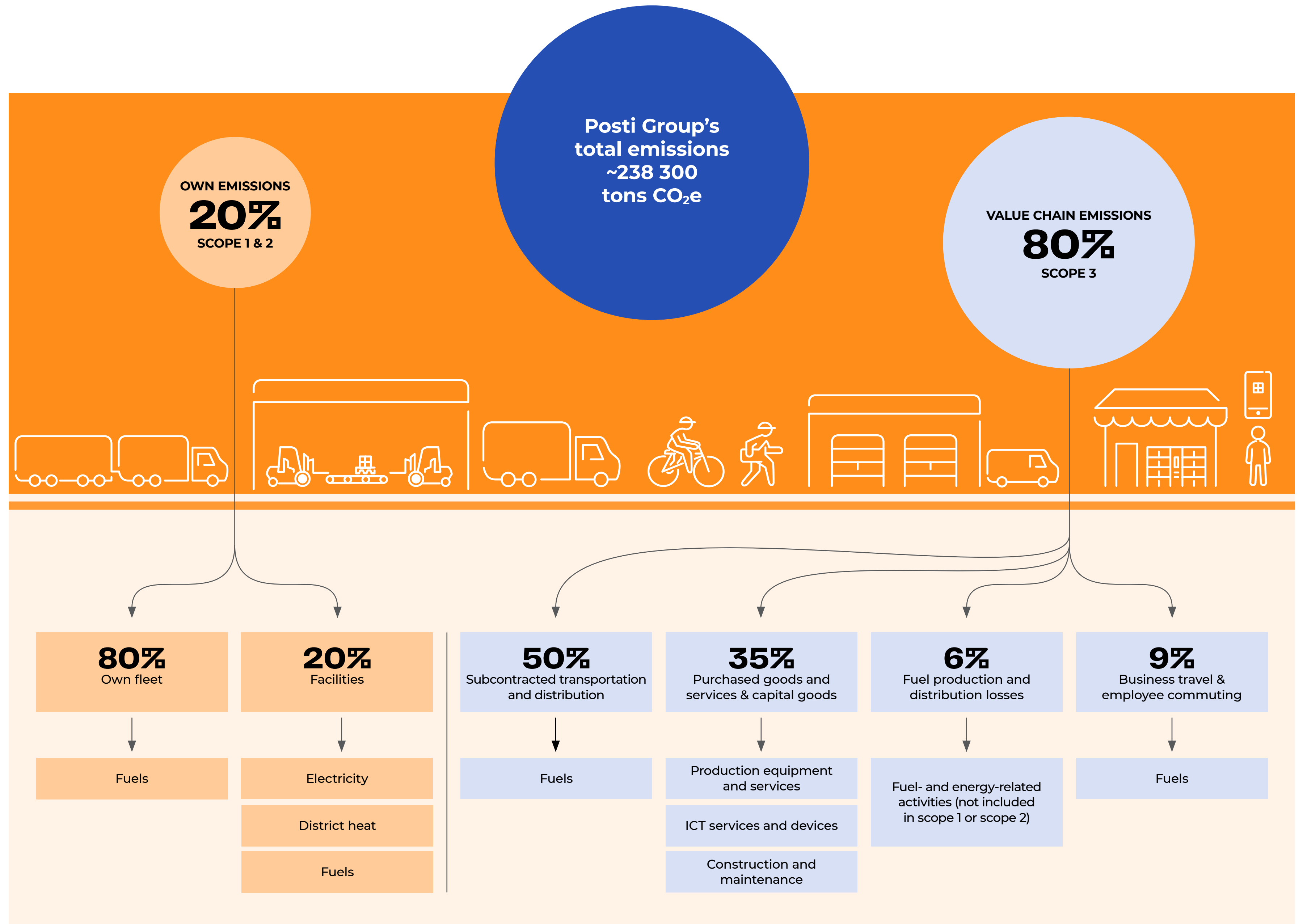
2021, we had around one hundred electric vans in operation and our first electric truck was commissioned in the capital region in November 2021. For the time being, however, the bottleneck has been availability and overall costs including charging infrastructure, for instance.

In all, the share of renewable fuels and electric vehicles in the total distance covered by our own transport fleet was around 13 percent.

However, a mile that is never driven produces the least emissions. Therefore, we continuously develop route optimization with target-oriented route planning, driving styles as well as filling rates and packaging – inefficiently packed vehicle and transporting air between parcels or inside packages causes unnecessary driving.

Our properties from warehouses to distribution-fulfillment centers and service points – more than 500 locations in all – consumed approximately 79 GWh of electricity and approximately 62 GWh of district heat in all of our countries of operation combined last year. We constantly monitor energy efficiency in the buildings covered by our own energy contracts. Many of our small operating locations are leased and energy is included in the lease agreement. For these, we estimate the consumption in our reporting.

All of the electricity we consume in Finland is renewable – we also buy guarantees of origin for the properties in which electricity is included in the rent. Aditro Logistics' premises

