



2023 Sustainability report

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We are making progress in our shared sustainability efforts

Due to the global situation and the general economic conditions, the year 2023 was not easy for Posti employees or our customers. High inflation and rising interest rates have affected people's purchasing power and created uncertainty in the market. Nevertheless, as a company, we managed to enhance the operational efficiency of our production and improve our profitability, while achieving progress towards our key sustainability goals. Our entire workplace community deserves a great deal of credit for these accomplishments and the past year in general. Your strong contribution enables Posti to operate with increasing agility and speed.

A year ago, I wrote that the well-being of our employees is our single most important goal for 2023. We have worked very hard towards that goal.

We launched Caring Leader training program that will be completed by all 900 of our supervisors by the end of 2024. The first 200 supervisors completed the training in 2023.

We launched new goals for increasing diversity, equity and inclusion. They help us to recognize that we are moving in the right direction in that area.

We also made progress in our occupational safety and well-being at work activities. We monitor the development of occupational safety by means of the LTA0 accident frequency indicator. Our LTA0 improved from 56 to 39, and the targets set for LTA0 were achieved in all business groups. Our sickness-related absence rate decreased to 5 (5.9).

One of the indicators we use is the employee recommendation index: in our twice-yearly employee survey, we ask all Posti employees whether they would recommend us as an employer. The figure has improved by over 20 points during the past two years. Posti was also included in the Financial Times' Diversity Leaders 2024 list.

While we are pleased with the progress we have made, we recognize that we can always do even



➔ **Sustainability is a choice. It is a high priority in our strategy, and our work will continue.**

better. We will continue our efforts to become a workplace where everyone feels valued and part of the community, and where everyone recognizes the importance of their work in the provision of Posti's services. We also began updating our sustainability program in the fall of 2023. The updated program will be published during spring 2024.

Our aim is to transport fossil-free in 2030 and to achieve net-zero emissions in 2040. We made progress toward this goal as planned. Last year, we managed to reduce our own emissions, i.e. Scope 1 and Scope 2 emissions, by 16.1% when compared to the previous year.

In January, Smart Freight Centre and the World Business Council for Sustainable Development (WBCSD) released new guidance on the reporting of emissions of transport chains. I am proud that Posti was one of over 30 global development partners that made this possible.

In the first quarter of the year under review, we also signed a three-year cooperation agreement with WWF to promote the protection of biodiversity. Posti wants to be a forerunner in not only combating climate change but also mitigating biodiversity loss.

In May, we deployed our first electric semi-trailer truck on selected routes in Finland. Posti's Volvo FM 42T electric truck is one of the first in Finland. The vehicle is one concrete example of the implementation of Posti's roadmap for a clean transport fleet. The roadmap includes a plan to deploy as many as thousands of new electric, biogas and hydrogen vehicles by 2030. In early 2024, we also announced a pilot project in which we converted a diesel-powered delivery truck into an electric truck. We believe that these types of conversion projects will make it easier for smaller transport companies to invest in electric heavy traffic in the near future. The conversion of existing vehicles is also a concrete example of the circular economy.

In September, I had the opportunity to discuss the Agenda 2030 for sustainable development with other leaders at the UN General Assembly as a member of Finland's official delegation. We are almost halfway to 2030, and progress towards many of the UN Sustainable Development Goals (SDGs) is lagging behind the targets. I believe that companies such as Posti have a great opportunity to make a significant contribution to the achievement of the SDGs. In December, we were one of many companies participating in the UN Climate Change

Conference COP28 where a historic agreement was reached. The outcome of the first global stocktake is the first UN decision to mention transitioning away from fossil fuels. This can be considered as a strong signal.

I took up the post of President and CEO at Posti just over four years ago. During these years, we have, together, demonstrated that an institution that is nearly 400 years old can still have a strong capacity for renewal. We have renewed Posti and successfully executed the company's strategy. We have managed to turn customer satisfaction, employee commitment and the company's reputation towards an upward trajectory. At the same time, we have achieved good results in our sustainability efforts, particularly in the area of environmental responsibility. The company's profitability and financial performance have also improved.

This is the last time I am writing in our sustainability report as Posti's President and CEO. I would like to take this opportunity to thank all of my colleagues and our customers for the work we have done together. The momentum we have built up will not stop.

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 make our customers' everyday lives smoother with a wide range of services which include parcels, freight, and postal services as well as warehouse, fulfillment, and logistics services.

We responsibly deliver what matters to you. Our goal is to zero our own emissions by 2030 and transport completely fossil-free throughout the value chain by 2040.



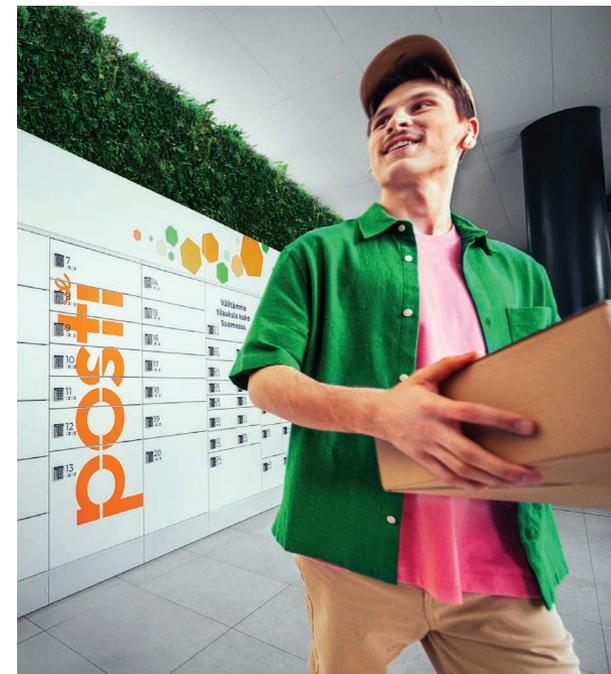
Net sales
1,586.1
EUR million

Adjusted EBITDA
197.7
EUR million

Personnel at the end of 2023
approximately
17,000
people

Our own emissions (Scope 1 and 2)
reduced by
16%

➔ We Care about our customers, each other and the planet.



Highlights of the year



Promoting circular economy

Our new Circular Economy Venture helps companies seize the business opportunity hidden within the circular economy. When consumers have more frequent opportunities to choose second-hand products, the emissions involved in manufacturing a new product are avoided. We also made recycled fashion more attractive together with our customers during our Secondhand September theme month.

➔ **Choosing a recycled product avoids the emissions of manufacturing a new one.**

A diverse and safe workplace

We adopted new goals for increasing diversity, equity and inclusion. We started Caring Leader training program for all 900 of our supervisors. Our accident frequency and sickness-related absences decreased.

For the nature

Together with Service Sector Employers Palta and other companies, we began drawing up a biodiversity roadmap for service industry players. We also started a three-year cooperation with WWF to promote the protection of biodiversity.

Involved in making an impact

We attended the UN SDG Summit to assess the status of the Agenda 2030 goals and the COP28 Climate Summit as part of the Finnish delegation.

Emissions decreased

We participated in developing global guidance on the reporting of emissions from transport chains. Our own emissions (Scope 1 & 2) decreased by 16.1% last year.

Sharing information

The Sustainable Business Summit and our sustainability webinars attracted thousands of participants.

Our sustainability efforts were recognized

EcoVadis, the world's leading provider of business sustainability ratings, awarded a Platinum medal to Posti for the third consecutive time. Platinum is the highest possible rating in the EcoVadis framework, reserved for the top 1% of

companies globally. Posti also made it onto the Financial Times Climate Leaders list for the second time. The list consists of the European companies that have reduced their climate emissions the most. Posti was listed on the Financial Times Diversity

Leaders 2024 list for the first time. Posti had the strongest improvement in reputation (+0.18 units) among the companies included in T-Media's Trust & Reputation survey. Posti's reputation also improved significantly in 2021 and 2022.



Posti's strategy and business environment

Posti's strategy is to focus on its delivery and logistics business. Last year, these businesses accounted for 60.5% of Group's net sales. Posti has defined parcel deliveries, contract logistics and eCommerce fulfillment as its core businesses. The company made progress in its strategic focus areas as planned in 2023.

Posti's strategy and business environment

Posti's strategy, which was updated three years ago, is to focus on the delivery and logistics business. Our growth consists of delivery and logistics services in Finland, Sweden and the Baltic region.

Our operations are based on our purpose, "Responsibly delivering what matters to you—on your terms", and our values: reliable, respectful and progressive.

Our vision is to become a modern delivery and fulfillment company with progressive profitability. The aim is to have a significant part of net sales generated from these businesses.

Posti has defined parcel deliveries, contract logistics and eCommerce fulfillment as its strategic core businesses. These core businesses are supported by in-house logistics, 4PL transport solutions, industrial logistics, freight, logistics staffing and postal services. The diagram on page 29 describes the different parts of the value chain that create Posti's business.

In 2023, eCommerce and Delivery Services and Fulfillment and Logistics Services, together, accounted for approximately 60.5% of Group's net sales.

Posti offers a comprehensive range of services under one roof, from freight to warehousing and from order processing and picking to transporting orders. At its best, this means that



a customer can still order an item from an online store late in the evening and have it delivered to their home during the next day.

We will deliver printed mail for as long as there is something to deliver. In the future, printed mail will go through our network together with

parcels. On the basis of the current trend, we estimate that, in the 2030s, the number of parcels will exceed the number of letters.

The following focus areas are defined in our strategy: development of the customer experience and brand, development and

growth of the business portfolio in Sweden and the Baltic countries, achieving industry-leading operational efficiency and fossil-free operations by 2030.

The company made progress in its strategic focus areas as planned in 2023. Customer satisfaction for home parcels and postal parcels remained excellent throughout the year. We released a new version of the OmaPosti parcel tracking and digital mailbox application. OmaPosti will help Posti to ensure that its competitiveness as the digitalization of letters from the authorities, which is currently being prepared by the Finnish Government, moves ahead.

We further improved our delivery speed for eCommerce parcels. For example, the delivery time for orders from Verkkokauppa.com was halved. Posti had the strongest improvement in reputation (+0.18 units) among the companies included in T-Media's Trust & Reputation survey. Posti's reputation also improved significantly in 2021 and 2022.

Organic growth continued in the Baltic countries. Posti divested Transval's store logistics services, which was a non-core business.

➔ **Posti offers a comprehensive range of services under one roof, from freight to warehousing and from order processing and picking to transporting orders.**

Consumer confidence in the economy bottomed out in 2023 but begun to recover during the latter part of the year. High inflation and increased interest rates have affected household purchasing power.

Despite the challenging business environment, we managed to improve the operational efficiency of production and operate more cost-effectively. This enabled us to improve our profitability during the year under review.

Posti is also continuing to invest in its own technological capabilities and production facilities, such as new, modern, and efficient automated sorting machines, terminals

and warehouses. One example of these developments is the construction of Transval's new warehouse in Järvenpää, Finland.

Posti's own emissions (Scope 1 & 2) continued on a downward trend and decreased by 16.1%. More information on our climate targets and related progress is provided in the Planet section of this report.

In the fall of 2023, Posti's Board of Directors concluded that the strategy is still effective, and its execution is moving in the desired direction.

Postal Act reforms entered into force

The Postal Act reforms that entered into force in October 2023 reduced Posti's universal service obligation to three days in mainland Finland. Five-day delivery of print newspapers in sparsely populated areas will continue with newspapers being delivered on two weekdays with new temporary delivery support. Traficom awarded the government grant to Posti in 17 of the eligible areas after a public application process, and in Lapland a separate public service obligation was imposed on Posti.

The changes represent responsible decisions that adapt the regulation of the industry to the sharp decline in postal volumes while simultaneously supporting the delivery of print newspapers in sparsely populated areas. We are satisfied with the reforms enabling continued full-time employment in mail delivery along with significant reductions in emissions. The reforms will also enable us to better respond to the changing needs of our customers. By easing postal regulation, the state will not have to finance the universal service with tax revenue.

In practice, the impact of three-day universal service delivery on mail recipients will be small, as the delivery speed of letters will remain unchanged. The reduction in delivery days will not affect the delivery of official letters, which are commercial and competitive contract-based deliveries. Posti will deliver these products fully in accordance with the service level agreement agreed upon with the customers.

The Postal Act reforms also benefit the environment. By reducing the number of delivery days and making delivery more efficient, Posti is able to significantly reduce its carbon dioxide emissions.

Sustainability review

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Posti's sustainability program and targets

Managing sustainability

Posti is committed to sustainability and ethical business in all of its operating areas. Posti's sustainability is based on the company's strategy, values and commitments and the decision-in-principle of its owner, the State of Finland, indicating that state-owned companies should be held as examples of a high standard of corporate social responsibility and sustainability. Sustainability is incorporated into the company's purpose.

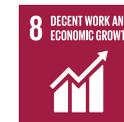
Sustainability is a key component of Posti's strategy. The Board of Directors and Posti's Leadership Team monitor the progress of the sustainability program on a regular basis. Posti's Leadership Team has included a Senior Vice President in charge of sustainability since 2021. The Audit, Risk and Sustainability Committee of Posti's Board of Directors evaluates and monitors Posti's sustainability reporting and risk management systems alongside its other responsibilities. The sustainability-related targets

incorporated into Posti's remuneration programs include a climate target, an occupational safety target and an employee commitment target.

Sustainability is part of day-to-day work, management, and risk management at Posti. In decision-making, we consider not only financial factors but also the social and environmental aspects of our operations. Posti's sustainability efforts are based on international sustainability initiatives and commitments, including the UN Global Compact, the UN Sustainable Development Goals (SDGs) and the Science Based Targets initiative (SBTi), which has approved Posti's short-term emission reduction targets for 2030 and the net zero target for the entire value chain by 2040.

The Group's sustainability efforts are led by the Sustainability Forum, which is a cross-organizational steering group that includes representatives from all Posti's businesses and support functions. The steering group is tasked with monitoring the progress of

As a member of the International Post Corporation (IPC) and as part of international industry level collaboration Posti is committed to the promotion of five UN Sustainable Development Goals by 2030.



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



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



Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable



Responsible production and consumption: Ensure sustainable consumption and production patterns



Climate action: Take urgent action to combat climate change and its impacts

More information on the progress of IPC's environmental and climate efforts is provided in the IPC Postal Sector [Sustainability Report 2023](#).

the company's sustainability program and ensuring that sustainability perspectives are considered in Posti's business and investment decisions. The steering group is headed by a representative of the Posti Leadership Team. Employee awareness of the various areas of sustainability is promoted by means of Group-wide training, among other measures. Key employees are provided with in-depth training when sustainability-related regulations change, for example. Sustainability themes

are also regularly featured in various forums, such as sustainability briefings for employees, sustainability webinars and other internal channels.

In 2023, Posti prepared in various ways for the introduction of the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards. During the year under review, Posti completed its assessment of the financial impacts of

climate change in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. To prepare for upcoming regulations, Posti conducted a double materiality assessment of its material sustainability impacts, risks and opportunities in the fall of 2023 and began the process of integrating ESG risks into the company's risk management process. The updating of Posti's sustainability program also began in 2023.

Posti's sustainability program and targets

Posti's sustainability program for 2021–2023 has four focus areas to promote the well-being of people and the planet. Day-to-day work and continuous development to promote occupational safety and well-being, diversity, equity and inclusion, sustainable sourcing and ethical business practices form the basis of our sustainability efforts.

