



2023 Remuneration Report

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Posti Group Remuneration Report

Introduction

The Posti Group Corporation (“Posti”) remuneration philosophy is designed to support the achievement of our strategic goals and reward proven results and excellent performance delivered in line with the strategy, culture, and values. The purpose of the remuneration philosophy is to attract and retain the best talent and teams at Posti and to motivate them to deliver the results and development of the Posti Group.

As in previous years, the remuneration of all personnel has been strongly targeted on timely remuneration for good performance. Spot recognition is specifically targeted towards personnel in company operations for both individuals and teams.

”We have showed good results in the past years and the year 2023 was no exception. We succeeded in making excellent improvements in operational efficiency and our profitability developed positively during the year. I want to thank all Posti employees who have demonstrated great resilience and reliability and have worked hard to achieve our joint goals. We worked well as a team and succeeded in scaling our operations in a challenging operating environment. As in previous years, I am pleased

that we have been able to direct our funds also this year to reward the excellent performance of our employees in operations.” says **Sanna Suvanto-Harsaae**, Chair of the Board of Directors of Posti Group.

The target setting of the short- and long-term incentive plans emphasizes Posti's strategic priorities. In accordance with Posti's remuneration policy, in addition to a fixed salary, short-term and long-term incentives have been used in remuneration of the President and CEO, whose targets are based on financial and strategic indicators promoting long-term shareholder value.

Sustainability is an important strategic priority for Posti, and it has been considered in the company's short- and long-term incentive programs. Work safety and reducing accident frequency are part of the short-term incentive program. Posti's emissions target for 2030 validated by the Science Based Targets initiative is part of Posti management's long-term incentive program. Employee engagement is also part of the long-term incentive program and is measured twice a year in Posti's employee survey. With the help of the Engagement Index, we can monitor and develop our personnel's commitment and motivation to their own work and organization.

Remuneration 2019–2023

	2019	2020	2021	2022	2023
Chair of the Board of Directors EUR ¹	67,800	76,917	79,800	75,000	67,200
Deputy Chair of the Board of Directors EUR ²	49,800	71,156	52,200	48,600	56,318
Other Members of the Board of Directors average EUR	39,542	22,408	34,918	33,327	31,159
Members of the Board of Directors Total EUR	433,936	394,561	411,340	382,500	403,948
President and CEO EUR ³	1,023,355	631,190	910,993	990,271	903,473
Posti employee average EUR ⁴	33,514	35,065	36,981	38,091	39,126
Net sales MEUR	1,564.6	1,613.6	1,595.0	1,651.6	1,586.1
Adjusted operating result MEUR	39.0	66.1	59.8	58.9	66.4
Adjusted EBITDA MEUR			181.6	183.8	197.7

¹ Sanna Suvanto-Harsaae since May 14, 2020, Markku Pohjola until May 14, 2020.

² Jukka Leinonen since April 3, 2023. Per Sjödelld until May 14, 2020, until April 3, 2023. Suvi-Anne Siimes until May 14, 2020.

³ Turkka Kuusisto since February 6, 2020, Turkka Kuusisto as interim since October 2, 2019, until February 5, 2020. Heikki Malinen until October 1, 2019.

⁴ Posti's total employee benefits deducted by pensions and other social expenses and divided by amount of full-time equivalent personnel.

Board of Directors Remuneration and Supervisory Board Remuneration 2023

Board of Directors Remuneration

The Board of Directors is responsible for the management of the company and the proper organization of its operations. Remuneration for the Board of Directors is approved annually at the AGM. The Board members receive

a monthly fee (based on their role) and an additional meeting attendance fee. Board members do not receive other benefits from Posti. The fee structure for the Board of Directors, which consists of a monthly remuneration and a meeting remuneration, has remained unchanged since 2010.