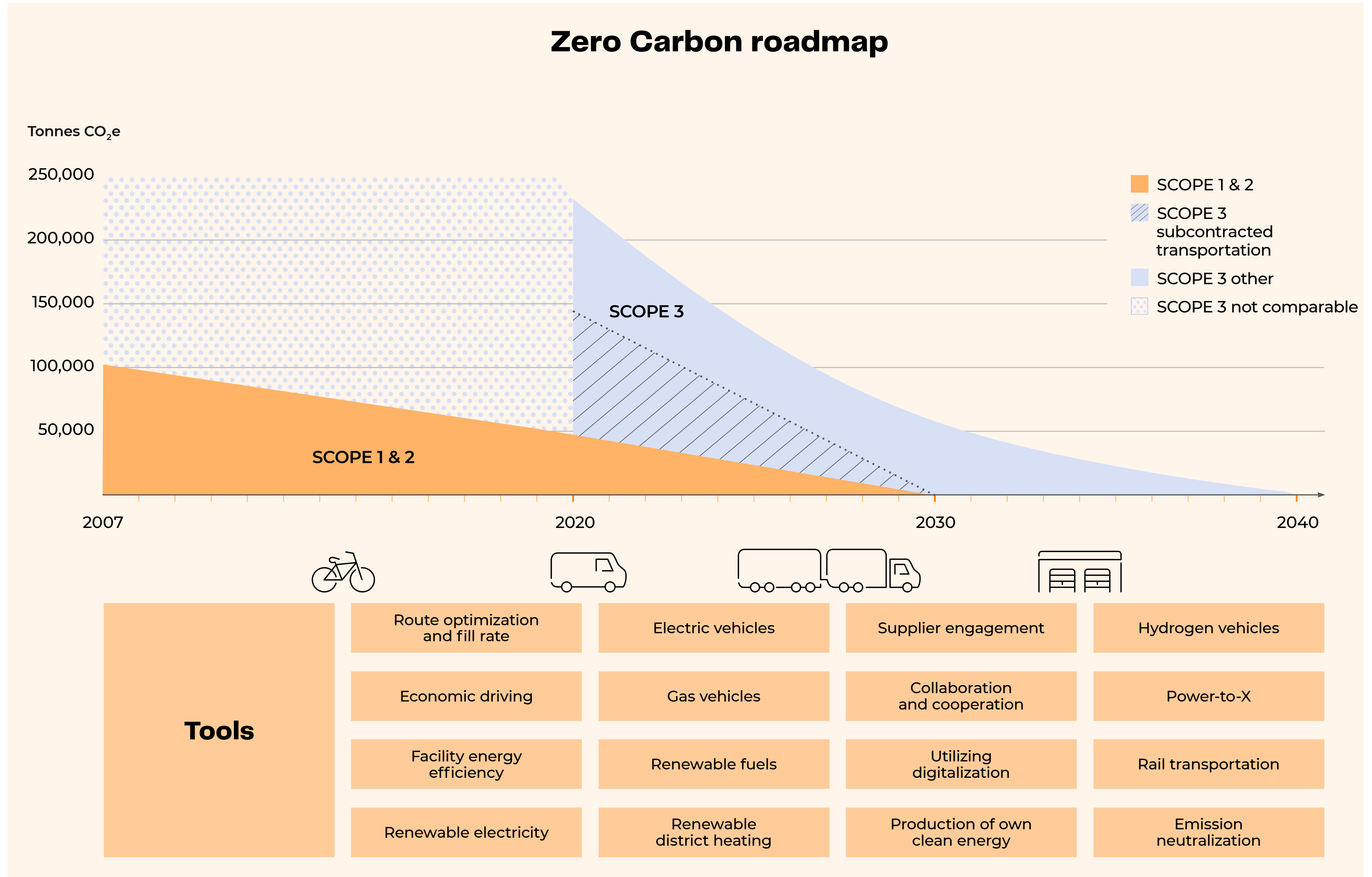


in Sweden and Norway also use renewable electricity, with the exception of offices where electricity is included in the rent. We also produce some electricity with solar power ourselves, and we are investigating the expansion of in-house production. We moved to green district heating in some of our properties in Finland during 2021 (a total of 14.4 GWh) and in Aditro Logistics' Swedish warehouses we correspondingly moved to green district heating in April 2021 (a total of 1.6 GWh). We will continue to work to increase the share of renewable energy and increase our own fossil-free heat production.

### How we proceed toward zero emissions

The goal of zero emissions from our own operations and outsourced road transport by 2030 is ambitious, but we believe that it is achievable. As described in the previous chapter, because the majority of these emissions are caused by transport, reducing these emissions also plays a major role in the available toolbox.

Changes in the fleet and source of propulsion provide the biggest leverage. If all trucks started using liquefied biogas (LBG) and all vans were changed into electric ones, this would reduce our own emissions by 80 percent. In practice, such a big change cannot be done quickly – due to the availability of vehicles and refueling network, among other factors. Sub-contractors' emissions are reduced through support and cooperation.



# Together towards green future

The second environmental focus area of our sustainability program besides reducing emissions is a theme we call “together towards green future”.

We have described our impact opportunities with three steps: the lowest step is easy to take, but its measures have a limited impact on the well-being of the environment. The highest step is the hardest, but also has the highest impact.

The first step describes the work we can already do together with our partners: when we switch our fleet to a lower-emission fleet and support our subcontractors to do the same, the burden on the climate and carbon footprint of products is reduced.

The second step illustrates the cooperation we do together with, for example, technology and propulsion providers so that the entire industry can benefit in the future. For example, the use of electricity or hydrogen in heavy-duty transport still require further development.

The third step is the most difficult, but the one that gives the most: how can we, through the

whole trade value chain, steer consumption in a more sustainable direction and enable the provision of more sustainable alternatives to consumers? For example, by promoting growth in companies’ own second-hand products or peer-to-peer e-commerce, we can significantly reduce the environmental burden, as every product that gets a second life means one less new product that needs to be manufactured. This step cannot be done alone, only together – and that is why discussing the topic and the production of new knowledge are also important.

Last year, we brought up the theme of sustainable trade, for example, by participating in a survey on reducing [emissions through services](#) commissioned by Palta and implemented by Gaia Consulting. It examined a total of 11 services that represent the service offering of a wide variety of enterprises. On the basis of the emission savings obtained from the use of the services examined, it can be estimated that





## We want to make more sustainable options possible.

approximately 164,000 tCO<sub>2</sub> emission savings are achieved annually in Finland.

Examples of the emission savings that Posti provides to its customers are the extent of Posti's network and the cross-use of different delivery networks: for example, small parcels delivered to home are delivered with the basic delivery in day mail. Outside of large cities, parcels, printed products and larger goods run in the same delivery vehicle. On the other hand, as a major player, Posti can invest in clean equipment and clean fuels.

In total, offering e-commerce and parcel deliveries between consumers as a centralized and efficient service to the maximum extent will, according to the survey, generate annual emission savings of approximately 24,000 tCO<sub>2</sub> for the customers of the postal and courier industry in Finland. It equals the carbon footprint of about 12 million T-shirts. Work to improve the understanding of the carbon handprint will continue this year in the form of a thesis for Posti.

More sustainable consumption was also featured in the annual Online shopping survey and the seminar on its results that brings together more than one thousand e-commerce operators.