The implementation of our sustainability program progressed as planned in 2023. As regards our employees, our objectives are meaningful work and purpose-driven leadership. We want all of our employees to be able to be proud of being Posti employees and the work they do. We invested in developing the employee experience in many ways during the year. Our new leadership principles were published in April. The principles guide day-to-day management and constitute a shared foundation for supervisory work, and they also serve as a promise of caring management for our employees. In the fall, we published measurable and time-linked targets for our diversity and equity efforts. The purpose of the targets is to further strengthen diversity, equity, and inclusion

Posti's sustainability program and objectives

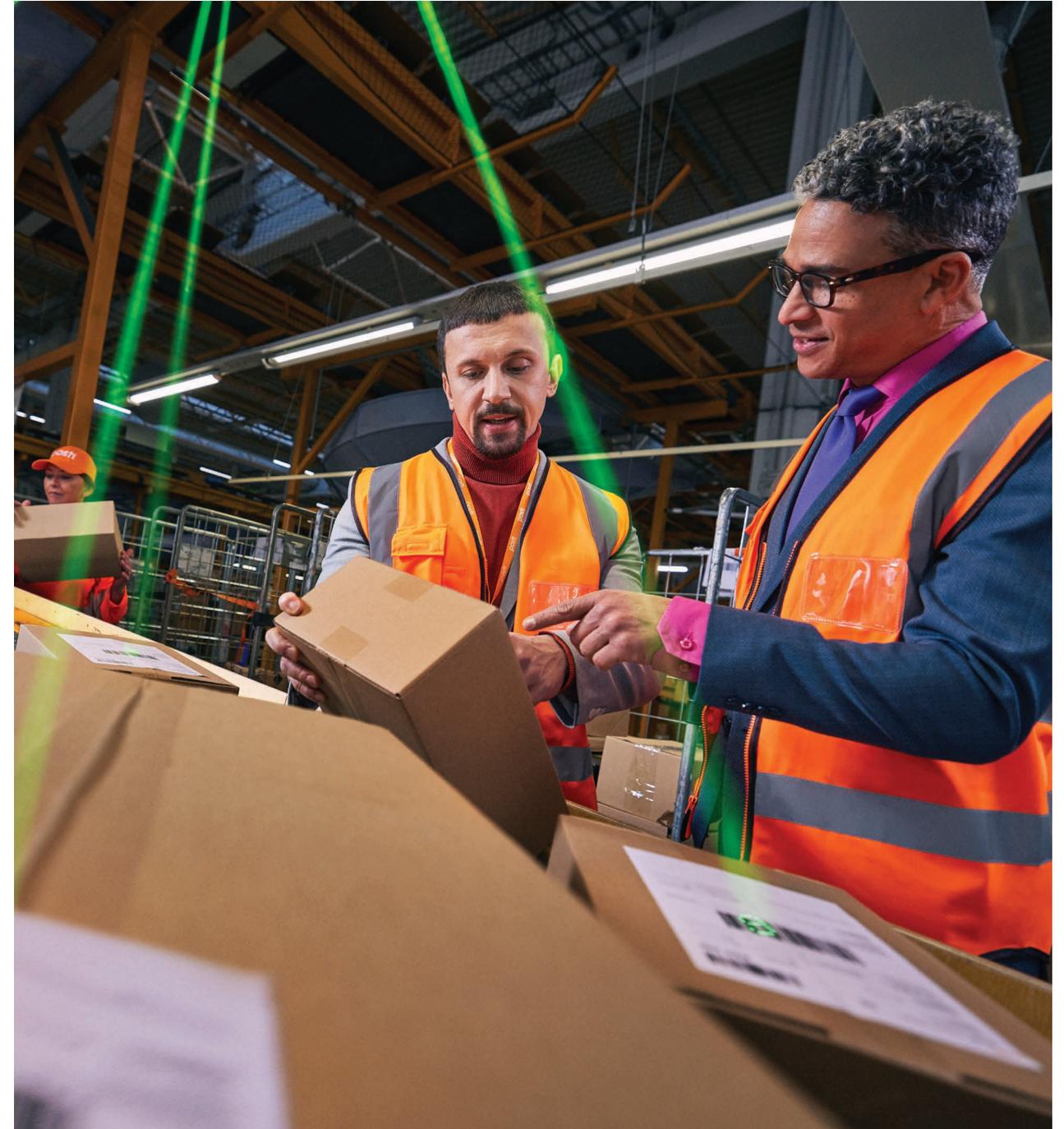
	People		Planet	
Focus area	Meaningful work	Purpose-driven leadership	Zero Carbon 2030	Together towards green future
Objective	We feel proud of who we are and what we do together.	We lead through common leadership principles, values and purpose.	We will reduce our own emissions to zero and achieve fossil-free transport by 2030.	Posti is recognized as a green industry forerunner.
Foundation	Safety, Well-being, Diversity & Inclusion, Equity, Sustainable sourcing, Ethical business			

at Posti. We also made good progress in our occupational safety and well-being at work activities in 2023.

As a delivery and logistics company, mitigating climate change is at the core of Posti's sustainability efforts. Mitigating climate change is also one of the company's strategic goals. Our ambitious target is to transport fossil-free by 2030, both for our own and purchased road transport operations. We made progress toward our climate targets in many ways in 2023. We achieved significant emission reductions both in our own emissions (Scope 1 and 2) and the emissions generated by our value chain (Scope 3). More information is provided in the Planet section. We also made progress with the clean fleet roadmap we published in 2022 and renewed our fleet to take advantage of fossil-free propulsion. In addition to reducing emissions, we implement our sustainability program by supporting our customers' climate efforts and helping them achieve their sustainability targets by accelerating circular economy-based business activities, for example.

Updating the sustainability program

The year 2023 was the final year of our sustainability program. Sustainability-related expectations toward companies are continuously increasing, and businesses are expected to actively take part in solving society's challenges. In 2023, we began the process of updating our sustainability program. The new sustainability program will be published in spring 2024. We extensively engaged external and internal stakeholders in the process of updating the sustainability program. Our aim is to have an even more comprehensive program that combines sustainable growth and ambitious climate efforts, a caring and inclusive personnel strategy, and a positive impact on society.



People

People are our most important asset on our journey toward the most sustainable logistics in the world. We want to create an appreciative and safe working community where our employees feel well.

Meaningful work

We want to create an appreciative and safe working community where our employees can feel pride in being Posti employees and their work.

We continued to implement the People Journey program, which began in 2022 and focuses on employee well-being and commitment. The purpose of the program is to take care of our personnel and support their development. The concrete actions and initiatives under the People Journey program support and implement Posti's strategy and turn our people-related sustainability promises into a reality. Posti's leadership work, occupational safety and diversity and equity efforts have been developed as part of the People Journey program, for

example. All of these themes also influence the employee experience.

Posti's employee survey was conducted twice in 2023. Conducting the survey twice a year provides the necessary time to develop the employee experience based on the responses received. The employee engagement index was on an ascending trajectory in both surveys.

Competence development

Our vision is to be a modern delivery and fulfillment company. This requires industry-leading competence on the part of our personnel.



Posti facilitates diverse learning and continuous development. For example, all Posti employees and the personnel of our partners have access to our digital learning platform. However, most of the learning at work takes place in day-to-day work while performing various tasks and taking on new challenges. Formal training is only a small part of competence development. Planning and organizing concrete measures is not the responsibility of an individual training organization. Posti employees actively take part in planning and implementing training. Everyone is responsible for their own competence and its development, with the employer and supervisor providing the framework and opportunities for development.

➔ **The employee experience is developed on the basis of a twice-yearly employee survey.**

Internal recruitment and re-employment service serves Posti employees

In the transformation of the industry, productive work decreases in some areas and increases elsewhere. In 2023, the purposes of Posti's internal recruitment and re-employment service included finding full-time employment opportunities for Posti employees. The internal change service seeks a long-term solution for the coming years, as well as the use of different work models in the coordination of jobs, particularly in production roles. The unit's services are being developed in cooperation between the employer, employees and employee representatives.

Safety

We want to provide all of our employees and partners with a healthy and safe workplace where everyone has a high level of well-being. Our occupational health and safety targets and principles are defined in our People Policy, which was published in 2023.

Continued implementation of established management practices

In 2023, we continued the implementation of systematic occupational safety management and improved our resource allocation with regard to experts. We harmonized our procedures as regards risk assessment and the reporting of observations, for example. In our labor-intensive industry, the most significant occupational safety risks are associated with employee movement, traffic, and work ergonomics. We developed closer cooperation between safety, occupational health and well-being at work. In the latter part of the year, we finalized our long-term occupational safety targets and plans at the Group level and the business-specific level.

We performed well with regard to our goal of reducing accidents and sickness-related absences. Our overall accident frequency (LTA0) decreased from 56 to 39, which means that 300 fewer accidents were reported than in the previous year. We achieved our targets in each business group.

Although the overall development has been positive, there was a tragic traffic accident in our working community at the beginning of last year, which resulted in the death of one of our mail delivery employees. The accident was caused by an external individual. We paid special attention to the monitoring of serious accidents. We introduced a new practice, whereby all Leadership Team meetings start with a review of serious incidents during the preceding month. We have found that this is a good practice for maintaining shared awareness of the situation. In 2023, the number of serious accidents that caused an absence of over 30 days (and/or required hospital care) increased by 34% when compared to the previous year. They represented approximately 4% of all reported accidents. Most of the accidents in question were classified as serious due to the prolonged absences involved. We monitor this trend closely, as the age structure of Posti employees engaged in physical

labor can make them susceptible to prolonged absences.

We also made progress in the area of preventive occupational safety. The number of safety observations reported in 2023 was 20% higher than in the previous year. The common reporting tool that was previously used in Finland was also deployed in the Baltic countries and Sweden. This increases transparency in the monitoring of our common procedures, such as observations and safety walkabouts.

We invested in competence development in all of our personnel groups. For example, our employees completed over 1,500 Occupational Safety Cards in Finland. We also started Caring Leader training for supervisors. Occupational safety was established as an agenda item for the Leadership Teams of our business areas, and the Leadership Teams also organized training and workshops on occupational safety.

We invested in communications on occupational safety, talked about 2023 as a year of occupational safety, and highlighted achievements in our various business areas during the year.

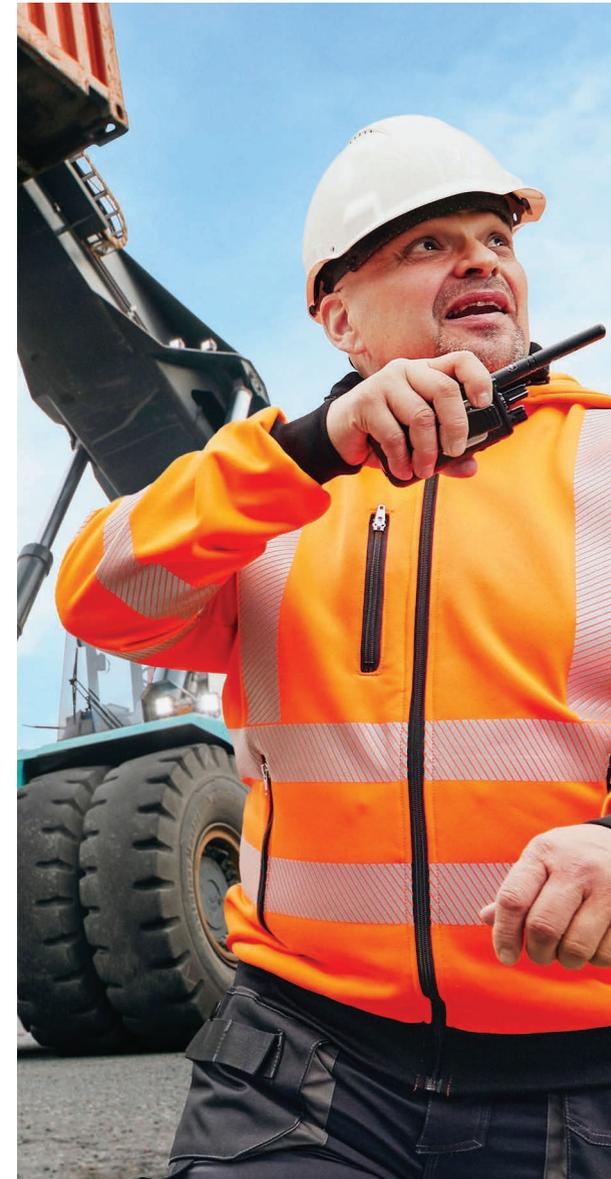
Well-being

The well-being of Posti employees is an essential element of our social responsibility. Our aim is to shift the focus of work ability management towards an increasingly preventive direction so that work ability problems are avoided entirely or identified in a timely manner. We engage in cooperation with our businesses to influence the typical work ability challenges in each business.

Work ability is an occupational safety issue

Most of Posti's employees engage in physical labor, and musculoskeletal disorders cause most of the sickness-related absences in our organization. Posti employees who suffer from musculoskeletal disorders have been primarily referred to occupational physiotherapists who are familiar with the nature of their work. This has improved the timeliness of counselling and treatment.

We familiarized even more of our employees with occupational physiotherapists by organizing informal briefings and grip strength measurements as part of the Our Posti tour



of our various operating locations in spring 2023. We also increased awareness of safe and ergonomic working practices during workplace visits by occupational physiotherapists at our terminals.

In 2023, we paid special attention to the well-being and health of our drivers. Our occupational health care provider invited transport employees over 55 years of age to complete a health survey. The results made it possible to focus on the issues of relevance to each employee's work ability during their health examinations to support and maintain work ability.

A sharp decline in the number of long sickness-related absences

Work ability management involves close cooperation between different parties. Our work ability specialists support supervisors in individual cases and issues, and solutions for supporting work ability are developed on a collaborative basis. In 2023, long sickness-related absences exceeding 90 days decreased by 43% when compared to the previous year. This is a major achievement that stems from long-term cooperation.

Developing the competence of supervisors has been one key factor behind this improvement. We have built a learning path to train supervisors and ensure their competence with regard to work ability. The learning path starts from the orientation of new supervisors. Many supervisors have also developed more in-depth competence through Master of Work Ability training, which is implemented in cooperation with the pension insurance company Ilmarinen.

Training on Well-being at Work Discussions

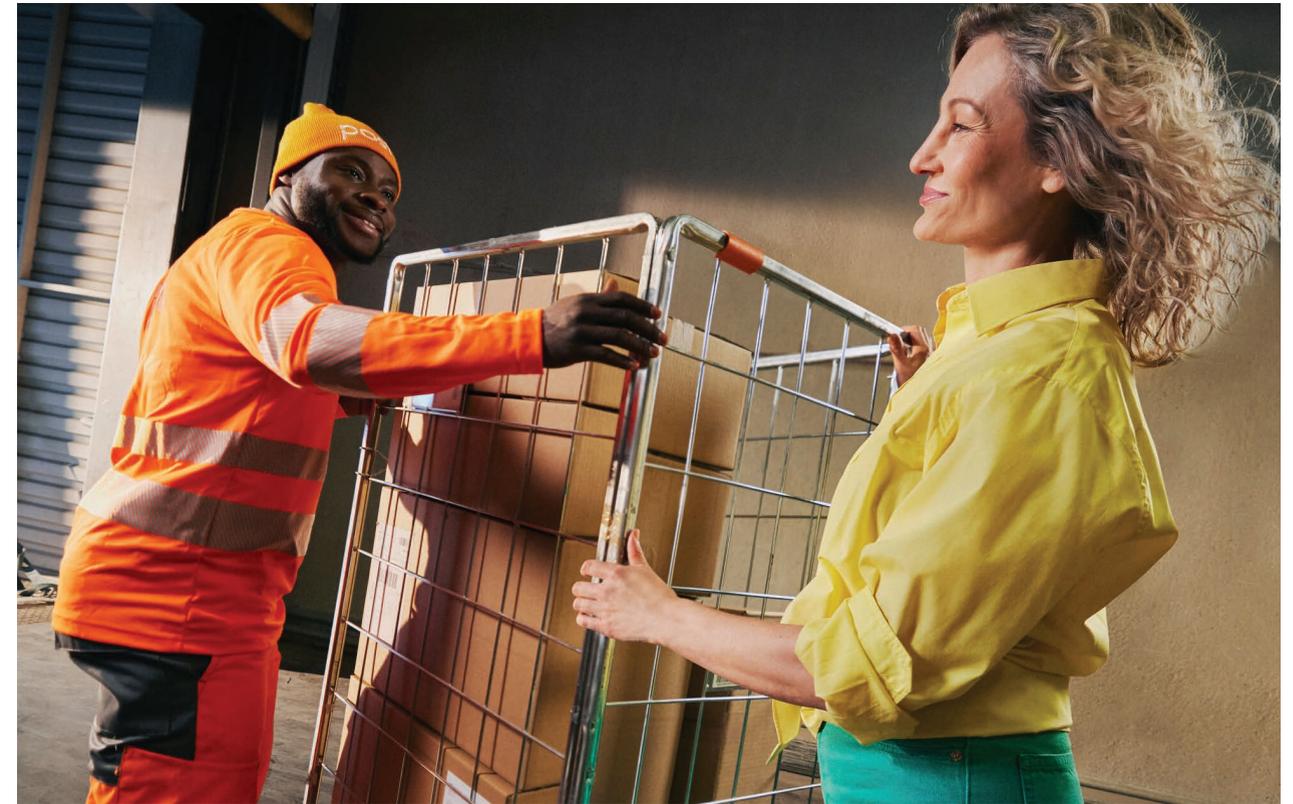
In spring 2023, we experimented with training that involved addressing difficult issues through theatre. The aim was to strengthen the competence of customer service supervisors with regard to Well-being at Work Discussions. The supervisors had simulated conversations with an actor to provide them with concrete tools on how to adapt their discussion approach to each situation. At the same time, the training provided an opportunity to see how others would bring up a difficult topic.

Diversity and equity

Diversity, equity and inclusion are among the cornerstones of Posti's sustainability program. We want to work together to build a culture that encourages and promotes diversity, equity and inclusion. Diversity in our work community enriches us: together, we represent more than 80 nationalities as well as different age groups and educational backgrounds.

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.

Despite our history, systematic work on diversity and equity is relatively new both at Posti and among Finnish companies. In 2022, we began a systematic effort at Posti to promote diversity, equity and inclusion. Among other things, we conducted our first survey on the topic, which was aimed at a limited group of employees. We continued these efforts in 2023.



Targets to support diversity and equity

In 2023, we published measurable and time-bound targets for our diversity and equity work. The purpose of the targets is to further strengthen diversity, equity and inclusion at Posti. While the performance indicators only cover part of our efforts to promote diversity and equity, they help us determine whether we are moving in the right direction. The performance indicators are shown in the Sustainability statement section of this report.

We expanded our employees' awareness and competence regarding the subject through training and internal communications. We were a Working with Pride partner of Helsinki Pride in 2023. During the Pride month, we highlighted diversity and equity issues in our internal communications and through a webinar aimed at the personnel. We also participated in the Pride parade for the first time.