Remuneration in EUR payable to Board members determined at the 2023 AGM:

	Remuneration/ month	Remuneration/ meeting*
Chair of the Board of Directors	3,650	600
Deputy Chair of the Board of Directors	2,350	600
Member of the Board of Directors	2,100	600
Member of the Committee	-	600
Committee Chair other than Chair of the Board of Directors or Deputy Chair of the Board of Directors	2,350	600

* The meeting fee was paid in double (EUR 1,200) to the Board members when they attended at meeting physically outside their country of residence.

Board of Directors Remuneration 2023 (EUR)

Members 2023	Monthly remuneration, total	Meeting fees: Board of Directors	Meeting fees: Committee	Total
Sanna Suvanto-Harsaae (Chair) Strategy Committee (Chair) Personnel Committee (Chair) Audit, Risk and Sustainability Committee (until April 3, 2023)	43,800	13,200	10,200	67,200
Jukka Leinonen (Deputy Chair since April 3, 2023) Strategy Committee Personnel Committee (since April 3, 2023)	27,433	9,000	5,400	41,833
Per Sjödel (Deputy Chair until April 3, 2023) Personnel Committee (until April 3, 2023)	7,285	4,800	2,400	14,485
Raija-Leena Hankonen-Nyblom Audit, Risk and Sustainability Committee (Chair)	28,200	8,400	3,000	39,600
Harri Hietala (until April 3, 2023) Personnel Committee (until April 3, 2023)	6,510	2,400	1,200	10,110
Kari-Pekka Laaksonen Audit, Risk and Sustainability Committee	25,200	13,200	5,400	43,800
Frank Marthaler Audit, Risk and Sustainability Committee Strategy Committee	25,200	12,600	9,000	46,800
Minna Pajumaa Personnel Committee	25,200	9,000	2,400	36,600
Anni Ronkainen (since April 3, 2023) Personnel Committee (since April 3, 2023) Strategy Committee (since April 3, 2023)	18,760	6,600	4,200	29,560
Stefan Svensson (since April 3, 2023)	18,760	8,400		27,160
Hanna Vuorela Strategy Committee (until April 3, 2023) Audit, Risk and Sustainability Committee (since April 3, 2023)	25,200	9,000	3,600	37,800
Satu Ollikainen Personnel Representative		9,000		9,000

Supervisory Board Remuneration

Posti has a governance model by which the management of Posti is the responsibility of the General Meeting of Shareholders, the Board of Directors and the President and CEO. In addition, the management of the company is supervised

by the Supervisory Board. The Supervisory Board does not participate in remuneration- and reward-related decisions. The remuneration of the Supervisory Board is approved annually at the AGM. Supervisory Board members receive a fixed fee based on meeting attendance and they do not receive other benefits from Posti.

Meeting compensation in EUR payable to Supervisory Board members determined at the AGM in 2023 was:

	Fixed fee / meeting
Chair of the Supervisory Board	800
Deputy Chair of the Supervisory Board	600
Member	500

Supervisory Board members do not receive other benefits from Posti.

Supervisory Board Remuneration 2023 (EUR)

	Remuneration total
Aki Lindén, Chair (until August 11, 2023)	1,600
Aleksi Jäntti (since August 11, 2023)	500
Anders Norrback (since August 11, 2023)	500
Ari Torniainen (until August 11, 2023)	1,000
Eeva Kalli (until August 11, 2023)	1,000
Heli Järvinen, Deputy Chair (until August 11, 2023)	1,200
Jorma Piisinen (since August 11, 2023)	500
Kimmo Kiljunen (until August 11, 2023)	1,000
Mari Rantanen (until August 11, 2023)	-
Mia Laiho (since August 11, 2023)	1,000
Milla Lahdenperä (since August 11, 2023)	500
Oskari Valtola, Chair (since August 11, 2023)	800
Paula Werning, Deputy Chair (since August 11, 2023)*	1,100
Pekka Aittakumpu (since August 11, 2023)	500
Pia Lohikoski (until August 11, 2023)	500
Rami Lehto (until August 11, 2023)	1,000
Sari Essayah (until August 11, 2023)	1,000
Sari Tanus (since August 11, 2023)	500
Tiina Elo (since August 11, 2023)	500
Timo Furuholm (since August 11, 2023)	500
Timo Suhonen (since August 11, 2023)	500
Tomi Immonen (since August 11, 2023)	500

* Member of the Supervisory Board since January 1, 2023, until December 31, 2023. Deputy Chair since August 11, until December 31, 2023.