Even though Posti is not a significant packaging manufacturer and packaging plays a small share of the lifecycle emissions of a product, we still also want to be an example when it comes to more sustainable packaging.

Our cardboard packaging lasts for up to three uses, after which they can be recycled in the normal way. The carbon footprints of different packaging and filling materials were also calculated and ways to reduce the carbon footprint of packaging were also assessed as thesis work last year.

A sustainable future is not merely a matter of future without emissions. As part of our sustainability program, we started planning Posti's biodiversity work in 2021. Consideration of biodiversity in Posti's operations supports the protection and restoration of ecosystem services that are important to society. The biodiversity survey launched in 2021 assesses the biodiversity impact of Posti's operations in Finland and examines the identification of a suitable framework for Posti's biodiversity work. The results of the biodiversity survey will be completed during 2022, on the basis of which we plan to continue our biodiversity work. The progress of our work can be monitored during the year through our various channels.

### 302 1-2: Energy consumption within and outside of the organization

Terajoules (TJ)	2021	2020	2019
<b>OWN ENERGY CONSUMPTION</b>			
<b>Renewable</b>	<b>416</b>	<b>307</b>	<b>267</b>
Transportation fuels	84	33	1
Fuel consumption in properties	0	0	0
Electricity	275	275	266
District heat	57	0	0
<b>Non-renewable</b>	<b>805</b>	<b>897</b>	<b>1,064</b>
Transportation fuels	592	661	844
Fuel consumption properties	39	32	27
Electricity	8	13	14
District heat	166	191	180
<b>Total</b>	<b>1,222</b>	<b>1,205</b>	<b>1,331</b>
<b>Russia, non-renewable</b>	<b>191</b>	<b>190</b>	<b>221</b>
<b>SUBCONTRACTORS' ENERGY CONSUMPTION, FINLAND</b>			
Transportation fuels, renewable	1,2	0	0
Transportation fuels, non-renewable	902	858	1,019
<b>Total</b>	<b>903</b>	<b>858</b>	<b>1,019</b>

### 306-2: Waste by type and disposal method, Finland

Properties included in waste management agreement, tons*	2021	2020	2019
<b>Non-hazardous waste</b>	<b>15,787</b>	<b>16,627</b>	<b>15,745</b>
Recycling and reuse	9,736	9,859	9,451
Other recovery	5,461	6,064	4,693
Incineration	532	658	1,533
Final disposal	58	47	67
<b>Hazardous waste</b>	<b>443</b>	<b>445</b>	<b>457</b>
Recycling and reuse	419	309	401
Final disposal	24	136	56
<b>Total</b>	<b>16,230</b>	<b>17,072</b>	<b>16,202</b>
Recovery rate, %	99%	99%	99%
Recycling rate, %	63%	60%	61%

\* Excluding properties where waste management is included in the rent.

### 305 1-3: The Group's GHG Emissions (Scope 1, 2 and 3)

Transval and Aditro included since 2020, Russia reported separately from other countries

Tonnes CO <sub>2</sub> e	2021	2020	2019
<b>Scope 1 - Direct emissions</b>			
<b>Finland</b>			
Transportation fuels	37,607	41,921	45,744
Fuel consumption in properties	2,129	1,871	0
<b>Other operating countries</b>			
Transportation fuels	0	0	0
Fuel consumption in properties	317	175	387
<b>Scope 1 - Direct emissions total</b>	<b>40,053</b>	<b>43,967</b>	<b>46,131</b>
<b>Scope 2 - Indirect emissions</b>			
<b>Finland</b>			
Purchased electricity (market based)	0	168	0
Purchased electricity (location based)	1,378	8,096	-
Purchased district heat (market based)	5,573	6,623	7,020
Purchased district heat (location based)	7,596	6,623	-
<b>Other operating countries</b>			
Purchased electricity (market based)	1,187	1,363	1,336
Purchased electricity (location based)	1,200	1,170	-
Purchased district heat (market based)	247	225	108
Purchased district heat (location based)	323	225	-
<b>Scope 2 - Indirect emissions (market based) total</b>	<b>7,008</b>	<b>8,380</b>	<b>8,464</b>
<b>Scope 2 - Indirect emissions (location based) total</b>	<b>10,498</b>	<b>16,114</b>	<b>-</b>

Tonnes CO <sub>2</sub> e	2021	2020	2019
<b>Scope 3 - Other indirect emissions</b>			
<b>Finland</b>			
Transportation and distribution	78,510	74,666	
Fuel production and distribution losses	12,293	12,701	
Purchased goods and services (incl. capital goods)	62,252	54,588	
Business travel	640	391	
Employee commuting	14,516	15,771	
<b>Other operating countries</b>			
Transportation and distribution	16,509	17,504	
Fuel production and distribution losses	295	262	
Purchased goods and services (incl. capital goods)	4,145	3,400	
Business travel	146	83	
Employee commuting	1,907	592	
<b>Scope 3 - Other indirect emissions total</b>	<b>191,213</b>	<b>179,959</b>	
<b>Posti Group (Scope 1, 2 and 3) total</b>	<b>238,274</b>	<b>232,306</b>	
<b>Finland (Scope 1, 2 and 3) total</b>	<b>213,520</b>	<b>208,700</b>	
<b>Other operating countries (Scope 1, 2 and 3) total</b>	<b>24,754</b>	<b>23,606</b>	
Russia, scopes 1-3	32,335	33,358	

Biogenic emissions Scope 1: 9768 (7896) tCO<sub>2</sub>; Scope 3: 8107 (8403) tCO<sub>2</sub>.

# Tax footprint

In tax footprint reporting, we adhere to the country-specific tax reporting guidelines for companies of which the state is the majority shareholder, provided by the Ownership Steering Department.





# Our tax strategy

All companies in our Group have committed to operating responsibly and to meeting all obligations and requirements defined by the valid legislation of each country. Our Group companies pay their taxes in the countries in which their actual business operations take place, in a timely manner.

## Taxes we paid in 2021

We paid a total of EUR 53.4 million in taxes. EUR 35.0 million was paid in taxes in Finland, EUR 10.3 million in Scandinavia and EUR 4.5 million in other countries.\*

\* Russia included until 30 November 2021.