We began developing online training for Posti's supervisors in 2023. The training was launched in February 2024.

Purpose-driven leadership

In the spring, we updated our leadership principles in cooperation with all of Posti's supervisors. Creating a good and caring management culture is of paramount importance to Posti's transformation, as it promotes employee commitment, which in turn leads to better customer satisfaction.

The updated leadership principles are **we care, we develop, and we deliver**. The principles guide day-to-day management and constitute a shared foundation for supervisory work. They also serve as a promise to our employees of what kind of supervisory work they can expect when working at Posti. The leadership principles are naturally linked to our values: reliable, respectful, progressive.

We believe that by acting in accordance with our values and new leadership principles, we realize our purpose and vision and build Posti into a better workplace. The leadership principles are a joint commitment that we want to observe in our day-to-day work.

The practical implementation of the new leadership principles continued across the organization throughout the year. One of our concrete measures was to start a new Caring Leader training program. Our goal is for every supervisor at Posti to participate in the training by the end of 2024. The purpose of the training is to support the day-to-day work of supervisors and provide tools for caring leadership.

In spring 2023, we also published Posti's new leadership promise – Every Posti employee is entitled to good and caring supervisory work – which guides us towards a people-oriented management approach that is aligned with our leadership principles.

Our focus on leadership development was also favorably reflected in the Leadership Index of the Peakon employee survey, which trended upward throughout the year.



Working in Finland

The workplace is one of the key factors in an immigrant's integration into society. During the year, Posti employed over a thousand people who held a residence permit for an employed person. That group alone represented over 70 different nationalities. Posti is one of the first workplaces for many immigrants and plays an important role in learning how daily life works in Finland.

This is not a responsibility we take lightly. We believe that by treating each employee fairly and by the same rules, we together build a society that is respectful and takes others into consideration. We also help many new Posti employees with day-to-day issues by providing information in multiple languages and being present as people.

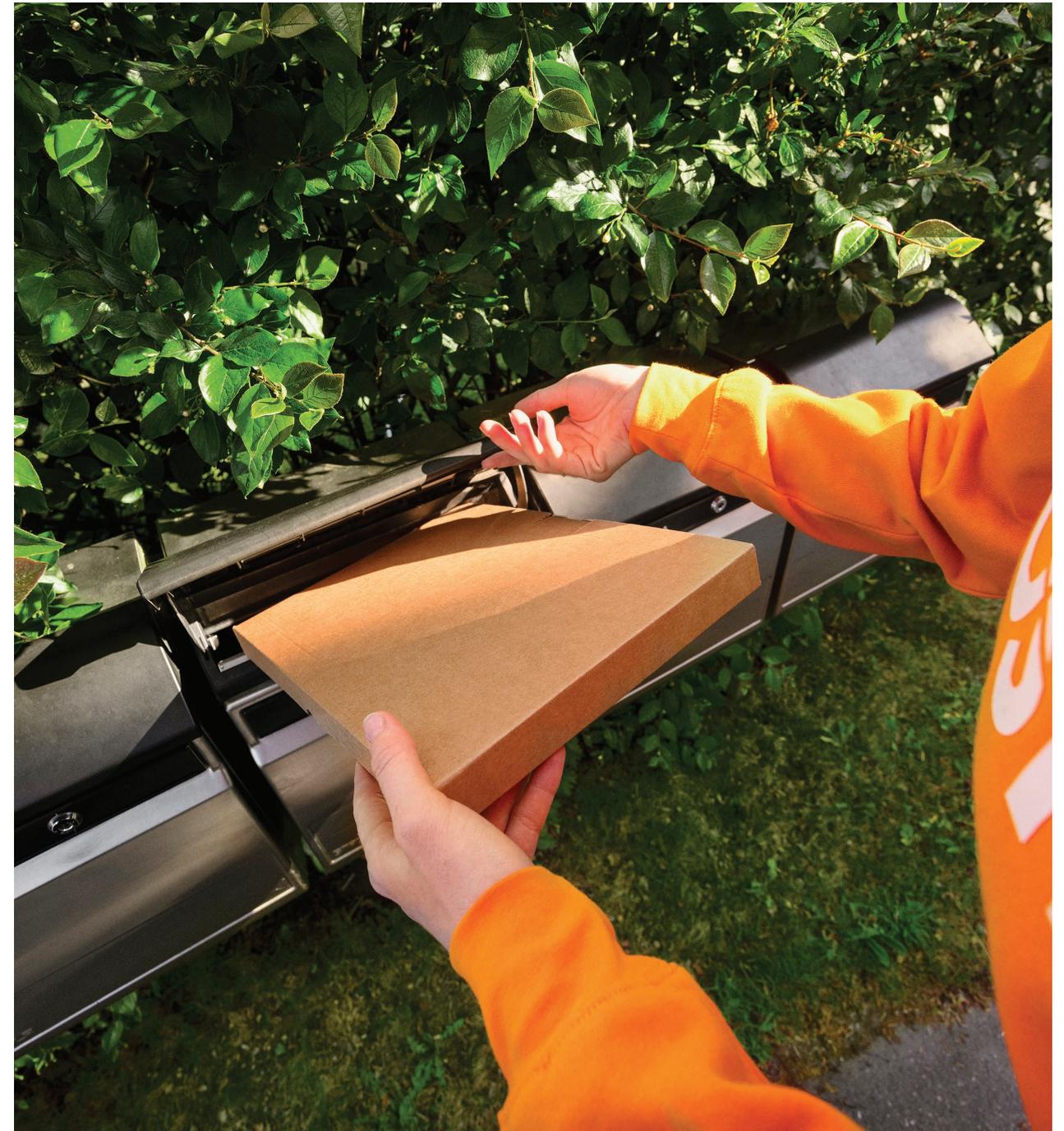
Planet

We are committed to reducing our own greenhouse gas emissions to zero and achieving fossil-free transport by 2030. We aim for net zero emissions in 2040. In 2023, we reduced our own emissions by 16.1%. We also want to support businesses and consumers in pursuing more sustainable business activities and lifestyles.

Net zero 2040

Our climate efforts are based on the company's strategy and climate science. In 2022, Posti became the world's first logistics company to have its net zero target approved by the Science Based Targets initiative (SBTi). SBTi is akin to a Paris Agreement for businesses, and Posti is committed to achieving the targets 10 years earlier than required by the Paris Agreement. Our target is to reduce our own emissions and our value chain emissions to net-zero by 2040. In addition, our targets for 2030 include exclusively using fossil-free energy to power all of our vehicles and our partners' vehicles and using only fossil-free energy at the properties we use.

In total, our greenhouse gas emissions in 2023 amounted to approximately 202,530 metric tons of carbon dioxide equivalent (tCO₂e). Our total emissions decreased by 17.4% and our own emissions (Scope 1 and 2) were reduced by 16.1% when compared to the previous year. We are making good progress towards our targets for our own emissions and the emissions generated by our value chain. Emissions and reduction methods are described in figure Net-zero roadmap on page 21. The Sustainability statement provides more detailed information on our emissions.



→ **Our total emissions decreased by 17.4% and our own emissions were reduced by 16.1% when compared to the previous year.**

Merely setting targets is not enough. One important milestone on the road to fossil-free logistics is the clean vehicle roadmap we published in 2022. It serves as a financially feasible plan to deploy as many as thousands of new electric, biogas and hydrogen vehicles by 2030. In 2023, we began to prepare fleet roadmaps for our contract carriers in close cooperation with them.

We made progress with our investments in accordance with the fleet roadmaps in 2023. In spring 2023, we deployed our first fully electric semi-trailer truck. At the end of 2023, in addition to the first electric truck, we and our contract carriers had a total of about 340 electric vans, 11 electric trucks, 45 gas-powered heavy trucks, 12 gas-powered trucks and over 2,000 light electric vehicles ranging from scooters to electric carts in use. In our nationwide basic delivery, for example, we deliver to nearly half of all households using electricity, and the corresponding figure in the capital region is over 90%. We also continuously reduce the emissions of our parcel and freight deliveries. In major cities, the final kilometer of a parcel's journey is now mostly electric.

All of the electricity used in our own and our partners' electric vehicles in Finland is fossil-free energy with guarantees of origin, and all of our gas vehicles are fueled by biogas. Posti also purchases guarantees of origin for those of its sold transports for which the energy used is not charged at Posti's own charging stations. We increased the use of renewable diesel by almost 10% in our own fleet and by approximately 35% in our contract carriers' transports. Nevertheless, our goal is to phase out diesel-powered vehicles. Renewable diesel is not currently a financially competitive alternative to basic diesel.

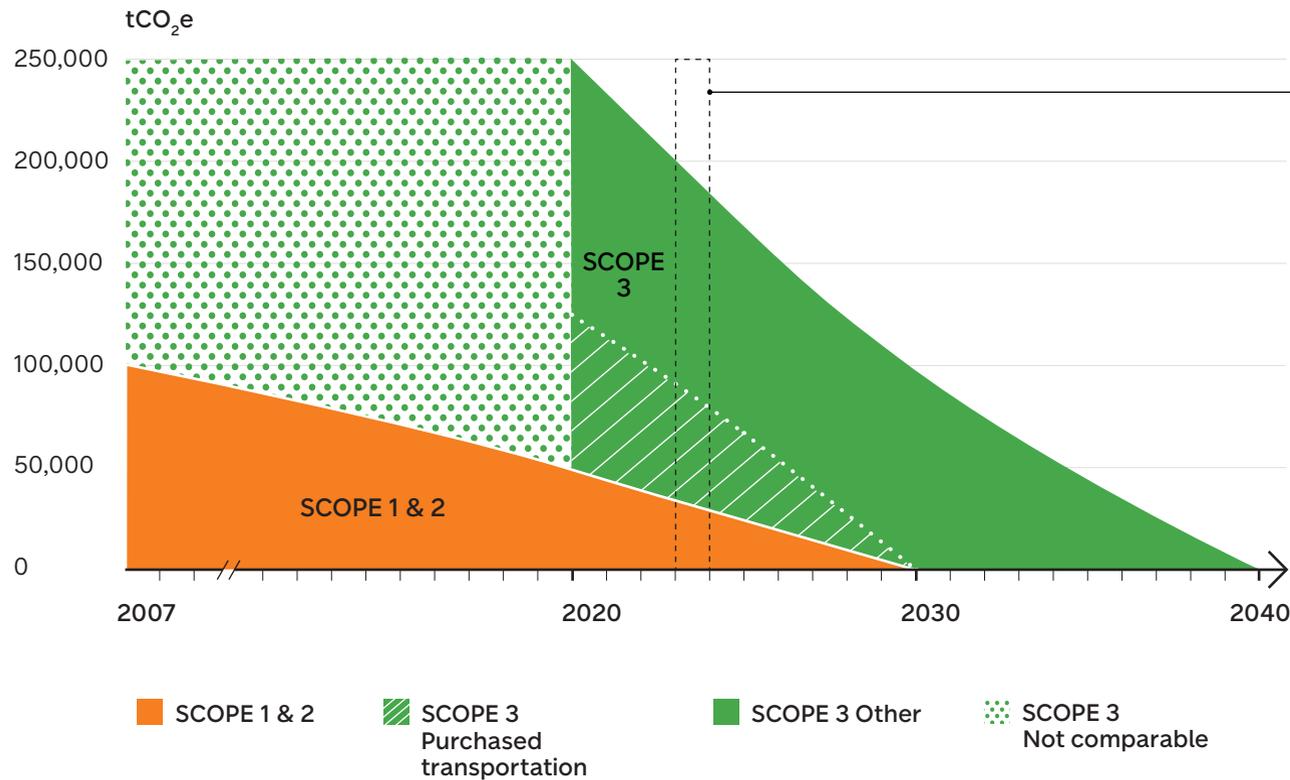
During the year, our own vehicles were used to cover nearly 97 million kilometers, while the fleet of contract carriers and other partners covered an estimated 110 million kilometers. This is equivalent to a total of traveling just under 5,200 times around the Earth. However, a kilometer that is never driven produces the least emissions. That is why we continuously develop route optimization and driving styles as well as filling rates and packing. An inefficiently packed vehicle and transporting air between parcels or inside transport packages causes unnecessary driving.

For our properties, we managed to slightly increase the share of fossil-free energy in 2023

despite increased district heating consumption due to the colder weather. Fossil-free energy represented 71.5% of the energy consumption of properties across all of our countries of operation. In total, 99% of the electricity we consumed was fossil-free (100% in Finland) and 44% of district heating was fossil-free. We incorporated nuclear power into our energy mix in 2023. The electricity purchased in Finland is still fully fossil-free, and at least half of the electricity we purchase must be renewable. We approved nuclear power for cost reasons and to ensure the adequate availability of electricity in the coming years as transport is electrified at an accelerating rate.

In our new properties, we invest heavily in sustainability right from the design stage. In the fall of 2023, we published a release on our new warehouse under construction in Järvenpää. When completed, it will be one of the largest warehouses in Finland. The Järvenpää warehouse will utilize modern technology and automation, and the building will be designed to be highly energy-efficient. Geothermal heat will be used for heating the building and solar power for producing electricity. Its central location in the vicinity of the capital region will streamline goods logistics and commuting. Posti is also

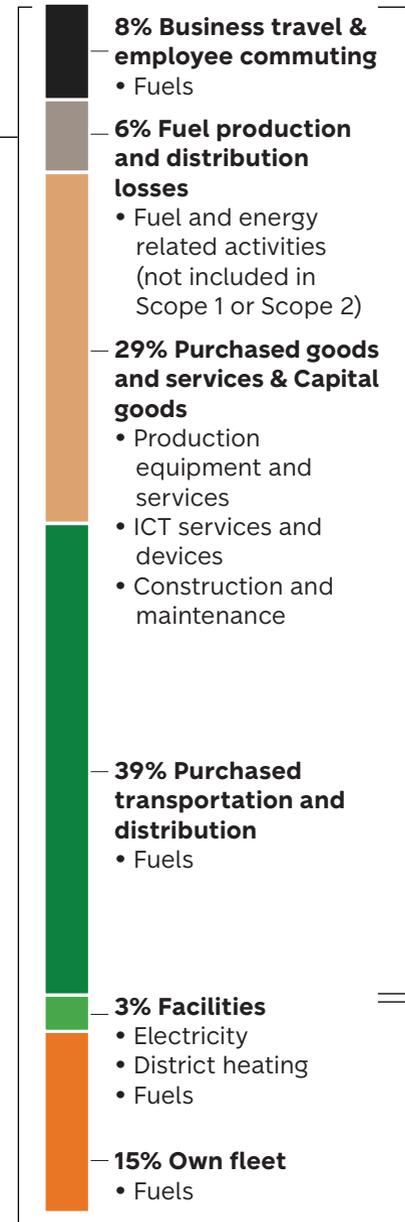
Net-zero roadmap



Tools

- Route optimization
- Fill rate optimization
- Economic driving
- Clean vehicles (electricity, gas, hydrogen) and light vehicles
- Renewable fuels
- Collaboration and cooperation with partners
- Energy efficiency in facilities
- Fossil-free electricity and district heating
- Production of own fossil-free energy
- New digital tools
- Innovative solutions
- Emission neutralization

Posti Group's total emissions 202,530 tCO₂e



Value chain emissions
82%
Scope 3

Own emissions
18%
Scope 1 & 2

a signatory to the voluntary energy efficiency agreement for properties in Finland, and the target set for 2025 has already been achieved two times over.

We have actively participated in international and national cooperation to develop transport emissions data. At the Annual Meeting of the World Economic Forum in Davos in January 2023, international guidelines for reporting shipment-specific emissions were published, and Posti was the only Finnish company to participate in the development of the guidelines. We updated the emissions report for freight shipments to correspond to the new standards and guidelines in early 2023. For parcels and postal items, the customer reports will be updated in 2024. Posti's new customer reports also correspond to the upcoming EU obligations concerning the reporting of transport emissions and adhere to the EN-ISO 14083 standard published in 2023.

An International framework for the Book and Claim model of transports was also published in 2023. Shipments from a single customer are usually spread between several different vehicles, and the framework makes it possible to earmark fossil-free shipments for a specific customer. The framework provides a transitional solution for customers who want to purchase completely fossil-free transport services already today. In 2023, Posti launched the Green Freight additional service for its freight customers based on this international framework.

Together towards a green future

Circular economy

As previously stated, Posti has promised to transport fossil-free by 2030 at the latest. Reducing logistics emissions and ultimately achieving completely fossil-free transport are important steps on the path to more sustainable

consumption. However, the most significant emissions typically arise from the manufacturing of products.

For example, according to a study produced by Gaia for Posti in 2019, 83% of the lifecycle emissions of a T-shirt arise from raw material

production and the manufacture of the garment, with delivery and sales representing 4%, transport from the shop or eCommerce pickup point to the customer's home representing 10% and aftercare of the garment representing the remaining 3%. With this in mind, we want to make it easier, more attractive and more financially feasible to reuse goods.