President and CEO Remuneration 2023

In accordance with our Remuneration policy, the President and CEO's remuneration consists of fixed salary (including fringe benefits) and variable pay. Variable pay can be based on either short-term or long-term plans. The maximum amount of variable pay in relation to fixed salary is determined based on the state's remuneration guidelines as applicable at the time. Currently variable pay in total is capped at 120% of base salary. At target level, variable pay equals to 50% of base salary. The President and CEO has no supplementary pension. The Board of Directors determines the remuneration of the President and CEO. The Board considers Posti's strategy and long-term targets when setting the criteria and targets for short- and long-term remuneration. The criteria selections aim to steer the President and CEO towards implementation of strategy and achievement

of sustainable financial results. Performance criteria shall be based on different financial, operative, and strategic criteria. Financial and operative criteria aim to ensure Posti's profitability, operational efficiency, and long-term sustainable development. Strategic criteria are used to emphasize areas of strategic development and business renewal. Posti aims to be in the frontline of developing responsible and sustainable business solutions and this shall be reflected in the President and CEO's performance-based remuneration as well.

The total amount of short-term bonus and long-term incentives paid to President and CEO Turkka Kuusisto in 2023 was 38.6% of the total amount of remuneration paid to him in 2023. The total amount of fixed salary (including fringe benefits and insurance benefits) was 61.4% of the of the total amount of remuneration paid to him in 2023.

Total Remuneration of the President and CEO 2023 (EUR)

Fixed salary including fringe benefits, holiday pay and insurance benefits	Short-term bonus related to 2022 performance	Long-term incentive relating to performance in 2020-2022 (LTI12)	Total
554,599	165,580	183,294	903,473

Long-term Incentive Plans

The long-term incentive plans are monetary incentive schemes that are based on Posti Group performance.

The maximum long-term incentive plan opportunity is 60% of one-year salary. In accordance with the terms of the incentive plan, the payment is conditional on a valid employment relationship at the time of the payment.

Plan	Performance measures	Outcome	Payment as % of maximum
LTI 12 performance period 2020–2022 Payment period 2023	Profitability (EPS) Greenhouse gas emissions Customer satisfaction	Over target	2023: 67%
LTI 2021–2023 Payment period 2024	Profitability (EPS) Greenhouse gas emissions Customer satisfaction	Over target	2024: 52%*
LTI 2022–2024	Profitability (EPS) Greenhouse gas emissions Customer satisfaction Employee engagement		
LTI 2023–2025	Profitability (EPS) Greenhouse gas emissions Customer satisfaction Employee engagement		
LTI 2024–2026	Profitability (EPS) Greenhouse gas emissions Customer satisfaction Employee engagement		

* Turkka Kuusisto is not entitled to the LTI 2021-2023 reward due to his resignation.

Short-term Bonus

Bonuses for 2022 performance (paid in 2023) were based on Group adjusted EBITDA, Group net sales, Group accident frequency rate (LTA1) and Fast Forward net sales, which combine net sales of businesses included in the internal Fast Forward strategy program scope. The bonus paid to the President and CEO Turkka Kuusisto for 2022 performance was 34.1% of annual base pay.

Bonuses for 2023 performance (paid in 2024) were based on Group adjusted EBITDA, Group net sales, Group accident frequency rate (LTA0) and Customer experience. The bonus paid to the President and CEO Turkka Kuusisto for 2023 performance was 45.0% of annual base pay.

The maximum bonus opportunity for the short-term bonus is 60% of annual base pay. The bonus payment is conditional on a valid employment relationship at the time of the payment.

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