## EUR 13.1 million

We paid a total of EUR 13.1 million in environmental taxes, EUR 101.7 million in salary taxes and EUR 24.3 million in employer taxes.

## Our tax position

The Group's effective tax rate was 19.9% (2020: 41.2%).



# Tax footprint 2021

In its tax footprint reporting, Posti adheres to the country-specific tax reporting guidelines for companies of which the state is the majority shareholder, provided by the Ownership Steering Department on October 1, 2014.

## Tax strategy

All companies in the Group have committed to operating responsibly and to meeting all obligations and requirements defined by the valid legislation of each country. Posti Group companies pay their taxes in the countries in which their actual business operations take place. All taxes are to be paid on time without delay. The Group's long-term target is to ensure that the Group's effective tax rate is at the same level as the corporate income tax rate valid in Finland at any given time.

According to the Group's tax strategy, taxation is always a consequence of business operations, which means that tax solutions must also be based on business needs. Posti does not practice tax planning that would aim at artificially decreasing the Group's taxable income. In tax-related issues, the Group operates within the framework of legislation and legal practice in planning the taxable profit of Group

companies. The available methods can include the utilization of tax losses accrued in a subsidiary or the granting of group contributions, for example. In transfer pricing between subsidiaries, Posti aims to always ensure that the prices are market-based. To clarify taxation practices, some situations may involve contacting the tax authorities for either verbal guidance or a written decision on the taxation treatment of the planned action.

## Management of tax-related issues

The management of tax-related issues is centralized to the Group Finance unit, which is responsible for managing and monitoring the Group's tax-related issues. Decisions related to taxation are made at the Group level. Significant matters of principle are presented to the parent company's Board of Directors for decision-making. The Group's CFO reports regularly on taxation-related issues to the Group's Audit Committee. The key task of the management



of tax-related issues is to ensure that all Group companies comply with the regulations of tax legislation in all countries of operation. Tax risk management is part of the Group's risk management process.

### Principles observed in tax reporting

Posti reports its tax footprint openly and transparently. The Group highlights potential decisions by the tax authorities and appeals concerning decisions by the tax authorities where such decisions and appeals have a material impact on the Group's tax position.

The information presented in this report is based on information collected from the Group's accounting systems. Taxes refers to taxes or tax-like fees paid to public sector entities, whether they are paid or remitted by the company. The nature and amount of taxes vary significantly from country to country. Taxes payable refers to taxes paid by the Group companies which are, as a rule, expensed in the company's financial statements. Taxes remitted refers to taxes or fees collected by the companies which are remitted to tax collectors, often on behalf of parties other than the company itself.

The company has restricted its tax reporting to only cover substantial operating countries. Based on this decision, country-specific tax information is only presented for Finland and Russia. Approximately 85 percent of the Group's net sales come from these countries. The Russian data are presented up to the sale of the

business in November 2021. Other operating countries are grouped under Scandinavia and Other countries. Posti also uses the same geographical categorization in its consolidated financial statements.

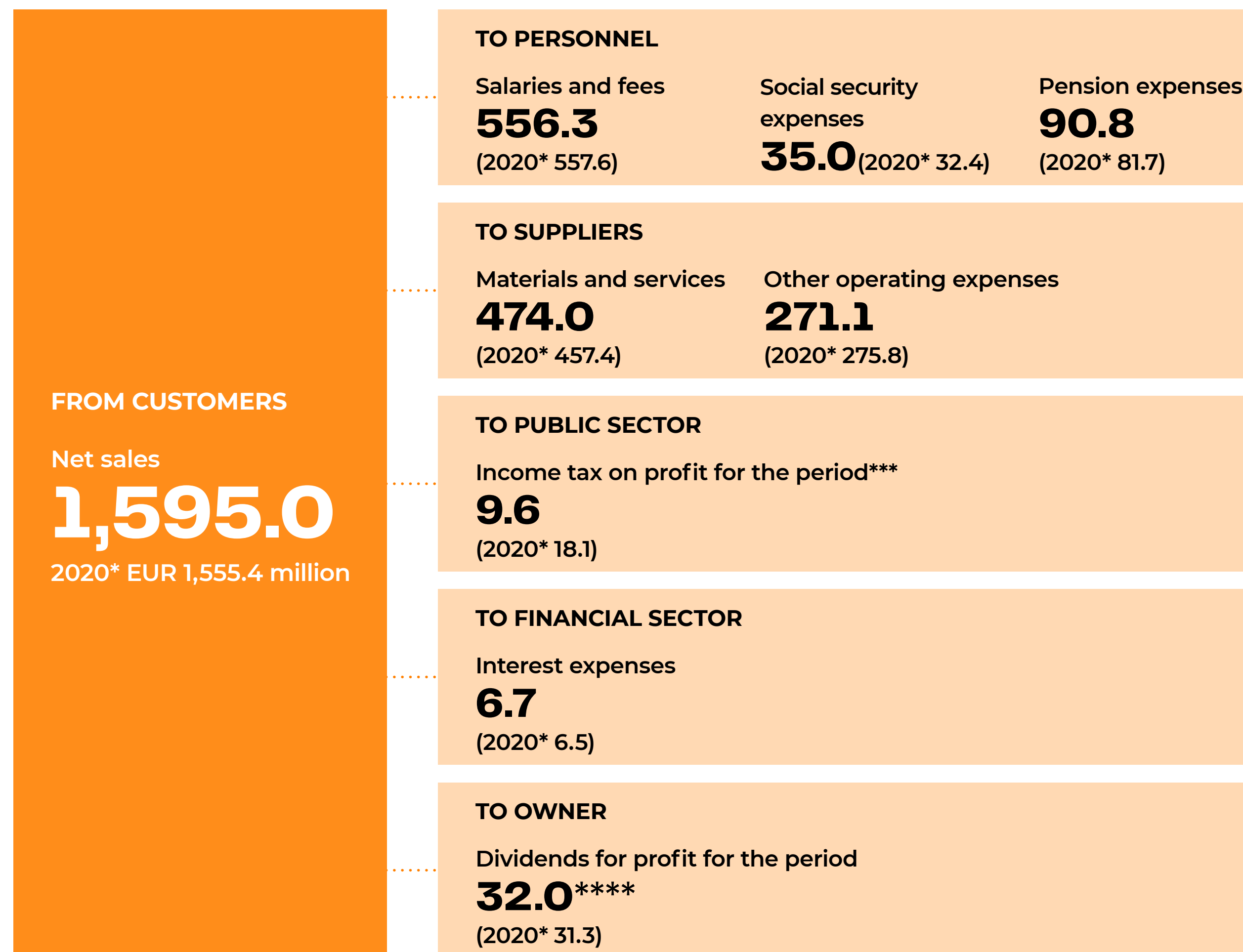
For countries other than Finland and Russia, information is presented on a country group-specific basis as the information reported is not of material importance and the presentation of country-specific information might jeopardize the non-disclosure of confidential information, such as customer or pricing details.