➔ **Circular Economy Venture aims to help companies to seize the business opportunities hidden in the circular economy.**

One concrete measure to promote this goal is Posti's Circular Economy Venture, which was launched in the fall of 2023. It aims to support companies in their circular economy businesses and help them seize the business opportunities hidden in the circular economy.

In practice, Posti's goal is to help companies sell second-hand products either alongside new products or as a separate business. If all of this can be made easier, more and more companies will be able to add second-hand products to their selection and consumers will have better opportunities to decide between buying new and second-hand products.

We have also sought to highlight themes related to circular economy and business for our business customers through communications and training. In September, the Sustainable

Business Summit virtual event and an in-person event for CEO-level decision makers highlighted sustainable consumption themes by featuring international-level speakers – including Paul Polman, former CEO of Unilever, and a champion of sustainable business – and the Sustainable Business 2023 study, which was published at the event. The Secondhand September theme month also helped to highlight the issue.



Biodiversity

Biodiversity loss and ecosystem collapse were ranked third among global risks at the World Economic Forum (WEF) in January 2024. Businesses play a significant role in halting biodiversity loss and motivation to take action, as biodiversity is the foundation for societies, human well-being and all business activities and the economy.

Climate change mitigation supports the mitigation of biodiversity loss. In the transport sector, significant biodiversity impacts are generated through emissions. As a large company, it is vital for Posti to also understand its other impacts on biodiversity. In 2022, Posti used geospatial modeling to survey the operating locations owned or leased by Posti in Finland in relation to areas that are significant in terms of biodiversity. According to the modeling results, Posti does not have any properties of

its own that are located within an area with sensitive biodiversity (nature conservation program, nature conservation and wilderness areas or Natura 2000 areas).

Cooperation is crucial for the prevention of biodiversity loss. In the fall of 2023, Posti joined forces with Service Sector Employers Palta and other service industry companies to start drawing up a biodiversity roadmap for service industry players. The aim is to increase understanding of the significance of biodiversity loss in service industries and opportunities to promote biodiversity. The roadmap will be published in spring 2024.

In 2023, Posti started a three-year cooperation with WWF Finland. The aim of the partnership is to improve awareness among corporate decision makers, for example, on practical ways for companies to prevent biodiversity loss and support WWF's efforts to promote biodiversity.



Making the circular economy more attractive

Choosing a second-hand product instead of a new one means that the emissions caused by manufacturing a new product are avoided. To make choosing second-hand alternatives a more attractive proposition, we organized a Secondhand September campaign together with Emmy, Kalevala Pidetty, Marimekko Pre-loved, Tori and Vähänkäytetty.fi. The purpose of the campaign was to inspire people to consume more sustainably and build their own style with the help of second-hand fashion.

As part of the campaign, Anni Ihamäki, Ellinoora and Pete Parkkonen used social media to encourage audiences to buy second-hand fashion. The theme month was also highly visible in advertising.

Society

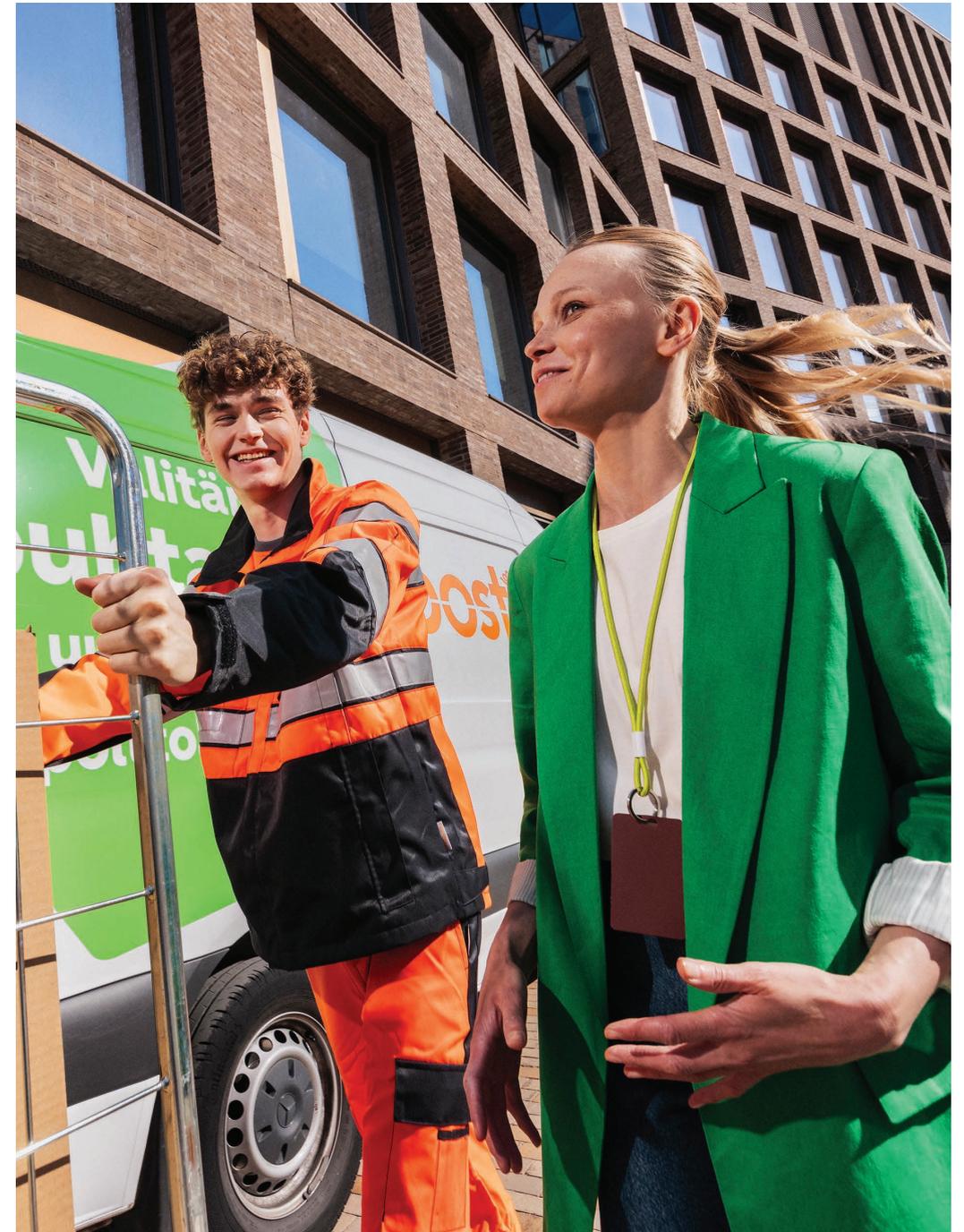
We are actively present in the everyday lives of our customers and partners, and our operations have a broad handprint on society. Through our stakeholder cooperation, we aim to support the effectiveness of Posti's regulatory and business environment and to strengthen the development of Posti's social profile.

Public affairs

Posti maintains close contact with a wide range of stakeholders through dialogue and cooperation. Regular interaction is important to us, as it helps us to identify the needs of different parties and meet the expectations of our stakeholders. We also want to provide our various stakeholders with up-to-date information about Posti as a company and our business environment, which is undergoing a major transformation driven by forces such as digitalization, climate change and biodiversity loss. Active dialogue with stakeholders is an

essential part of sustainable business and part of the reporting contents of the Global Reporting Initiative standard. The upcoming CSRD regulations and ESRS obligations also affect our reporting on how we exercise influence in society. In 2023, we began preparing for the transparency register regulations that entered into force in Finland in 2024. We act according to our values reliably, respectfully and progressively.

Posti exercises active influence through various organizations. We are a member of Service





Sector Employers PALTA, the Confederation of Finnish Industries, the Employers' Federation of Road Transport, the Climate Leadership Coalition, the Central Chamber of Commerce, regional Chambers of Commerce and International Chamber of Commerce ICC Finland, Finnish Transport and Logistics SKAL, the Data & Marketing Association of Finland and Finnish Property Owners Rakli, among other organizations. Posti Palvelut Oy is a member

of the Finnish Media Federation and Transval Solutions Oy is a member of Technology Industries of Finland. Through Transval, we exercise influence in the Finnish Association of Purchasing and Logistics LOGY and LIMOWA ry. We are one of the founding members of Digital Commerce Finland Oy, which started its operations in 2023. Digital Commerce Finland is a societal and collaborative company that helps digital commerce grow faster. We also engage

in regular cooperation with the Universal Postal Union (UPU), the International Post Corporation (IPC) and PostEurop.

The themes of our influence activities are closely linked to Posti's strategy. We exercise active influence in the reform of postal regulations and regulations that accelerate eCommerce. We also exercise influence to promote society's consistent progress toward emission-free logistics, in which goods and parcels are transported fossil-free. In order to reach the emission targets for transport, we support the expansion of the charging and distribution network for new propulsion systems and the extension of procurement subsidies from electric cars to other propulsion systems. Sufficient financing for the maintenance of transport networks will ensure the smooth movement of people and goods and prevent an increase in the repair backlog. In 2023, we engaged in active dialogue on the themes of our influence activities with parliamentary parties and candidates. We were also heard in the government negotiations on the subject of reducing logistics emissions.

We also meet with municipal representatives on a regular basis. We believe that urban planning

➔ **Active stakeholder dialogue is an essential part of responsible business.**

and zoning that takes urban logistics into consideration will create better conditions for delivery services and more functional services for citizens.

Close cooperation and the exchange of ideas with the third sector is important to Posti, and we actively met with non-governmental organizations in 2023. We started a three-year cooperation with HelsinkiMissio to reduce loneliness in school communities. Through the Postal Museum Foundation, we participate annually in the financing and maintenance of the operations of the Postal Museum. The Postal Museum studies phenomena related to postal operations and logistics, maintains the historical collections owned by Posti and preserves the cultural heritage of the field. In 2023, we also continued to support Ukraine in Finnish and international transports of humanitarian aid and by providing warehousing space for donations of goods awaiting delivery to Ukraine.

Sustainability statement

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General information

Preparation principles

Posti's sustainability report has been prepared in accordance with the sustainability reporting standards issued by the Global Reporting Initiative (GRI). In this report, Posti also adopts the European Sustainability Reporting Standards (ESRS) for the first time with the aim of developing its sustainability reporting to be ESRS-compliant by the time the company reports on the financial year 2025. This report partially satisfies the ESRS disclosure requirements. The sustainability report is prepared annually for the same period as the financial figures (January 1–December 31). Unless otherwise mentioned in context, Posti's sustainability reporting covers all operations of the parent company and subsidiaries in all countries of operation. The inclusion of figures for the value chain in the sustainability disclosures is mentioned separately in each section of the report.

Governance

Posti's sustainability is based on the company's purpose, strategy, values, issued commitments and the decision-in-principle of its owner, the State of Finland, indicating that state-owned

companies should be held as examples of a high standard of corporate social responsibility and sustainability. 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 Leadership Team monitor the progress of the sustainability program annually. Posti's Leadership Team has included a Senior Vice President in charge of sustainability since 2021. The Audit, Risk and Sustainability Committee, which is one of the committees of Posti's Board of Directors, evaluates and monitors Posti's sustainability reporting and risk management systems alongside its other responsibilities. More detailed information on the roles, responsibilities, know-how and composition of Posti's governing bodies is provided in the Corporate Governance Statement published in connection with the financial statements and the report of the Board of Directors.

Posti's sustainability efforts are steered by the Sustainability Forum, which is a steering group that was established in the fall of 2020 and includes representatives from several of Posti's organizations. The group is tasked with monitoring the progress of the Sustainability

Sustainability governance model

Top management	Board of Directors	Audit, Risk and Sustainability Committee	
		Personnel Committee	
Leadership Team			
Steering groups	Sustainability Forum		Cyber Steering Group
Working groups and committees	People Journey Core Group	Zero Carbon Core Group	Safety Community and Work Safety committees
	Diversity and Equality Committee	Well-being Forum	
Communications	Internal and external communications and trainings		

Sustainability program objectives and metrics

	Sustainability program focus area	Focus area objective	Metric	Result 2023
People	Meaningful work	We feel proud of who we are and what we do together.	Increased employee engagement: Engagement index.	6.9 (6.7)
	Purpose-driven leadership	We lead through common leadership principles, values and purpose.	Improved leadership: Leadership index.	7.3 (7.3)
Planet	Zero Carbon 2030	We will reduce our own emissions to zero and have fossil-free transport by 2030.	Reduction of Scope 1 & 2 emissions by -10% compared to previous year.	-16.1% (-10.5%)
	Together towards green future	Posti is recognized as a green industry forerunner.	No metric.	
Foundation	Safety	Posti is committed to continuous improvement of occupational safety and safety culture.	Improved work safety: LTA0.	39 (56)
	Well-being	Promoting our employees' comprehensive well-being and work ability in changing life situations and in different phases of career path.	Sickness related absence rate.	5.0% (5.9%)
	Diversity, Equity and Inclusion	Posti is an equal and non-discriminatory working community that values diversity.	<ul style="list-style-type: none"> Representation of men and women in top management (CEO-1&2) min. 40% by the end of 2026. The result of the Peakon personnel survey on the question of fair and equal treatment is 8.0 by the end of 2026. All employees will be trained on DEI themes: supervisors by the end of 2024, personnel by the end of 2025. 	<ul style="list-style-type: none"> 43% 7.4 Not available
	Sustainable sourcing	Posti acts as a sustainable buyer related to all sourcing activities.	<ul style="list-style-type: none"> Percentage of supplies that have signed the Supplier Code of conduct. Key suppliers' self-assessment survey completion rate. 	<ul style="list-style-type: none"> 92.8% (93.7%) suppliers signed the Supplier Code of Conduct. 13.4% key suppliers' self-assessment survey completion rate.
	Ethical business	Ethical business practices, our values and complying with the employee Code of Conduct and Supplier Code of Conduct reflect in our everyday work.	<ul style="list-style-type: none"> We follow the training rate of the employee Code of Conduct. We promote the use of employee whistle blowing channel. 	<ul style="list-style-type: none"> Code of Conduct training completed by 66% (83%) of employees. 47 (73) reports to the reporting channel in 2023.

Result 2023 column includes previous year comparable figures in brackets where applicable.

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 Leadership Team. Personnel management and Posti's businesses are represented in the steering group. The practical implementation of the various areas of the sustainability program are monitored by various working groups and committees, which are described in the sustainability governance model diagram.

Sustainability is incorporated into the company's remuneration programs. The sustainability-related targets incorporated into Posti's remuneration programs include a climate target, an occupational safety target and an employee commitment target. More detailed information on Posti's remuneration is provided in the Remuneration Policy and the Remuneration Report published in connection with the financial statements and the report of the Board of Directors.

Strategy

Posti's strategy is to focus on its delivery and logistics business in Finland, Sweden and the Baltic region. Our vision is to become a modern delivery and fulfillment company with progressive profitability. The aim is to have a significant part of net sales generated from these businesses.

Posti has defined parcel deliveries, contract logistics and eCommerce fulfillment as its strategic core businesses. These core businesses are supported by in-house logistics, 4PL transport solutions, industrial logistics, freight, logistics staffing and postal services.

These businesses are offered to customers as services. Posti provides services to other companies, including companies in the commercial sector and industrial enterprises. The end user of the service is often an individual consumer. This is the case when Posti's customer is an online store from which the end user orders a product, for example. In such cases, Posti may take care of handling and fulfillment at the warehouse, followed by sorting and transporting the product to the end user. Posti also provides

Posti's value chain



services directly to consumers, who can, for example, send products to each other.

In practice, the key components of the value chain in the company's production operations include warehousing and related activities, delivery and fulfillment, sorting mail and parcels and larger sets of items, and transporting items in their various forms by using heavy vehicles for line haul operations, followed by deliveries by using lighter vehicles or on foot. Some of these activities, especially in relation to delivery, are

also carried out by affiliates. The diagram above describes the different parts of the value chain that create Posti's business.

At the end of the year, Posti had approximately 17,000 employees and the company's net sales totaled EUR 1,586.1 million. Posti has a number of sustainability targets, and we list them in detail in the different sections of this report. In this report, we also discuss our key stakeholders as well as our interactions with them.

Policies

Following the introduction of the Corporate Sustainability Reporting Directive (CSRD), Posti will have an obligation to report on its sustainability in accordance with the European Sustainability Reporting Standards starting from the financial year 2025. According to the standards, the sustainability themes incorporated into companies' sustainability disclosures must be based on the results of a double materiality assessment.

Double materiality determines a company's most significant sustainability themes from the perspectives of the environment, society and governance. To prepare for these obligations, Posti conducted a double materiality assessment of its material sustainability impacts, risks and opportunities in the fall of 2023. In accordance with Posti's sustainability program, this report focuses on people, the climate, the environment and the foundation of sustainability with reference to the ESRS standards. However, in this report, Posti does not fully report on the material themes that were identified in the company's first double materiality assessment. Posti will report fully in accordance with its double materiality themes starting from the financial year 2025 at the latest. Prior to that, the company will develop its capabilities for ESRS-compliant reporting.

Posti's double materiality assessment took into consideration all of the Group's functions in Posti's market areas in the Nordic countries and the Baltic region, the Group's value chain (including both upstream and downstream stages) and business relationships. In the assessment, Posti engaged both internal and external stakeholders through interviews and an online survey. Posti took advantage of the

expertise of an external expert in the process, and efforts were made to assess double materiality in accordance with the best current understanding and the ESRS guidelines.