The Group operates in seven countries. In addition, Posti has companies in countries where the Group no longer has business operations. When assessing the materiality threshold, net sales of EUR 1 million for each individual subsidiary is considered the threshold for non-materiality. Non-material companies are excluded from the reporting, as the amount of taxes paid by the companies is minor in proportion to the figures disclosed by the Group. These companies are grouped under Other countries. Posti does not have any operations or companies in countries classified as tax havens, where the corporate income tax rate is significantly lower than the Finnish corporate tax rate. The information presented below is based on the financial statements of separate companies and the information has not been consolidated.

### The Group's tax position in 2021

In 2021, the Group's effective tax rate was 19.9 percent (2020: 41.2 percent). The effective

## Financial impact in accordance with the income statement 2021 (EUR million)



\* Continuing operations – the results of Itella Russia presented as discontinued operations.

\*\* Year 2018 figures have been restated for continuing operations, as OpusCapita Solutions Oy was divested in 2019 first quarter and presented as discontinued operations.

\*\*\* More information from the section Tax footprint.

\*\*\*\* Board of Directors' proposal to the Annual General Meeting.

tax rate is calculated based on accrual-based income taxes and changes in deferred taxes.

The tax rate is significantly affected by the sale of Russian operations, which was published in December 2021, and the sale of the related Russian real estate companies to Posti resulted in a significant deductible loss in Finland. Deferred tax assets of EUR 18.5 million have been recognized for this loss. According to Posti's estimate, the tax loss will be fully utilized by 2024, which is why the corporate income taxes paid by Posti in Finland in 2021–2024 will be low. The Group's accrual-based income taxes for the financial year, excluding the effect of changes in deferred taxes, amounted to EUR 0.3 million.

During the financial year, the Administrative Court issued a ruling on the 2016 tax audit concerning the right to deduct certain value added tax (VAT). According to the Administrative Court's decision, Posti was entitled to deduct VAT, which led to the annulment of earlier decisions. As a result of the decision, Tax Administration refunded Posti approximately EUR 0.2 million in taxes paid previously.

Posti Group has no pending tax disputes in its other countries of operation.

## The Group's tax footprint

Finland	2021, MEUR	2020, MEUR
Net sales	1,308.2	1,288.8
Result before taxes	115.4	29
Number of personnel	14,813	13,384
Paid taxes	35.0	19.8
Remitted taxes	221.6	228.4
Received public support	0.0	0

Russia	2021, MEUR	2020, MEUR
Net sales	49.3	57.9
Result before taxes	5.2	10.1
Number of personnel	894	989
Paid taxes	3.6	3.7
Remitted taxes	6.0	7.2
Received public support	0.0	0

Scandinavia	2021, MEUR	2020, MEUR
Net sales	179.6	164.9
Result before taxes	-3.1	-1.2
Number of personnel	1,449	1,516
Paid taxes	10.3	8.3
Remitted taxes	17.6	16.6
Received public support	0.7	0.5

Other countries	2021, MEUR	2020, MEUR
Net sales	106.9	102
Result before taxes	3.4	4.2
Number of personnel	790	932
Paid taxes	4.5	3.7
Remitted taxes	4.1	4.7
Received public support	0.0	0

## Taxes paid by category and by geographical area

Paid taxes 2021, thousand EUR	Total	Finland	Russia	Scandinavia	Other countries
Income taxes	11,274	10,967	712	-419	13
Real estate taxes	3,082	2,315	352	409	6
Employer taxes	24,301	6,994	2,534	10,269	4,504
Environmental taxes	13,141	13,141	0	0	0
Other taxes	1,579	1,550	0	0	29

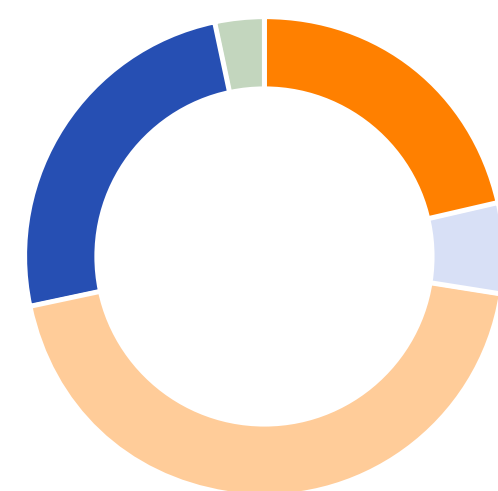
Paid taxes 2020, thousand EUR	Total	Finland	Russia	Scandinavia	Other countries
Income taxes	11,799	10,851	423	517	8
Real estate taxes	2,116	1,306	581	221	8
Employer taxes	20,622	6,338	2,709	7,900	3,675
Environmental taxes	11,745	11,697	0	0	48
Other taxes	1,508	1,507	0	0	1

## Remitted taxes by category and by geographical area

Remitted taxes 2021, thousand EUR	Total	Finland	Russia	Scandinavia	Other countries
Value added taxes	146,702	130,712	4,641	11,086	263
Salary taxes	101,660	90,364	1,178	6,535	3,583
Other taxes	479	82	150	0	247