The double materiality assessment process began with an analysis of Posti's sustainability impacts, risks and opportunities. The time horizons set for the assessment were aligned with the ESRS (short, medium and long term). The impacts, risks and opportunities identified in the analysis were scored according to their materiality. In setting the materiality thresholds, Posti observed the draft guidance published by EFRAG in August 2023 on the materiality process and utilized the expertise of an external specialist.

Impacts related to people and the environment (impact materiality) were divided between actual and potential positive and negative impacts and they were assigned scores, taking into consideration the severity and likelihood of the impacts. Scores were also assigned to risks and opportunities. The potential positive impacts were identified as material largely on the same basis as the negative impacts, but the impact factors that were considered included their scale, scope and likelihood.

After Posti's internal and external stakeholders commented on the double materiality assessment, the external expert compiled the impacts, risks and opportunities based on the work done during the process. The sustainability themes were subsequently validated by Posti's in-house sustainability specialists and the internal stakeholders that participated in the project. The validated sustainability themes identified in the double materiality assessment were presented in Posti's Sustainability Forum steering group, after which they were submitted to Posti's Leadership Team for decision and presented to the Audit, Risk and Sustainability Committee of the Board of Directors.

Based on Posti's first double materiality assessment conducted in 2023, the following ESRS standards were classified tentatively as material for Posti:

- ESRS E1 Climate change
- ESRS E2 Pollution
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource use and circular economy
- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S4 Consumers and end-users
- ESRS G1 Business conduct

The materiality of the aforementioned standards was also assessed for sub-topic and sub-sub-topic materiality in accordance with the ESRS 1 standard. In this report, Posti provides disclosures in accordance with its sustainability program on climate change, the environment, people and the foundation of sustainability, which fall under the ESRS standards E1 Climate change, E5 Resource use and circular economy, S1 Own workforce and G1 Business conduct. Posti reports on these themes only with reference to the ESRS standards, and this report does not yet satisfy all of the disclosure obligations.

With regard to the material disclosure requirements and reporting content on other material themes, Posti will develop its capabilities for reporting from the financial year 2025 onwards. Double materiality is a continuous process for companies, and materiality assessments must be updated whenever there are significant changes to business activities and regularly at intervals of two or three years. Posti will review and, if necessary, update its materiality assessment prior to its first fully ESRS-compliant reporting.

Environmental information

Climate change (E1)

Strategy

Posti's climate efforts are based on Posti's strategy and climate science. In 2022, the international Science Based Targets climate initiative approved, in addition to Posti's previously approved short-term emission reduction targets, the target of net zero emissions by 2040. Posti was the first company in our market areas of Finland, Sweden and the Baltic countries, the first globally in its industry and one of the first 17 companies overall to receive SBTi approval for its net zero target.

Posti's target is to exclusively use fossil-free energy at its properties and offer only fossil-free road transports in 2030. By 2040, Posti will achieve net zero for all of its emissions, both its own emissions and the emissions generated by its value chain.

For its own fleet of vehicles, Posti published a transition plan to fossil-free operations in the fall of 2022. The roadmap to fossil-free transport includes the deployment of as many as thousands of new electric, biogas and hydrogen vehicles by 2030, and it has been approved by Posti's Leadership Team and Board of Directors. In 2023, we continued to work in alignment with the roadmap in close cooperation with our contract carriers.

By the end of the year, slightly more than half of the contract carriers in our eCommerce and delivery business in Finland had completed their fossil-free fleet roadmaps. This categorization is based on the total volume of contract carriage according to the costs of purchased transport. The emissions of these business operations in Finland represent approximately three-quarters

of the total emissions of Posti's purchased road transport.

The financial feasibility of vehicle investments has been taken into consideration as a key starting point in the plans, and Posti also offers its contract carriers support in finding suitable vehicles. The remaining fleet roadmaps for contract carriers in the eCommerce and delivery business in Finland will be drawn up by the end of 2024, followed by Posti's other countries of operation and businesses within the next few years. In 2024, we will also pay more attention to the climate targets of our suppliers other than transport companies, and we will develop our own transition plan in these respects.

The key steps in Posti's transition to fossil-free business are shown in the figure on page 21. The

climate change transition plan will be reported in more detail in Posti's next sustainability report.

Posti assessed climate-related risks and opportunities with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2023. The TCFD recommendations help organizations understand and prepare for climate-related risks, as well as capitalize on climate-related opportunities that are relevant to them. The results of the TCFD assessment were subsequently applied in Posti's double materiality assessment in 2023. The scope of the TCFD assessment covered Posti's own functions in the Group's current markets in the Nordic countries and the Baltic region, as well as the Group's value chain.

Climate risks and opportunities based on the TCFD framework

Type	Climate related risk	Time horizons
Transition risks	Policy and legal	
	Potential significant new taxes and other costs due to introduction of carbon pricing such as carbon tax	M & L
	Technology	
	Utilization of electricity-powered vehicles due to limited range and load	S, M & L
	Capacity and accessibility of charging infrastructure and asynchronous development of energy infrastructure	M & L
	Maturity of low-carbon heavy-duty vehicle technology	M & L
	High investment cost or failed investments e.g., failure to reduce CO ₂ emissions due to technology	M & L
	Lack of availability of sustainable fuels	L
	Market	
	Not meeting Scope 3 climate targets due to challenge in reducing emissions in the contractor base	S, M & L
Risk of volatility of fossil fuel and energy prices and interruptions in the supply of those commodities	S, M & L	
Changing customer preferences and consumer awareness towards low carbon products and services not met if failing to decarbonise the business	M & L	
Reputation		
Negative social implications on e.g., employee retention, attraction and engagement if not meeting climate targets	L	
Physical risks	Acute	
	Increasing frequency of acute climate events and their interference with business activities	S, M & L
	More extreme and frequent climate events cause material shortages and/or disrupt supply chains	L
Chronic		
No chronic risks rose above the threshold		
Type	Climate related opportunity	Time horizons
Resource efficiency	Improved reputation through investing into low-carbon technologies and meeting stakeholder expectations	M & L
Products & services	Re-commerce and reverse logistics as driving forces for climate action and meeting changing customer expectations	M & L
Market	Access to capital such as EU incentives that can financially support more sustainable transport modes and infrastructures	M & L

Posti used an external expert for the assessment of climate risks and opportunities in accordance with the TCFD framework. Internal stakeholders were engaged in the various stages of the assessment. A background analysis and stakeholder interviews were used in the identification of Posti's climate-related risks and opportunities. The identified climate risks and opportunities were scored according to their significance. As a result, twelve risks and three opportunities were selected as the most significant. The key risks and opportunities were categorized as physical risks and transition risks with the help of the TCFD framework and an external expert. The key risks and opportunities are presented in the table, also including the presumed time horizon of the risk or opportunity.

A scenario analysis was used to assess the key risks and opportunities over different time horizons and in different climate scenarios. The climate scenarios were as follows: an orderly transition with temperatures rising by 1.5–2°C, a disorderly transition with temperatures rising by 1.5–3°C, and a hot house world with temperatures rising by 3–5°C. In the scenario analysis, Posti's key internal stakeholders assessed each risk and opportunity and their

Time horizons: Short (S): 0–1 years, Medium (M): 1–5 years, Long (L): 5+ years up to 2040.

impacts on Posti over the selected time horizons and in the selected climate scenarios. The final steps of the process included an assessment of the key risks and opportunities, a comparison of the results of the scenario analysis against Posti's strategy, business model, metrics and targets to support the identification of climate change mitigation measures and increase the climate resilience of Posti's business.

According to the results of the resilience analysis, transition risks and physical risks are expected to be moderate in the event of an orderly transition. In a disorderly transition, the transition risks would be more significant. In a hot house world scenario, serious physical risks would be expected. Posti's climate targets are aligned with the Paris Agreement, and for its most significant source of emissions, namely the transport fleet, Posti has a plan for achieving fossil-free transport. These help Posti prepare for transition risks, which may be more significant than physical risks in the short and medium term. Climate risks are part of Posti's risk management and are thereby taken into consideration in the company's strategy and business planning. Posti's risk management is based on a risk management policy approved by the company's Board of Directors. As regards climate-related opportunities, Posti develops circular economy solutions that promote the climate resilience of the business.

Policies

Posti's process of identifying climate risks and opportunities is described in the previous section. Climate risks and opportunities will be integrated into Posti's general risk process in 2024.

In its environmental policy, Posti is committed to reducing negative environmental impacts. The policy specifies that Posti will reduce its energy consumption and greenhouse gas emissions, for example.

Environmental management at Posti is based on the ISO 14001 environmental management standard. At the end of 2023, certified environmental management systems covered 97% of the Group's employees. A concise description of our measures related to climate change mitigation is provided in our climate roadmap on page 21. Posti's climate change mitigation measures are still largely associated with properties, although preparing for extreme weather phenomena is also necessary in transport planning, for example. The actions and resources related to climate change mitigation and adaptation will be reported in more detail in Posti's next sustainability report.

Metrics and targets

Posti is committed to the Paris Agreement target of halting global warming to 1.5°C. Posti's climate targets, which are aligned with climate science and validated by the SBTi, are as follows:

- Net zero target: Posti is committed to achieving net zero for all of its own emissions and the emissions generated across the value chain by 2040.
- Short-term targets: Reducing Scope 1 and 2 emissions by 50% by 2030 from a 2020 base year, and reducing Scope 3 emissions by 50% by 2030 from a 2020 base year.
- Long-term targets: Reducing Scope 1, 2 and 3 emissions by 90% by 2040 from a 2020 base year.

Posti also aims for completely fossil-free road transport, both for its own vehicles and purchased transports, and fossil-free energy at all properties by 2030. Posti also had a target for

2023 to reduce its own emissions (Scope 1 and 2) by 10% from the previous year.

Posti's greenhouse gas emissions (Scope 1–3) decreased by 17.4% from 2022 and by 19.2% when compared to 2020 (table p. 35). Own emissions (Scope 1 and 2) were reduced by 16.1% when compared to the previous year and by 31.9% when compared to the baseline year 2020. Value chain emissions (Scope 3) decreased by 17.7% from 2022 and by 15.9% when compared to 2020.

As regards both the company's own and value chain emissions we are progressing at good speed towards our targets. For the emissions generated by the value chain, we continue to need development work with regard to the quality of data.

Posti did not use carbon offsetting to fund greenhouse gas removal or greenhouse gas mitigation projects in 2023.

Posti's energy consumption in 2023 was on a par with the previous year in spite of the colder weather (adjacent table). The company's own production of renewable energy is not reported yet, but Posti produces solar power and geothermal heat at some of its properties.

In 2023, Posti decided to also include nuclear power in the company's energy mix. The electricity purchased in Finland is still fully fossil-free, and at least half of the electricity we purchase must be renewable. We approved nuclear power for cost reasons and to ensure the adequate availability of electricity in the coming years as transport becomes increasingly electrified.

Posti is participating in a Finnish voluntary energy efficiency agreement, according to which Posti's aim is to reduce the energy consumption of its properties by 10.5% from the 2015 level by 2025. By the end of 2023, the energy consumption of Posti's properties had already been reduced by 23%, which means that the target was achieved more than two times over.

Energy consumption within and outside the organization, Group, GRI 302-1, 302-2

Megawatt-hour (MWh)	2023	2022	2021
Own energy consumption			
Renewable	114,719	134,154	116,023
Transportation fuels	41,614	32,771	23,995
Fuel consumption in properties	0	0	0
Electricity	45,605	76,552	76,273
District heat	27,500	24,831	15,756
Non-renewable	177,359	194,592	221,781
Transportation fuels	136,072	152,240	164,118
Fuel consumption in properties	6,061	6,707	10,838
Electricity	621	1,847	2,356
District heat	34,606	33,797	44,469
Nuclear (electricity)	32,150	0	0
Total	324,228	328,746	337,804
Energy consumption in purchased transportation (Finland)*			
Transportation fuels, renewable	1,557	1,191	323
Transportation fuels, non-renewable	228,809	261,891	275,143
Total	230,366	263,082	275,465

Reporting unit was changed from terajoule to megawatt-hour (MWh) in 2023.

In 2021, non-renewable energy consumption in Russia was 53,000 MWh. This is excluded from the table.

*Vehicle charging excluded.

Posti Group GHG Emissions (Scope 1, 2 and 3), GRI 305-1, 305-2, 305-3

Tonnes CO ₂ e	2023	2022	2021	2020
Scope 1 – Direct emissions				
Finland				
Transportation fuels	29,160	34,929	37,607	41,663
Fuel consumption in properties	857	1,124	2,129	1,871
Refrigerant leakages in properties	123	147	113	28
Other operating countries				
Transportation fuels	639	542	0	0
Fuel consumption in properties	382	258	317	175
Scope 1 - Direct emissions total	31,160	37,000	40,166	43,738
Scope 2 - Indirect emissions				
Finland				
Purchased electricity (market based)	0	0	0	168
Purchased electricity (location based)	5,819	6,732	6,784	6,947
Purchased district heat (market based)	3,666	3,927	5,872	6,870
Purchased district heat (location based)	6,196	6,729	7,946	6,870
Other operating countries				
Purchased electricity (market based)	391	1,089	1,187	1,363
Purchased electricity (location based)	1,245	1,162	1,200	1,170
Purchased district heat (market based)	444	483	244	225
Purchased district heat (location based)	655	633	321	225
Scope 2 - Indirect emissions (market based) total	4,502	5,499	7,304	8,627
Scope 2 - Indirect emissions (location based) total	13,915	15,256	16,250	15,212

Tonnes CO ₂ e	2023	2022	2021	2020
Scope 3 – Other indirect emissions				
Finland				
Upstream transportation and distribution (category 4)	65,672	78,672	82,651	74,660
Fuel production and distribution losses (category 3)	12,013	11,960	12,146	11,965
Purchased goods and services (category 1)	40,197	54,670	56,346	58,038
Capital goods (category 2)	13,375	13,832	18,202	14,642
Business travel (category 6)	1,178	1,030	640	391
Employee commuting (category 7)	13,962	14,463	14,516	15,771
Other operating countries				
Upstream transportation and distribution (category 4)	13,464	18,602	16,518	17,516
Fuel production and distribution losses (category 3)	424	443	296	262
Purchased goods and services (category 1)	3,688	4,630	4,147	2,815
Capital goods (category 2)	1,007	2,314	2,595	1,566
Business travel (category 6)	191	233	147	84
Employee commuting (category 7)	1,695	1,960	1,907	592
Scope 3 - Other indirect emissions total	166,868	202,807	210,111	198,302
Group (scope 1, 2 and 3) total	202,530	245,306	257,580	250,667
Finland (Scope 1, 2 and 3) total	180,204	214,753	230,222	226,068
Other operating countries (Scope 1, 2 and 3) total	22,326	30,554	27,358	24,599
Russia, Scopes 1–3	0	0	32,335	33,358

Biogenic emissions Scope 1: 14,544 (11,573) tCO₂; Scope 3: 10,069 (8,302) tCO₂.

Historical figures may have small corrections due to development in the GHG accounting process

Resource use and Circular economy (E5)

Policies

The Circular Economy Venture launched by Posti in the fall of 2023 is one concrete way to promote the circular economy. Its aim is to support companies in their circular economy businesses. In practice, the goal is to help companies sell second-hand products in their sales channels either alongside new products or as a separate business. The venture was launched as a pilot in 2023 and the aim is to scale up the business in Finland and Sweden during 2024. The circular economy was also promoted in 2023 with the help of a theme month of second-hand fashion that was implemented together with Posti's business customers.

We also aim to reduce our environmental impacts with regard to packaging materials. Examples of our new products include packaging boxes that are made with 30% grass and a completely plastic-free bubble bag made from paper. Consumer packaging is a marginal part of Posti's business. As regards Transval's

industrial packaging, we engage in continuous efforts to reduce the environmental impacts.

For several years now, Posti has also had its own recycling center where tools, furniture and light vehicles are stored and recycled for future needs. This reduces the need for new purchases. The recycling of parts from Posti's dismantled vehicles, such as engines, gearboxes, and body components, has also reduced the need for new purchases.

Metrics and targets

Posti is committed to reducing waste and increasing the recycling and reuse rate in its operations. In 2023, the most significant waste fractions generated in Posti's operations were recycled paper, cardboard, mixed wood pulp and energy waste. We collaborate with our waste management partner in improving the reliability of waste data.

Waste by type and disposal method, Group excluding Baltics, GRI 306-3, 306-4, 306-5

Waste, tons*	2023	2022**	2021**
Non-hazardous waste	15,319	19,689	17,574
Recycle and reuse	10,682	12,275	10,834
Other recovery	3,925	5,828	5,462
Incineration	716	1,439	1,216
Final disposal	26	148	61
Hazardous waste	485	438	443
Recycle and reuse	398	404	421
Other recovery	31		
Final disposal	57	34	24
Total	15,804	20,127	18,017
Recovery rate, %	99%	99%	100%
Recycling rate, %	70%	63%	62%

*Properties included in waste management agreement. Properties in Finland where waste management is included in the rent are excluded. Figures include Finland and Aditro Logistics.