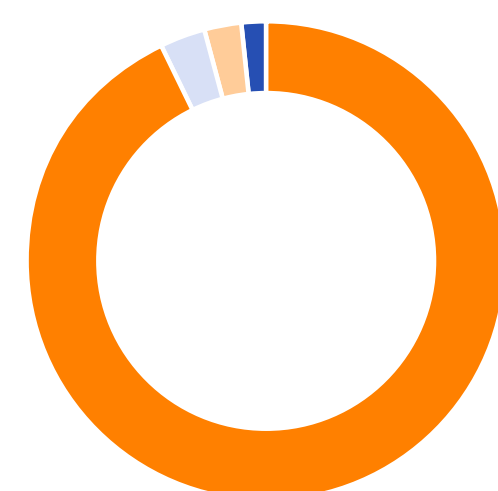
Remitted taxes 2020, thousand EUR	Total	Finland	Russia	Scandinavia	Other countries
Value added taxes	152,743	139,590	5,400	7,158	595
Salary taxes	103,540	88,750	1,545	9,434	3,811
Other taxes	565	59	231	0	275

### Paid taxes and fees, total 53.4 MEUR



- Income taxes 11.3 MEUR
- Real estate taxes 3.1 MEUR
- Employer taxes 24.3 MEUR
- Environmental taxes 13.1 MEUR
- Other taxes 1.6 MEUR

### Remitted taxes by geographical area, Posti Group, total 248.9 MEUR\*



- Finland 221.2 MEUR
- Russia 6.0 MEUR
- Scandinavia 17.6 MEUR
- Other countries 4.1 MEUR

\* Of which value added taxes 146.7 MEUR, salary taxes 101.7 MEUR and other taxes 0.5 MEUR.

### Paid taxes by type and geographical area, total 53.4 MEUR



### Financial impact in accordance with the income statement

EUR million	2021	2020*	2019	2018**
<b>From customers</b>				
Net sales	1,595.0	1,555.4	1,564.6	1,610.3
<b>To personnel</b>				
Salaries and fees	556.3	557.6	555.3	552.1
Social security expenses	35.0	32.4	25.2	30.1
Pension expenses	90.8	81.7	92.1	92.9
<b>To suppliers</b>				
Materials and services	474.0	457.4	482.9	514.0
Other operating expenses	271.1	275.8	287.8	331.3
<b>To public sector</b>				
Income tax on profit for the period***	9.6	18.1	2.4	5.2
<b>To financial sector</b>				
Interest expenses	6.7	6.5	2.0	1.7
<b>To owner</b>				
Dividends for profit for the period	32.0****	31.3	29.8	28.4

\* Continuing operations – the results of Itella Russia presented as discontinued operations.  
 \*\* Year 2018 figures have been restated for continuing operations, as OpusCapita Solutions Oy was divested in 2019 first quarter and presented as discontinued operations.  
 \*\*\* More information from the section Tax footprint.  
 \*\*\*\* Board of Directors' proposal to the Annual General Meeting.

# Reporting frameworks

Posti's sustainability report is based on the Global Reporting Initiative (GRI) guidelines.



# Reporting principles

The sustainability report is based on the Global Reporting Initiative (GRI) guidelines and it has been prepared in accordance with the GRI Standards Core option. Aspect-specific standards have been reported for Posti's material aspects of economic, social and environmental responsibility. A summary of the comparison between the report contents and the reporting guidelines is presented in the GRI content index.

As part of our International Post Corporation activities, PwC verified our 2020 emissions figure for Finland (excluding Transval and freight operations).

Reporting boundary Posti's sustainability aspects, environmental indicators and HR indicators are reported annually for the same period as the financial figures (January 1–December 31). Unless otherwise mentioned in context, the reporting covers all operations of the parent company and subsidiaries in all countries of operation. The Russian business divested in late 2021 is reported separately.

The coverage of the indicators is reported in connection with the indicators. The data and key indicators pertaining to financial responsibility are taken from the consolidated financial statements. Posti's financial reports follow the International Financial Reporting Standards.

## Reporting of environmental information and emissions

The indicators for environmental responsibility cover the Group's operations with the most significant environmental impacts in all of its countries of operation.

The accounting for greenhouse gas emissions follows the Greenhouse Gas Protocol standards and guidelines developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The accounting is based on the principle of operational control. Carbon dioxide equivalent emission factors have been used as the emissions factor whenever they have been available. The sources for the emission factors used in the calculation are provided in the [table](#).

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## GRI index

Disclosure number	GRI Standards 2021	Location
<b>ORGANIZATIONAL PROFILE</b>		
<b>GENERAL DISCLOSURES</b>		
102-1	Name of the organization	Posti Group Corporation
102-2	Activities, brands, products, and services	<a href="#">Board of Directors' Report 2021</a>
102-3	Location of headquarters	Posti Group's head office is located in Helsinki, Finland.
102-4	Location of operations	Posti Group operates in seven countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland.
102-5	Ownership and legal form	<a href="#">Share capital and shareholding</a>
102-6	Markets served	<a href="#">Posti in brief</a>
102-7	Scale of the organization	<a href="#">Posti in brief</a>
102-8	Information on employees and other workers	People responsibility indicators
102-9	Supply chain	<a href="#">Financial Statements and Board of Directors' Report 2021</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">Board of Directors' Report 2021</a>
102-11	Precautionary principle or approach	The precautionary principle has been observed in compliance with the legal requirements.
102-12	External initiatives	<a href="#">Sustainability at Posti</a>
102-13	Membership of associations	Posti engages in active dialogue with its partners and networks regarding the industry and the focus areas of sustainable development. These partners and networks include the international postal industry associations PostEurop, UPU (Universal Postal Union) and IPC (International Post Corporation), Service Sector Employers PALTA, the Finnish Business & Society (FIBS) network, Diversity Charter Finland and the Global Compact network. Posti is a member of the aforementioned associations and networks. In addition, Posti became a member of the Climate Leadership Coalition at the turn of the year 2020–2021.
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	<a href="#">President and CEO's review</a>
102-15	Key impacts, risks, and opportunities	<a href="#">Statement of non-financial information, Board of Directors' Report 2021</a>
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Sustainability at Posti</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Reports can be submitted anonymously. Posti is committed to protecting the rights and privacy of all individuals who submit a report in good faith. The reports are processed confidentially in accordance with Posti's established processes, and submitting a report does not result in any adverse consequences for the person who submitted the report.</a>



Disclosure number	GRI Standards 2021	Location
<b>GOVERNANCE</b>		
102-18	Governance structure	<a href="#">Corporate Governance Statement</a>
102-19	Delegating authority	<a href="#">Corporate Governance Statement</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Corporate Governance Statement</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">Cooperation with stakeholders</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Composition of the highest governance body and its committees</a>
102-23	Chair of the highest governance body	The Chair of Posti's Board of Directors is not an executive officer in the organization. More information on the Board and its committees: <a href="https://www.posti.com/en/governance/corporate-governance/board-of-directors-and-its-committees/">https://www.posti.com/en/governance/corporate-governance/board-of-directors-and-its-committees/</a>
102-24	Nominating and selecting the highest governance body	<a href="#">Corporate Governance Statement</a>
102-25	Conflicts of interest	<a href="#">Corporate Governance Statement</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Governance Statement</a>
102-28	Evaluating the highest governance body's performance	<a href="#">Corporate Governance Statement</a>
102-29	Identifying and managing economic, environmental and social impacts	<a href="#">Corporate Governance Statement</a>
102-30	Effectiveness of risk management processes	<a href="#">Corporate Governance Statement</a>
102-31	Review of economic, environmental and social topics	<a href="#">Corporate Governance Statement</a>
102-32	Highest governance body's role in sustainability reporting	<a href="#">Sustainability at Posti</a>
102-33	Communicating critical concerns	<a href="#">Reports can be submitted anonymously.</a> See item 102-17.
102-35	Remuneration policies	<a href="#">Remuneration Statement</a>

Disclosure number	GRI Standards 2021	Location
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	<a href="#">Interaction with stakeholders</a>
102-41	Collective bargaining agreements	In Finland, 99.6% of Posti's personnel are covered by collective labor agreements (includes Transval). In Sweden (Aditro Logistics), the corresponding figure is 99.9% of the personnel.
102-42	Identifying and selecting stakeholders	<a href="#">Dialogue with stakeholders</a>
102-43	Approach to stakeholder engagement	<a href="#">Dialogue with stakeholders</a>
102-44	Key topics and concerns raised	<a href="#">Dialogue with stakeholders</a>
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">Board of Directors' Report 2021, Group companies</a>
102-46	Defining report content and topic Boundaries	<a href="#">Reporting principles</a>
102-47	List of material topics	<a href="#">Posti's sustainability program and objectives</a>
102-48	Restatements of information	<a href="#">Reporting principles</a>
102-49	Changes in reporting	<a href="#">Reporting principles</a>
102-50	Reporting period	December 1–31, 2021
102-51	Date of most recent report	March 21, 2021
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	<a href="#">Reporting principles</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards 2020, Core option.
102-55	GRI content index	GRI index
102-56	External assurance	Posti's data on emissions and occupational safety was most recently verified in 2021 by PwC as part of Posti's reporting to IPC.
<b>MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Reporting principles</a>
103-2	The management approach and its components	<a href="#">Managing responsibility</a>

Disclosure number	GRI Standards 2021	Location
<b>ECONOMIC</b>		
<b>ECONOMIC PERFORMANCE</b>		
201-1	Direct economic value generated and distributed	<a href="#">Tax footprint</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Managing responsibility</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Defined benefit pension plan obligations, Financial statements 2021</a>
201-4	Financial assistance received from government	<a href="#">Government grants, Financial statements 2021</a>
<b>INDIRECT ECONOMIC IMPACTS</b>		
203-1	Infrastructure investments and services supported	<a href="#">Financial statements 2021</a>
203-2	Significant indirect economic impacts	<a href="#">Tax footprint</a>
<b>PROCUREMENT PRACTICES</b>		
204-1	Proportion of spending on local suppliers	In 2021, Posti purchased services and products from Finnish companies for EUR 658 million. In 2021, approximately 95.5% of Posti's total purchases in Finland were from domestic suppliers.
<b>ANTI-CORRUPTION</b>		
205-1	Operations assessed for risks related to corruption	The assessment of corruption risks is part of the Group's risk assessment procedure, which covers all business units and countries of operation.
205-2	Communication and training about anti-corruption policies and procedures	Posti has an Employee Code of Conduct and a Supplier Code of Conduct. They address topics including anti-corruption practices. Employee Code of Conduct training is mandatory for all employees. In 2021, 75% of the Group's employees had completed the training.
205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	<a href="#">Tax footprint</a>
<b>TAX</b>		
207-1	Approach to tax	<a href="#">Tax footprint</a>
207-2	Tax governance, control, and risk management	<a href="#">Tax footprint</a>
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Tax footprint</a>
207-4	Country-by-country reporting	<a href="#">Tax footprint</a>

Disclosure number	GRI Standards 2021	Location
<b>ENVIRONMENTAL</b>		
<b>ENERGY</b>		
302-1	Energy consumption within the organization	<a href="#">Environmental responsibility indicators</a>
302-2	Energy consumption outside of the organization	<a href="#">Environmental responsibility indicators</a>
<b>EMISSIONS</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental responsibility indicators, Reporting principles</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental responsibility indicators, Reporting principles</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Environmental responsibility indicators, Reporting principles</a>
<b>WASTE</b>		
306-2 (2016)	Waste by type and disposal method	<a href="#">Environmental responsibility indicators</a>
<b>ENVIRONMENTAL COMPLIANCE</b>		
307-1	Non-compliance with environmental laws and regulations	No fines or sanctions during the reporting period.
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
308-1	New suppliers that were screened using environmental criteria	Posti has a Sourcing Portal that is mandatory for all suppliers. Registration on the Sourcing Portal is a precondition for being approved as a Posti supplier. When registering on the portal, the supplier agrees to comply with Posti's Supplier Code of Conduct and provides the requested information regarding its quality and environmental management systems.
308-2	Negative environmental impacts in the supply chain and actions taken	In 2021, the company carried out 32 sustainability audits on its domestic affiliates. In addition, Posti held an online self-assessment survey for its contracted suppliers, covering areas such as the suppliers' sustainability.