**For 2021 and 2022 the data may be partial.

Social information

Own workforce (S1)

Strategy

At the end of 2023, we employed 17,024 people in Finland, Sweden, Estonia, Latvia, Lithuania, Norway and Poland. Highly competent and motivated employees ensure that Posti remains a forerunner in the transformation of the business environment.

Meaningful work and purpose-driven leadership, which are the key themes of social sustainability in Posti's sustainability program, contribute to a positive employee experience and support Posti's personnel in the ongoing change process.

The purpose of the People Journey program, which began in 2022 and focuses on employee well-being and commitment, is to look after employees and support their development. It includes concrete action plans that support and implement Posti's strategy and the development needs emerging from the employee survey

and put the company's personnel-related sustainability promises into practice.

Posti has permanent and fixed-term employees in full-time and part-time employment relationships and on contracts with non-guaranteed hours. Leased employees are also used during peak times. Posti's material impacts concern all of these employee groups in all countries of operation.

The material impacts, risks and opportunities relating to Posti's own workforce have been identified as part of the double materiality process. Posti's material impacts on its own workforce include looking after health and safety, good leadership, an equal and inclusive culture and competence development. All of these influence the employee experience, for example. Posti also has a material positive impact by being the first employer and a provider of employment opportunities for many young people and immigrants in Finland.

Policies

The risks and opportunities associated with Posti's own workforce will be integrated into the general risk process documented in Posti's risk management policy in 2024.

Posti's personnel-related processes and practices are documented in Posti's People Policy. The People Policy provides a concise description of Posti's practices pertaining to leadership and supervisory work, equality, recruitment, competence development and performance management, reward, health and well-being of personnel, work safety and the work community and atmosphere. The People Policy applies to all of Posti's own workforce in the Posti Group organization and businesses, but its general principles are also applied to external workforce as applicable. The policy has been approved by the company's Board of Directors

and it is owned by Posti's Senior Vice President, People, Communications and Sustainability.

Posti's People Policy defines our policies concerning occupational safety. The People Policy specifies our objective of providing a safe workplace to all of our employees and partners. This is achieved through adherence to the requirements of our occupational safety management system, employee training and compliance with laws and regulations relating to occupational safety. Our occupational safety management system complies with the requirements of the ISO 45001 standard.

In our People Policy, we commit to respecting internationally recognized human rights principles and complying with the legislation in our countries of operation, the key conventions of the International Labour Organization (ILO) and the local labor market practices in our countries of operation. We respect the freedom of association of our personnel.

The People Policy is available on Posti's intranet and on the company's public website.

Posti is also committed to respecting the human rights of its own personnel in Posti's Code of Conduct, in accordance with the principles laid out the UN's Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We respect our employees' freedom of association and their right to join or not join labor unions and professional organizations and engage in collective negotiations with the company. We encourage our employees to engage in dialogue with the company's management and urge them to report any problems or shortcomings.

By accepting the Code of Conduct, our employees also commit to not using child or forced labor and refraining from cooperation with suppliers or subcontractors that use such labor.

Posti's People Policy and Code of Conduct state that Posti does not condone workplace discrimination of any kind. Posti also has a regularly updated Expanded Equality Program that describes practical measures to increase equality and non-discrimination at Posti. The current program is in effect for the period 2022–2024. The documents in question specify that everyone must be treated equally regardless of origin, religious beliefs, gender, political opinion,

age, nationality, sexual orientation, marital status or disability.

Posti has guidelines on intervention against inappropriate treatment and harassment that are available to everyone on the company's intranet.

Posti's objectives for diversity, equity and inclusion published in 2023 also promote the elimination of discrimination.

Posti's Code of Conduct training, which is mandatory for everyone, includes a section on equal treatment. Posti also launched diversity, equity and inclusion training for supervisors at the beginning of 2024, and the company plans to prepare corresponding training for the entire personnel.

Posti carries out the statutory continuous dialogue between the management and the cooperation negotiation councils, where each business group and group function is represented. Posti complies with the Act on Co-operation within Undertakings in change situations in Finland and with local labor legislation and collective agreements in all of its countries of operation.

We measure the employee experience and employee commitment by means of an employee survey (Peakon). It provides us with up-to-date information on the experiences

and views of the personnel to support the continuous development of operations, covering all the Group's personnel in all countries and companies. Concrete development measures are also identified on the basis of the employee survey.

Posti has an anonymous SpeakUp whistleblowing channel for internal and external use, which is managed by a third party. More information is provided in the section Governance-related disclosures.

Posti also has an email feedback channel maintained by the Equality and Equal Treatment Committee, where people can submit reports or feedback concerning equality and equal treatment. The Equality and Equal Treatment Committee processes the reports and feedback received via the channel.

Posti's actions related to the material impacts on its own workforce include looking after health and safety, good leadership, an equal and inclusive culture and competence development. The company has regularly monitored performance indicators and various training activities for these. Posti has models in place for occupational safety management and work ability management, among other things. Posti's Caring Supervisor training is mandatory for all supervisors at Posti.

Metrics and targets

Posti's sustainability program specifies performance indicators related to social sustainability. Posti monitors the employee survey's engagement index, leadership index and accident frequency (LTA0) as well as the sickness-related absence rate. In 2023, Posti also set three targets for increasing diversity, equity and inclusion, which are monitored under the sustainability program. The performance indicators are as follows:

- Increasing diversity. Both women and men will represent at least 40% of senior management (two organizational levels down from the CEO) by the end of 2026. For the Group as a whole, the proportion of women in leadership roles was 43% at the end of 2023 (see the table Number of women and men in leadership roles, December 31).
- Increasing the experience of inclusion. The score for the Peakon employee survey question on fair and equal treatment is targeted to be at least 8.0 by the end of 2026. In September 2023, the score was 7.4.
- Increasing training and awareness. All employees have participated in training on diversity, equity and inclusion. The target for supervisor participation is a full 100% by the

end of 2024. For other employees, the target is 90% by the end of 2025.

Posti also monitors other personnel-related indicators, such as the results of the twice-yearly employee survey and monthly indicators monitored at the business level, including employee turnover, the amount of overtime, the sickness-related absence rate and the number of Well-being at Work Discussions.

In the latter of the two employee surveys conducted in 2023, the response rate was 78% and over 42,000 open-ended answers were received. The responses were analyzed and concrete development measures for 2024 were identified.

Posti Group applies several collective agreements. The five largest collective agreements cover approximately 77% of the employees and are Mail communications and logistics (PAU), Delivery personnel (Industrial Union), the Commercial sector (PAM), Road haulage sector workers (Transport Workers' Union AKT) and The staffing agreement (The Swedish Trade Union Confederation LO). The coverage of collective agreements in all countries is indicated in the table Coverage of collective agreements, Group.

Personnel per country on 31.12., GRI 2-7

	2023	2022	2021
Finland	14,937	17,642	18,571
Sweden	1,252	1,502	1,761
Estonia	413	425	428
Lithuania	202	216	182
Latvia	144	134	131
Norway	24	27	0
Poland	52	50	55
Total	17,024	19,996	21,128

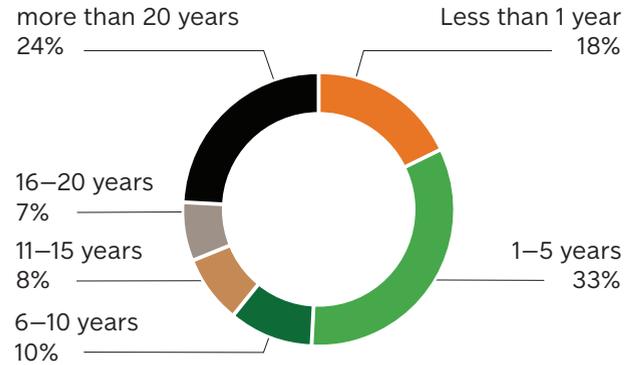
Employees by gender 31.12., Group, GRI 2-7

	2023			2022		
	Female	Male	Total	Female	Male	Total
Full time	3,029	7,141	10,170	3,093	7,033	10,126
Part time	1,178	1,614	2,792	1,578	1,805	3,383
Total	4,207	8,755	12,962	4,671	8,838	13,509
Permanent	3,741	7,943	11,684	3,980	7,706	11,686
Temporary	460	818	1,278	658	1,165	1,823
Total	4,201	8,761	12,962	4,638	8,871	13,509
Non-guaranteed hours	922	3,140	4,062	1,708	4,779	6,487
Total	5,129	11,895	17,024	6,379	13,617	19,996

Employees by region 31.12., Group, GRI 2-7, 2-8

	Finland	Sweden	Baltics	Other regions	Total
Full time	8,579	820	707	64	10,170
Part time	2,707	21	52	12	2,792
Total	11,286	841	759	76	12,962
Permanent	10,299	632	693	60	11,684
Temporary	987	209	66	16	1,278
Total	11,286	841	759	76	12,962
Non-guaranteed hours	3,651	411	0	0	4,062
Total	14,937	1,252	759	76	17,024
Workers who are not employees					7,928

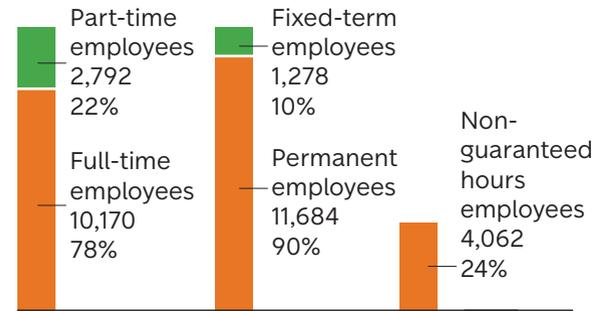
Length of employees' career, Group



New employee hires and leaving rate 1.1.–31.12., GRI 401-1

Permanent employments, Finland	Permanent employments	New permanent employments	Permanent employments terminated	Permanent employments (%)	New permanent employments (%)	Permanent employments terminated (%)
Females	4,325	557	1,609	28.4%	28.5%	36.2%
Males	10,915	1,400	2,833	71.6%	71.5%	63.8%
Total	15,240	1,957	4,442	100.0%	100.0%	100.0%
Under 30 years	2,915	1,079	2,014	19.1%	55.1%	45.3%
30–50 years	6,735	734	1,662	44.2%	37.5%	37.4%
Older than 50 years	5,588	144	766	36.7%	7.4%	17.3%
Total	15,240	1,957	4,442	100.0%	100.0%	100.0%

Breakdown of employment contracts as per December 31, 2023, Group



Leaving rate and New employee hires, Permanent employments, Finland

	Leaving rate (%)	New hire rate (%)
Females	37.2%	12.9%
Males	26.0%	12.8%
Total	29.1%	12.8%
Under 30 years	69.1%	37.0%
30–50 years	24.7%	10.9%
Older than 50 years	13.7%	2.6%
Total	29.1%	12.8%

Leaving rate and hires, Permanent employments, Group

	Permanent employments terminated	New permanent employments	Leaving rate (%)	New hire rate (%)
Finland	4,442	1,957	29.1%	12.8%
Sweden	228	104	40.4%	18.4%
Estonia	110	83	27.6%	20.8%
Latvia	53	52	43.8%	43.0%
Lithuania	168	143	95.5%	81.3%
Total	5,001	2,339	30.6%	14.3%

Areas with relatively small amount of employees are excluded from the table.

Permanent employments terminated and Leaving rate include both voluntary and involuntary terminations.

Everyone who is in an employment relationship with Posti Group is covered by social protection in case of income loss due to major life events, such as loss of employment, illness, childbirth or retirement. These measures are specified in the social security system for each country and the collective agreements in place.

Thanks to good work ability management, we have managed to reduce the number of paid and unpaid sickness-related absences. More information is provided in the table Sickness related absences, accidents and retirement. While our overall accident frequency decreased by 30%, we did not manage to reduce the number of accidents leading to absence from work.

Collective Bargaining Coverage, Group, GRI 2-30

Coverage Rate	Collective Bargaining Coverage** Employees - EEA*	Social dialogue** Workplace representation - EEA
0–19%		
20–39%		
40–59%		
60–79%		
80–100%	Finland, Sweden	Finland, Sweden

*Posti does not have non-EEA employees.

**Norway not reported due to < 50 employees. Data from the Baltics and Poland lacking, not reported in 2023.

The table is modified to comply with ESRS and replaces the table Distribution of collective agreements published in previous years.

Number of women and men in top management 31.12., Group, GRI 405-1

	Women	Women (%)	Men	Men (%)	Total	Target 2026
Supervisory Board	5	42%	7	58%	12	
Board of Directors	6	60%	4	40%	10	
Group leadership team	2	22%	7	78%	9	
Executive, group functions and business group leadership teams	40	43%	54	57%	94	Minimum 40% female and male

Employee average training hours and regular performance and career development reviews, GRI 404-1, 404-3

	2023	2022	2021
Average hours of training per year per employee 1.1.–31.12, Finland	2.8	2.3	1.3
Workers	2.1	1.6	0.6
Management	6.8	6.4	4.7
Leadership and senior management	5.7	5.3	6.7
Female	2.3	1.8	1.3
Male	2.9	2.5	1.3
Employees covered by regular performance and career development reviews 31.12. (%), Finland*			
Workers**	1.8%	1.4%	
Management	93.6%	73.7%	
Leadership and senior management	87.7%	75.2%	
Female	21.2%	15.8%	
Male	13.5%	10.9%	
Total	15.7%	12.4%	9.1%

*Reporting per employee category and gender not available from 2021. The figures for 2023 are estimates, the performance review process is still ongoing at the time of reporting. 2022 figures updated.

**The figure includes individual 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.

Sickness related absence, accidents and retirement, GRI 403-8, 403-9, 403-10

Finland	2023	2022	2021
Coverage of the occupational health and safety management system (ISO 45001) 31.12. (%)	99.6	99.8	99.7
External Audits of the occupational health and safety management system 1.1.–31.12.	69	45	43
Sickness related absences 1.1.–31.12. (%)	5.0	5.6	5.7
Occupational diseases 1.1.–31.12.	0	0	0
Lost time accidents 1.1.–31.12.	602	559	633
Fatalities from work-related injury 1.1.–31.12.	1	1	0
Accident frequency, LTA1 1.1.–31.12.*	28	24	26
Accident frequency, LTA0 1.1.–31.12.**	41	60	
Disability pensions	63	81	70
Part-time disability pensions	40	46	65
Total disability pensions	103	127	135
Average age for retiring on disability pension	59.7	58.4	58.2
Average retirement age	64.8	64.5	64.1
Retired	175	184	171

*LTA1 calculated based on million hours worked.

**LTA0 are calculated based on million hours worked. Data not available for 2021.

***Data not available for 2021.

The number of safety observations increased by 20% and we extended the scope of reporting to include our operations in Sweden and the Baltic countries.

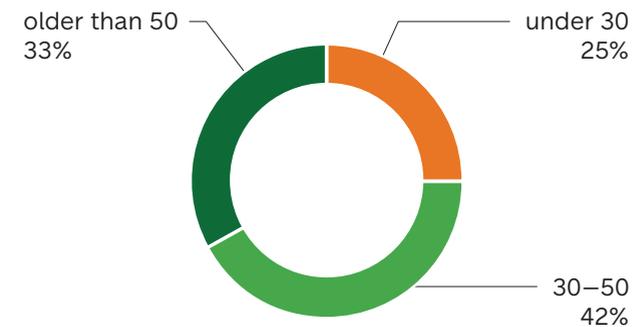
Posti carried out a pay equality survey in 2023. The survey showed that there is no

unexplained gender pay gap at Posti. The ratio between women's and men's basic salary and total remuneration was 98.36% on December 31 (the entire Group excluding Aditro Logistics and WebLog Finland). In Finland, the ratio was 99.02% including Transval, and 100.45% without Transval.

Group	2023	2022	2021
Coverage of the occupational health and safety management system (ISO 45001) 31.12. (%)***	95	92	
Sickness related absences 1.1.–31.12. (%)	5.0	5.9	5.5
Lost time accidents 1.1.–31.12.	645	615	651
Fatalities from work-related injury 1.1.–31.12.	1	1	1
Accident frequency, LTA1 1.1.–31.12.*	27	23	24
Accident frequency, LTA0 1.1.–31.12.**	39	56	

Age distribution of personnel, Group

GRI 405-1



Parental leave 1.1.–31.12., GRI 401-3

Group	Finland	Sweden	Baltics	Other regions
Employees that took parental leave	331	34	25	17
Female	159	23	25	9
Male	172	11	0	8
Employees that returned to work from parental leave	251	25	7	
Female	95	15	7	0
Male	156	10	0	0
Employees that returned from parental leave in 2022 and were retained 12 mo after returning*	340	16	8	

*The data for other regions is not available.

Consumers and end users (S4)

Strategy

Posti's purpose, "Responsibly delivering what matters to you—on your terms" makes customers, meaning consumers and end users, and improving the customer experience, part of our strategy.

In Finland, Posti has a delivery network that covers the entire country. We encounter consumers in various channels, including delivery operations, our retail network, parcel lockers and the OmaPosti application. Posti regularly reaches approximately three million households and businesses.