Disclosure number	GRI Standards 2021	Location
<b>SOCIAL</b>		
<b>EMPLOYMENT</b>		
401-1	New employee hires and employee turnover	<a href="#">People responsibility indicators</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Posti as workplace</a>
<b>LABOR/MANAGEMENT RELATIONS</b>		
402-1	Minimum notice periods regarding operational changes	The minimum notification time is between 14 days and 6 months depending on the duration of the employment relationship, and it is included in most of the collective agreements that are applied in the Group.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
403-1	Occupational health and safety management system	Posti uses a certified ISO 45001 safety management system, which covered approximately 80% of Group personnel at the end of 2021.
403-2	Hazard identification, risk assessment, and incident investigation	accident frequency: Finland (Posti+Transval) LTAIr12=26, Group LTAIr12=23. Lost-time injuries at Posti=447. Lost working days at Posti: 8,704 days. Fatalities=0. Occupational diseases=0. Lost-time injuries at Transval=186
403-3	Occupational health services	Workplace surveys by occupational health, 11
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational safety and health committees convened regional meetings once per quarter=56 meetings, while the Finland-level occupational safety and health committee met four times in 2021. Actions at workplaces: safety walkabouts (4,899), Turvavartti safety updates (22,224), safety observations (53,640)
403-5	Worker training on occupational health and safety	1) Risk assessment training (2 h), 329 participants. 2) Training for industrial safety delegates 483*1-1.5h Themes: Occupational safety reporting and own resources and having a positive influence at the workplace. 3) occupational safety card training, 295 students, 80 hours) TDG (Transport of Dangerous Goods) related training, awareness and TDG safety advisor 8 hours and TDG intro 15 minutes, participants=4,046, hours=4,151. Fixed work training, 420 employees and 27 hours, one-hour accident investigation training for 61 employees, Training on the use of forklift batteries, 45 employees / 1 hour, occupational well-being for drivers, 8 employees, 42 hours, Transport industry regulations, equipment training 117 employees, 880 hours, ADR training (basic course, supplementary course, tanker permit, supplementary training) 102 employees, 1,068 hours, PEAK (proactive driving) 51 employees, 422 hours, DD trailer, 25 employees, 1 hour, First-aid training, 48 employees, 4 h/course.
403-6	Promotion of worker health	Occupational health care services, rehabilitation services by the employment pension insurance provider.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace risk assessments: 62, occupational safety training: 114, communications: approximately 800 (covering both Posti's personnel and certain partners, Turvavartti safety briefings)
403-8	Workers covered by an occupational health and safety management system	Posti uses a certified ISO 45001 safety management system, which covered approximately 80% of the Group personnel at the end of 2021. External audits: Posti=36, Transval=7
403-9	Work-related injuries	Lost-time injuries, Posti=447, Transval=186. Total lost-time injuries in Finland=633. Total reported injuries in Finland=1,427, Total lost-time injuries in Posti Group=643
403-10	Work-related ill health	Deaths=0, occupational diseases=0

Disclosure number	GRI Standards 2021	Location
<b>TRAINING AND EDUCATION</b>		
404-1	Average hours of training per year per employee	Average hours of training per employee in Finland (excluding Transval): 1.6 h. The figure includes reported training activities with a duration of at least one training day (6 h).
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Meaningful work</a>
404-3	Percentage of employees receiving regular performance and career development reviews	With production employees, the performance over the previous year as well as the objectives and targets for the coming year are discussed in groups once a year. In addition, a personal discussion is held in relation to personal development and well-being at work. The proportion of the personnel within the scope of regular performance reviews is approximately 2,700 people.
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
405-1	Diversity of governance bodies and employees	Women represented 33% of all Posti employees, while men represented 67% (Group, the figures are the same for Finland). At the end of 2021, Posti's employees represented a total of 96 different nationalities. Of the members of Posti's Leadership Team, 20% are women and 80% are men. See <a href="#">People responsibility indicators</a>
405-2	Ratio of basic salary and remuneration of women to men	The ratio between the basic salaries of women and men was 97%, Finland (excluding Transval) The ratio between the basic salaries of women and men was 90%, Finland (including Transval) The ratio between the basic salaries of women and men was 90%, Group
<b>NON-DISCRIMINATION</b>		
406-1	Incidents of discrimination and corrective actions taken	No known incidents.
<b>HUMAN RIGHTS ASSESSMENT</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments	Corporate responsibility and compliance risks are assessed as part of the Group's risk management process. As part of sustainability risk assessment, human rights were also identified in relation to the UN Guiding Principles on Business and Human Rights.
412-2	Employee training on human rights policies or procedures	Posti has an Employee Code of Conduct and a Supplier Code of Conduct. They address topics including human rights. Employee Code of Conduct training is mandatory for all employees. In 2021, 75% of the Group's employees had completed the training.
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
414-1	New suppliers that were screened using social criteria	Posti has a Sourcing Portal that is mandatory for all suppliers. Registration on the Sourcing Portal is a precondition for being approved as a Posti supplier. When registering on the portal, the supplier agrees to comply with Posti's Supplier Code of Conduct and provides the requested information regarding its quality and environmental management systems. In 2021, the company carried out 32 sustainability audits on its domestic affiliates. In addition, Posti held an online self-assessment survey for its contracted suppliers, covering areas such as the suppliers' sustainability.
<b>PUBLIC POLICY</b>		
415-1	Political contributions	Posti Group does not make political contributions to individuals or parties.
<b>CUSTOMER HEALTH AND SAFETY</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No significant incidents of non-compliance with regulations and principles during the reporting period.
<b>MARKETING AND LABELING</b>		
417-3	Incidents of non-compliance concerning product and service information and labeling	No significant incidents of non-compliance with regulations and principles during the reporting period.
<b>CUSTOMER PRIVACY</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2021, the number of privacy complaint cases in which the data protection authorities required further information from Posti was 5. The number of customer privacy cases reported by Posti to the data protection authorities was 15.
<b>SOCIOECONOMIC COMPLIANCE</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	No significant incidents of non-compliance with regulations and principles during the reporting period.



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