Ensuring privacy has a material impact on consumers. Posti's steering group on data protection and cyber security aims to ensure that processes, practices and risk management measures pertaining to data protection and cyber security are appropriately implemented in all of Posti's business groups. The processing of personal data is governed by the EU General

Data Protection Regulation (GDPR). Posti has paid attention to areas such as data protection preparedness and documentation, employee communications and the protection of processes and systems. Basic-level data protection training is organized for all employees. In addition, more in-depth data protection training is organized for personnel groups engaged in expert work.

Policies and metrics

In its Code of Conduct, Posti is committed to respecting all internationally recognized human rights. Posti's data protection policy describes the company's data protection principles, which are aimed at preventing privacy-related adverse impacts and risks in connection with the processing of consumers' personal data. The data protection policy and data protection training help to prevent risks related to data protection and information security, including data protection violations concerning customer data.

Online courses on the Posti Code of Conduct and the basics of data protection are mandatory for all Posti employees. In 2022 and 2023, 71% of Posti's employees (excluding Aditro Logistics) completed the online course on the basics of data protection. More in-depth data protection training is also available. Approximately 230 people received in-depth training on the subject in 2023.

In 2023, there were 822 requests for access to personal data, and the average response time was less than 11 days.

In 2023, the Data Protection Authority processed three new privacy-related complaints, for which Posti was asked to provide clarification. There were 58 cases related to customer data protection reported by Posti to the Data Protection Authority. There were no significant violations of laws and regulations during the year.

We comply with the guidelines and regulations relating to environmental claims and aim to

avoid all greenwashing. Posti's brand guidelines specify that accessibility must be taken into consideration in digital channels and visual design in terms of the colors used and the readability of content, for example.

There were no violations of laws, regulations or voluntary principles related to marketing communications during the reporting period.

We measure customer satisfaction when providing services, and in 2023, for example, we received over 213,000 feedbacks from our customers on Home Parcel deliveries with an average score of 4.7/5.

Governance information

Business conduct (G1)

Policies

Posti is committed to sustainability and ethical business in all of its operating areas. Our corporate culture emphasizes ethical behavior, compliance with laws and regulations and responsible business conduct.

Posti has in place a Code of Conduct for its employees and a Supplier Code of Conduct for its suppliers. They cover topics including compliance with laws and other regulations, good business practices, the principles of equality and non-discrimination, the avoidance of conflicts of interest, the prohibition of unethical commercial practices and environmental responsibility. The Code of Conduct also describes the principles concerning the consequences of misconduct.

Posti's previous HSEQ policy has been replaced by separate policies as follows: People Policy on

March 1, 2023, Quality Policy on May 1, 2023, and an Environmental Policy that will be updated in 2024.

All gifts and gestures of hospitality received or given must comply with the law, Posti's guidelines for gifts and Posti's Code of Conduct. The assessment of corruption risks is part of the Group's risk assessment procedure, which covers all business units and countries of operation. There were no confirmed incidents of corruption during the reporting period.

Posti wants to encourage personnel and stakeholder representatives to highlight issues and shortcomings. To facilitate this, the company has a SpeakUp whistleblowing channel managed by a third party. It can be used to confidentially report suspected misconduct or other problems. Anonymous reports can be submitted via the whistleblowing on any conduct that violates the law or is not aligned with Posti's values or Policies.

Whistleblowing channels for the personnel and stakeholders are available in nine languages. Whistleblowers have the option of including their contact details when reporting misconduct via the SpeakUp channel.

Posti is committed to protecting the rights and privacy of all whistleblowers. 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. The whistleblowing process and instructions for reporting misconduct or other problems are described in separate guidelines aimed at Posti's employees. All reported incidents are investigated quickly, independently and objectively. The Chief Compliance Officer reports incidents reported through the whistleblowing channel to Audit, Risk and Sustainability Committee, and Posti's Board of Directors is also informed of them.

Metrics and targets

The identified risks are related to potential human rights violations, supplier management, failure of internal control and corruption. Posti prevents these risks by providing Code of Conduct training to all employees. The content of the Code of Conduct is the same for all employees and it is included in the orientation of new employees.

Code of Conduct training is mandatory for all employees. In 2023, 66% of the Group's employees had completed the training (excluding Aditro Logistics). More in-depth training on the subject is also organized for key target groups, such as management and the sales and sourcing units.

A total of 47 reports of suspected misconduct were received via the SpeakUp whistleblowing channel or by email in 2023. Reports were received from both employees and suppliers.

Potential supply chain risks related to human rights and corruption and bribery are prevented by monitoring the sustainability of suppliers before their acceptance as suppliers by carrying

out pre-acceptance checks: financial position, ownership, ESG status, PEP checks and sanction list checks. The Supplier Code of Conduct is incorporated into all new purchase contracts. A self-assessment tool and, where necessary, sustainability audits of selected suppliers are also used. There were no confirmed incidents of corruption during the reporting period.

Posti's lobbying activities are regularly discussed by the company's Board of Directors and Leadership Team. In line with the company's strategy, the main topics of Posti's lobbying activities are related to the reform of postal legislation, the digitalization of communications, promoting fossil-free logistics and accelerating eCommerce. Posti does not make direct or indirect donations to political parties or related purposes. Posti is registered with the EU Transparency Register (identifier 231418115347-05) and the Finnish Transparency Register (register number POS-24-165-R). During the current reporting period, Posti did not appoint any members to its governance, management or supervisory bodies who had held corresponding positions in the public administration during the preceding two years (including the regulatory authorities).

Sustainable sourcing

We ensure the sustainability of sourcing in many ways. We fulfill the obligations set out in the Contractor's Obligations and Liability Act through our suppliers' Vastuu Group membership in Finland. We monitor and manage risks in our supply chain with a risk assessment tool. We build our partnerships on Posti's values and train our suppliers on the themes of social and environmental responsibility. For instance, we have made Posti's digital training activities available to the employees of our suppliers to give them the opportunity to participate in the same training as Posti's employees. Examples of these include training on the Code of Conduct and data protection training. Posti requires its partners to comply with collective agreements, and nothing has come to Posti's attention that needs to be addressed concerning this.

Our partners and partner cooperation are an essential part of Posti's sustainable sourcing. We support our partner suppliers in the development of sustainability. We support selected partners with, for example, supply chain financing and the possibility to purchase electric vans at Posti's purchase price. In 2023, we started building a roadmap for fossil-free transport in our partnership network together with our key partners, in accordance with our goal of fossil-free transport by 2030. We also

provided opportunities for test driving suppliers' routes on a fossil-free basis to allow the suppliers to familiarize themselves with the opportunities of new technology. Suppliers also have the opportunity to buy fossil-free fuels at Posti's prices and they have a preferential position to purchase Posti's fossil-free leased vehicles when they are returned after the lease period.

Posti's Sourcing Portal for suppliers was also deployed in Sweden and the Baltic countries in 2023. 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.

By the end of 2023, the Supplier Code of Conduct had been signed on the portal by 92.75%* (93.7%***) of Finnish suppliers and 87.85% of all suppliers in Finland, Sweden and the Baltic countries. There are also instances of the Supplier Code of Conduct having been signed manually and not yet entered in the portal. Suppliers may report suspected violations of the Code of Conduct or laws confidentially through Posti's notification channel designed for partners.

For new suppliers, Posti carries out checks of their financial position, ownership and ESG status as well as PEP and sanctions checks. Suppliers are only added to the supplier base if no obstacles are identified in these checks.

In 2022, we introduced a new tool for monitoring and assessing supply chain risks. The tool is used for the continuous assessment of suppliers' environmental, social and governance (ESG) risks. We began the assessment of supplier risks with the help of a financial information monitoring service and added the monitoring of ESG information in 2023. A sanctions list monitoring service will be added in 2024. We receive information on changes occurring in our supplier base on a daily basis and our sourcing function regularly reviews the issues that have emerged in monitoring activities and the associated risks and measures. Environmental and social assessments were carried out in connection with 8 (23) supplier audits in Finland. Instead of audits, we focused on supplier selection, risk monitoring and partner cooperation in 2023.

In the future, we also intend to focus more on the training of suppliers. No negative environmental impacts were observed during the reporting period. Negative social and governance risk

values were found to be elevated with regard to some suppliers. More cases may also arise in official inspections of entrepreneurs, in which case the information will be displayed as an alert in the ESG risk assessment tool used in Posti's sourcing. Reports have also been received via Posti's whistleblowing channel. The identified cases and the corrective actions required by them have been discussed on a case-by-case basis with the suppliers and, if necessary, an official inspection has been carried out or cooperation with the supplier has been terminated.

In 2022, we renewed the self-assessment questionnaire for suppliers to take environmental and social responsibility issues into consideration more extensively. The self-audit form was sent to 890 suppliers, and responses were collected from 119 companies in 2022 and 2023. The response rate was 13.4%.

In 2022, Posti purchased services and products from Finnish companies for EUR 673 million (EUR 659 million in 2022). In 2023, 94.7%*** (94.0%**** in 2021) of all of Posti's purchases in Finland were made from domestic suppliers.

*Calculated on actual purchases in Finland

**Calculated from actual purchases in Finland excluding Posti Kiinteistö Ltd and Transval

***Posti's Finnish companies

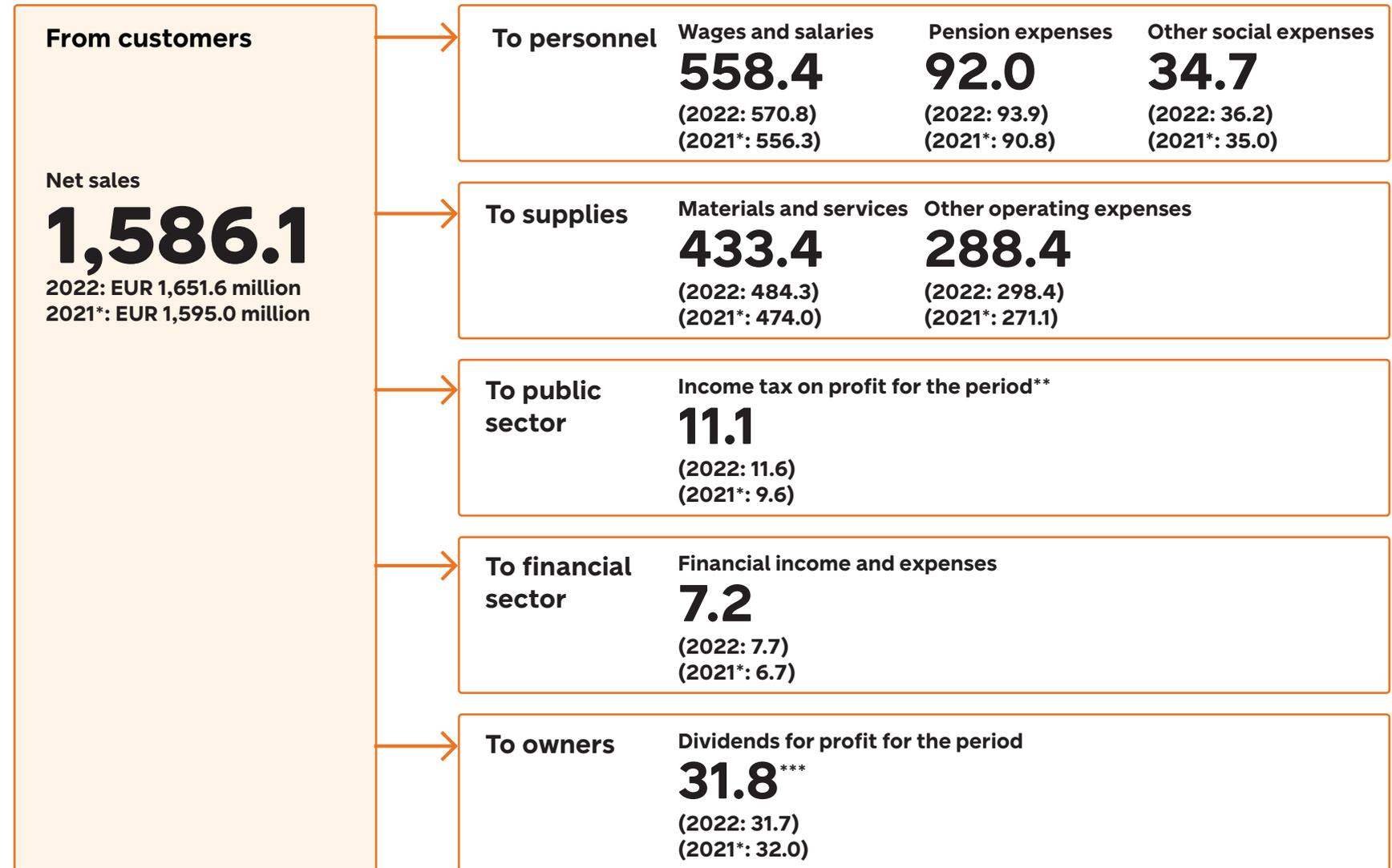
****Posti's Finnish companies excluding Transval

Tax footprint

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 of the Prime Minister's Office on June 7, 2022.

Posti has updated its disclosures on the year 2023 to be based on figures calculated in accordance with IFRS accounting principles as part of the company's preparations for Pillar 2 reporting obligations related to a global minimum income tax. The comparison figures have been updated to correspond to the new reporting practices. The change has no effect on the taxes presented as paid or remitted. Instead, it is mainly reflected in the key figures provided on the countries of operation.

Financial impact in accordance with the consolidated income statement 2023 (EUR million)



*Continuing operations – as a result of divestment, the results of Itella Russia are presented as discontinued operations.

**More information from the section Tax footprint.

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

Tax strategy

All companies in the Group have committed to operating responsibly and to meeting all obligations and requirements defined by the valid legislation in 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 to artificially decrease 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 always aims to 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 Audit, Risk and Sustainability Committee of the Board of Directors. The key task in 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 when such decisions and appeals have a material impact on the Group's tax position.

The information representing the tax footprint is based on data collected from the Group's

accounting systems. Taxes refer 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 that are, as a rule, expensed in the company's financial statements. Taxes remitted refers to taxes or fees collected by the companies that are remitted to tax collectors, often on behalf of parties other than the company itself. The information is provided on a payment-specific basis, in that it relates to payments remitted to taxpayers during the reporting period.

Countries where Posti has no operations are excluded from reporting, even if the Group has a company in that country. In these countries, such as Germany, Posti's companies pay limited or no income taxes. The tax footprint provides information on an unconsolidated basis according to the country of location of the company.

In 2023, the Group had operations in seven 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. More detailed information about the companies included in the report is provided in Posti Group's Financial Review or annual financial statements.

The Group's tax position

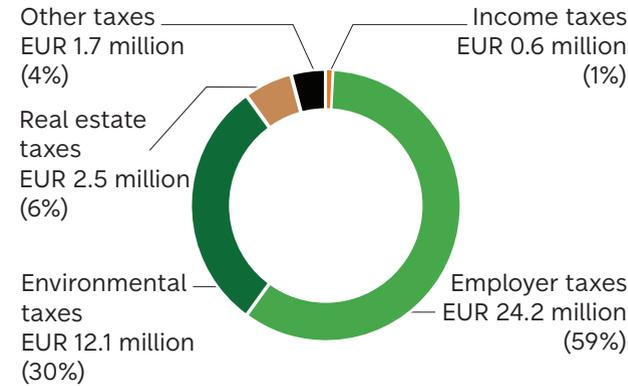
In 2023, the Group's effective tax rate was -79.0% (2022: 26.7%). The effective tax rate is calculated based on accrual-based income taxes and changes in deferred taxes. The change in the effective tax rate was particularly attributable to accumulated losses in Sweden, for which no deferred tax assets were recognized, and write-downs recognized in Swedish operations which are not expenses that are deductible in income taxation.

During the year under review, Posti fully utilized the remaining accumulated tax losses from the divestment of the company's property companies in Russia. Posti divested its business operations in Russia in late 2021. Consequently, the income tax paid in Finland was low in amount for the year under review. The back taxes based on taxable income were not paid until 2024. The Group's accrual-based income taxes for the financial year, excluding the effect of changes in deferred taxes, amounted to EUR 4.6 million.

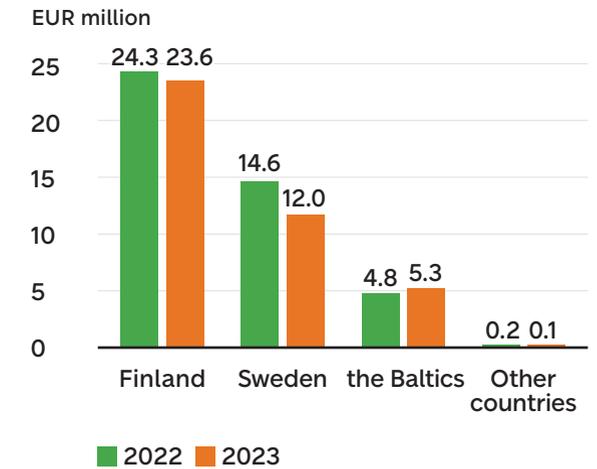
Posti Group does not have any pending tax disputes in Finland or its other countries of operation.

The Pillar 2 minimum income tax system for international groups of companies will apply to Posti. Posti prepared for the changes during the year under review. The changes will enter into effect during the financial year 2024 for the most part. The aim of Pillar 2 is to ensure that large international groups of companies pay a minimum effective income tax of 15% in their countries of operation. The change is not expected to have a material impact on Posti's income tax position or income taxes paid in the countries of operation.

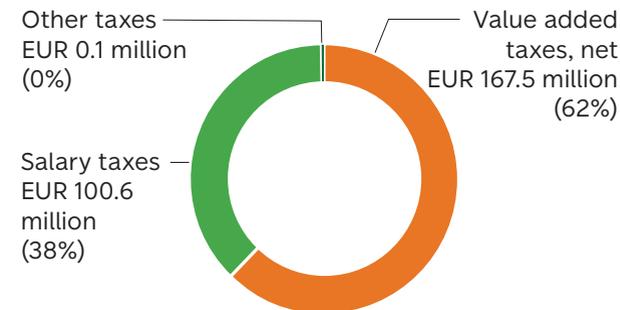
Taxes to be paid by category total EUR 41.0 million



Taxes to be paid by geographical area, EUR 41.0 million



Remitted taxes by category total EUR 268.1 million



Group's tax footprint

2023, EUR million	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Net sales and other operating income from unrelated parties	1,448.1	106,0	22,7	11,1	4,9	3,2	0,0
Net sales and other operating income from Group companies	854,2	8,0	13,5	8,8	7,0	0,1	2,5
Result before taxes	6,1	-11,7	1,1	-2,6	-0,3	0,0	0,2
Taxes to be paid	23,6	12,0	3,3	1,2	0,8	0,1	0,0
Remitted taxes	246,5	18,5	2,1	0,0	0,1	0,5	0,2
Received public support	2,3	0,3	0,0	0,0	0,0	0,0	0,0
Tangible assets excluding cash and cash equivalents	398,8	115,9	12,4	4,5	0,1	1,4	0,0
Stated capital by the end of the financial year	547,7	0,0	0,2	7,5	3,5	0,0	13,5
Accumulated earnings by the end of the financial year	256,4	-0,7	23,0	-6,5	-2,3	1,2	-9,1
Number of personnel by the end of the financial year (full-time-equivalent)	11,989	942	399	191	144	17	52

2022*, EUR million	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Net sales and other operating income from unrelated parties	1,478.6	124.5	23.7	16.5	5.6	7.2	0.0
Net sales and other operating income from Group companies	649.7	18.7	12.7	7.8	6.8	0.0	2.1
Result before taxes	126.9	-10.3	1.8	-1.7	-0.5	0.1	0.1
Taxes to be paid	24.3	14.6	3.2	1.0	0.7	0.2	0.0
Remitted taxes	235.7	14.5	2.4	-0.4	0.1	0.6	0.2
Received public support	0.4	0.3	0.0	0.0	0.0	0.0	0.0
Tangible assets excluding cash and cash equivalents	370.5	112.4	11.6	5.0	2.6	2.3	0.1
Stated capital by the end of the financial year	540.9	0.5	0.2	3.4	2.5	0.0	12.5
Accumulated earnings by the end of the financial year	288.5	-22.1	22.0	-3.8	-2.0	1.3	-8.5
Number of personnel by the end of the financial year (full-time-equivalent)	13,101	1,067	409	214	132	26	50

*Comparative period data has been restated according to IFRS accounting principles.

Taxes to be paid by category and by country

2023, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Income taxes	0.6	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Employer taxes	24.2	7.5	11.4	3.3	1.1	0.8	0.1	0.0
Environmental taxes	12.1	11.5	0.4	0.0	0.1	0.0	0.0	0.0
Real estate taxes	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Total taxes to be paid	41.0	23.6	12.0	3.3	1.2	0.8	0.1	0.0

2022, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Income taxes	0.6	-0.3	0.9	0.0	0.0	0.0	0.0	0.0
Employer taxes	25.6	6.9	13.6	3.2	1.0	0.7	0.2	0.0
Environmental taxes	12.3	12.3	0.0	0.0	0.0	0.0	0.0	0.0
Real estate taxes	3.8	3.8	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Total taxes to be paid	43.9	24.3	14.6	3.2	1.0	0.7	0.2	0.0

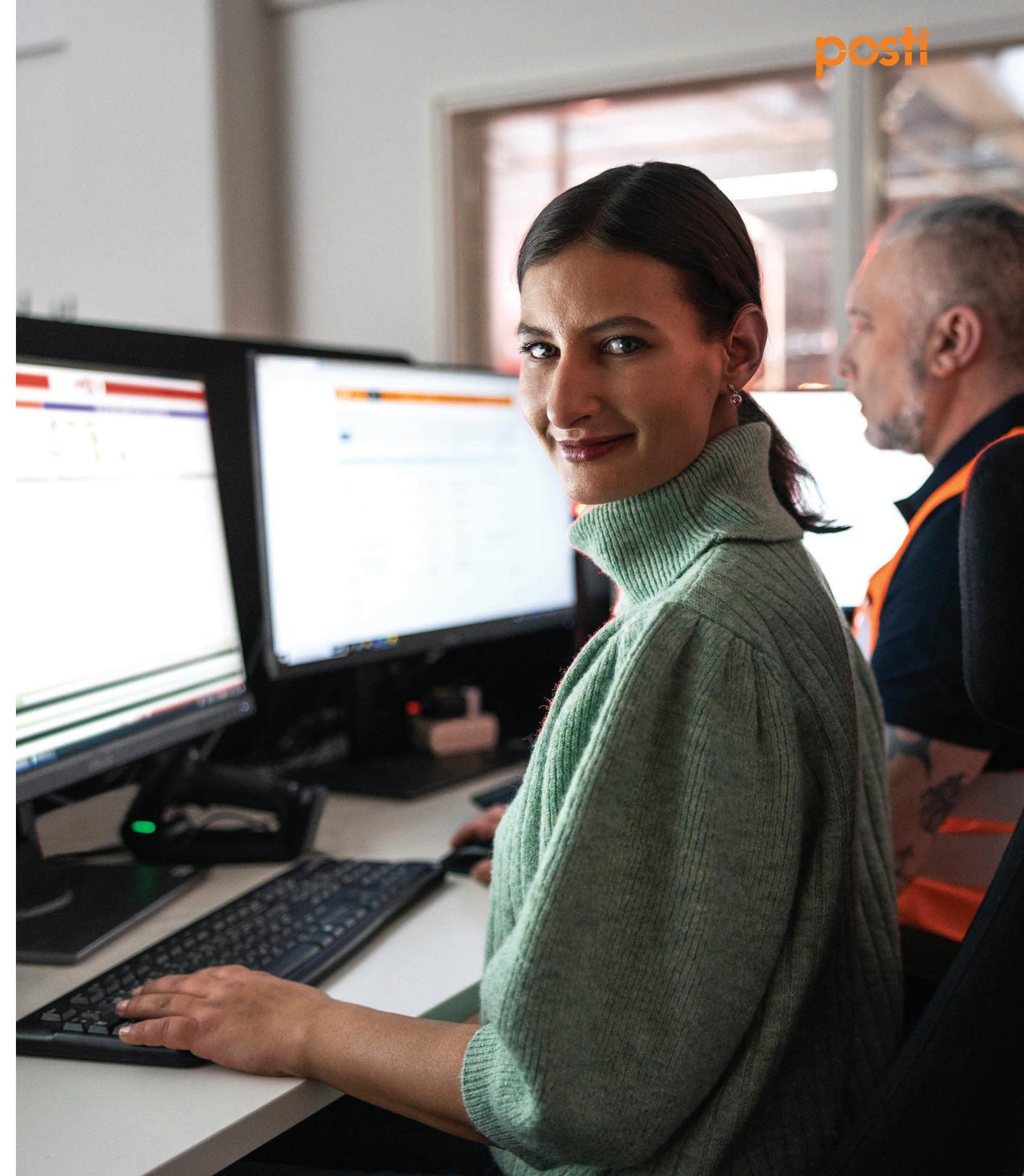
Remitted taxes by category and country

2023, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Value added taxes, net	167.5	159.2	9.5	0.3	-1.0	-0.8	0.3	-0.1
Salary taxes	100.6	87.2	9.1	1.8	1.0	0.9	0.2	0.3
Other taxes	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total remitted taxes	268.1	246.5	18.5	2.1	0.0	0.1	0.5	0.2

2022, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Value added taxes, net	146.8	145.0	2.7	0.7	-1.2	-0.7	0.4	-0.1
Salary taxes	105.6	90.7	11.8	1.7	0.0	0.8	0.2	0.2
Other taxes	0.8	0.0	0.0	0.0	0.8	0.0	0.0	0.0
Total remitted taxes	253.2	235.7	14.5	2.4	-0.4	0.1	0.6	0.2

Reporting principles

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Reporting principles

Posti's sustainability report has been prepared in accordance with the sustainability reporting standards issued by the Global Reporting Initiative (GRI). Area-specific standards have been reported for the areas of financial, social, administrative and environmental responsibility that are essential to Posti. The GRI reporting contents can be found in the GRI content table. Posti has also applied the European Sustainability Reporting Standards (ESRS) for the first time in this report. The disclosures provided in this report for the ESRS standards E1, E5, S1, S4 and G1 partially satisfy the disclosure obligations. A summary of the reporting content on the ESRS standards is provided in the ESRS content table.

Posti's sustainability information is subject to external assurance once every two years. Posti's sustainability indicators for 2022 have been subject to external assurance by PricewaterhouseCoopers Oy with regard to energy consumption (GRI 302-1 and 302-2), greenhouse gas emissions (Scope 1–3 and GRI 305-1, 305-2 and 305-3) and the LTA1 accident frequency indicator for occupational safety. The information has been subject to assurance at the Posti Group and limited assurance levels and in accordance with the ISAE 3000 (revised) and ISAE 3410 standards.

The sustainability report is prepared annually for the same period as the financial figures (January 1–December 31). The sustainability report that contains the company's disclosures on the year 2023 will be published as a separate report released in connection with the Financial Statements. Posti's sustainability and public affairs unit, together with the communications unit, is responsible for the preparation of the sustainability report. Various Posti units participate in the preparation of the report, including the personnel management, sourcing and finance units. Selected members of the Group's Leadership Team participate in the monitoring of the reporting process, and the information in the report is submitted to Posti's Leadership Team for comments before publication. The report is submitted to Posti's Audit, Risk and Sustainability Committee before its publication. Unless otherwise mentioned in context, Posti's sustainability reporting covers all operations of the parent company and subsidiaries in all countries of operation. 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 financial 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 [here](#).

The following Scope 3 categories have been excluded from emissions reporting because they are not relevant or the emissions are included in other categories in the emissions calculations: 5) waste generated in operations (less than 0.3% of Posti's total emissions based on an assessment conducted in 2019), 8) upstream leased assets (included in Scope 1 and 2 under

the energy consumption of leased properties), 12) end of life treatment of sold products (Posti sells packaging materials, envelopes and stamps, but the emissions of their disposal are lower than those of category 5), 13) downstream leased assets (Posti's properties have a small number of external tenants, but their energy consumption is included in Scope 1 and 2).

The following Scope 3 categories are not included in emissions reporting because they are not related to Posti's business: 9) downstream transportation and distribution, 10) processing of sold products, 11) use of sold products, 14) franchises, 15) investments.

In the reporting on purchased transport, some sea shipments that were previously missing have been retrospectively added to the reported figures after the shipping companies made the data available from 2020 onward.

Changes in reporting

The structure of Posti's sustainability report has been revised in order to prepare for the introduction of the European Sustainability Reporting Standards. The report is divided into two sections: Sustainability Review and Sustainability statement. The Sustainability Review provides a summary of Posti's key sustainability events during the year. The Sustainability statement is developed with an eye on the ESRS standards. In 2023, the accident frequency indicator was changed from LTA1 to LTA0.

In the reporting of indicators related to climate change, the calculation of the Scope 3 categories "Purchased goods and services" and "Capital goods" was updated in 2023. The emission factors were updated to use the latest available consumption-based factors for 2020 from Exiobase. The emission factors were also adjusted for inflation for the first time, as recommended by the party that updates the factors. The calculation was also retrospectively updated for 2020–2022.

ESRS content index

Section	ESRS standard	Reporting area	Location
General disclosures	ESRS 2	Basis for preparation	p. 27
		Governance	p. 27–28
		Strategy	p. 28–29
		Impact, risk and opportunity management	p. 29–30
Climate change	ESRS E1	Strategy	p. 31–33
		Impact, risk and opportunity management	p. 33
		Metrics and targets	p. 33–35
Resource use and circular economy	ESRS E5	Impact, risk and opportunity management	p. 36
		Metrics and targets	p. 36
Own workforce	ESRS S1	Strategy	p. 37
		Impact, risk and opportunity management	p. 37–38
Consumers and end-users	ESRS S4	Metrics and targets	p. 39–42
		Strategy	p. 43
Business conduct	ESRS G1	Impact, risk and opportunity management	p. 43
		Metrics and targets	p. 44
			p. 45

GRI content index

Statement of use: Posti Group Oyj has reported the information cited in this GRI content index for the period 1.1.–31.12.2023 with reference to the GRI Standards.
GRI 1 used: GRI 1: Foundation 2021.

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021		
	2-1 Organizational details	Financial review 2023: Group companies, Notes to the Consolidated Financial Statements (Company information)
	2-2 Entities included in the organization's sustainability reporting	p. 53
	2-3 Reporting period, frequency and contact point	p. 53
	2-4 Restatements of information	p. 54
	2-5 External assurance	p. 53
	2-6 Activities, value chain and other business relationships	p. 8–9, 28–29
	2-7 Employees	p. 39
	2-8 Workers who are not employees	p. 39
	2-9 Governance structure and composition	p. 27 Corporate Governance Statement 2023
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement 2023
	2-11 Chair of the highest governance body	Corporate Governance Statement 2023
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2023
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Statement 2023
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Statement 2023

GRI standard	Disclosure	Location
	2-15 Conflicts of interest	Corporate Governance Statement 2023 Financial review 2023: Related party transactions
	2-16 Communication of critical concerns	p. 44–45
	2-17 Collective knowledge of the highest governance body	p. 11, 27
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Statement 2023
	2-19 Remuneration policies	Remuneration report 2023
	2-20 Process to determine remuneration	Corporate Governance Statement 2023
	2-21 Annual total compensation ratio	Remuneration report 2023
	2-22 Statement on sustainable development strategy	p. 4
	2-23 Policy commitments	p. 11–12
	2-24 Embedding policy commitments	p. 11–13, 28, 46
	2-25 Processes to remediate negative impacts	p. 44–45
	2-26 Mechanisms for seeking advice and raising concerns	p. 44–45
	2-27 Compliance with laws and regulations	p. 43
	2-28 Membership associations	p. 24–25
	2-29 Approach to stakeholder engagement	p. 24–25
	2-30 Collective bargaining agreements	p. 41

GRI standard	Disclosure	Location
Material Topics		
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	p. 29–30
	3-2 List of material topics	p. 30
	3-3 Management of material topics	p. 27
Economic Performance		
GRI 201: Economic Performance 2016		
	201-1 Direct economic value generated and distributed	p. 47
	201-2 Financial implications and other risks and opportunities due to climate change	p. 31–33
	201-3 Defined benefit plan obligations and other retirement plans	Financial review 2023: Employee benefits, Pension liabilities
	201-4 Financial assistance received from government	Financial review 2023: Other operating income
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016		
	203-1 Infrastructure investments and services supported	Financial review 2023: Property, plant and equipment, Board of Directors Report: Research and development
	203-2 Significant indirect economic impacts	Financial review 2023: Board of Directors Report: Market situation and operating environment
Procurement Practices		
GRI 204: Procurement Practices 2016		
	204-1 Proportion of spending on local suppliers	p. 46
Anti-corruption		
GRI 205: Anti-corruption 2016		
	205-1 Operations assessed for risks related to corruption	p. 44–45
	205-2 Communication and training about anti-corruption policies and procedures	p. 44–45
	205-3 Confirmed incidents of corruption and actions taken	p. 45

GRI standard	Disclosure	Location
Anti-competitive Behaviour		
GRI 206: Anti-competitive Behavior 2016		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 43
Tax		
GRI 207: Tax 2019		
	207-1 Approach to tax	p. 48
	207-2 Tax governance, control, and risk management	p. 48
	207-3 Stakeholder engagement and management of concerns related to tax	p. 48
	207-4 Country-by-country reporting	p. 49, 51
Energy		
GRI 302: Energy 2016		
	302-1 Energy consumption within the organization	p. 34
	302-2 Energy consumption outside of the organization	p. 34
	302-3 Energy intensity	Information unavailable
	302-4 Reduction of energy consumption	Information unavailable
Biodiversity		
GRI 304: Biodiversity 2016		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 23
	304-2 Significant impacts of activities, products and services on biodiversity	Information unavailable
	304-3 Habitats protected or restored	Information unavailable
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable

GRI standard	Disclosure	Location
Emissions		
GRI 305: Emissions 2016		
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