



# 2022

## Remuneration report

[www.posti.com/governance](http://www.posti.com/governance)



# Introduction

The Posti Group Corporation (“Posti”) remuneration philosophy is designed to support the achievement of our strategic goals and reward proven results and excellent performance delivered in line with the Group’s strategy, culture, and values. The remuneration philosophy supports the Group in attracting, keeping, and motivating the best possible teams and talents to deliver the development and results of the Posti Group.

Remuneration of all personnel has, as in previous years, focused on timely remuneration for good performance. Spot recognition is specifically targeted towards work in company operations for both individuals and teams.

*“I am pleased that in 2022 we were again able to reward so many of our Posti employees for their contribution to the overall success of the company. All our employees have demonstrated great resilience and reliability and have worked hard to achieve common goals, even though the challenges in our operating environment have continued. As in*

*the previous years, we have directed our funds to reward the excellent performance of our production employees,” says Sanna Suvanto-Harsaae, Chair of the Board of Directors of Posti Group.*

The target setting of the short- and long-term incentive plans emphasizes Posti’s strategic priorities. In accordance with Posti’s remuneration policy, in addition to a fixed salary, short-term and long-term incentives have been used to remunerate the President and CEO, whose targets are based on financial and strategic indicators, promoting long-term shareholder value. Sustainability is an important strategic priority for Posti and it has been taken into account in the company’s short- and long-term incentive programs. Occupational safety and reducing accident frequency are part of the short-term incentive program. The emissions target for 2030 set by Posti and validated by the Science Based Targets initiative is part of Posti management’s long-term incentive program.

## Remuneration 2018–2022

	2018	2019	2020	2021	2022
Chair of the Board of Directors EUR <sup>1</sup>	61,800	67,800	76,917	79,800	75,000
Deputy Chair of the Board of Directors EUR <sup>2</sup>	42,600	49,800	71,156	52,200	48,600
Other Members of the Board of Directors average EUR	35,028	39,542	22,408	34,918	33,327
Members of the Board of Directors Total EUR	384,626	433,936	394,561	411,340	382,500
President and CEO EUR <sup>3</sup>	987,764	1,023,355	631,190	910,993	990,271
Posti employee average EUR <sup>4</sup>	32,902	33,514	35,065	36,981	38,091
Net sales MEUR	1,610.3	1,564.6	1,613.6	1,595.0	1,651.6
Adjusted operating result MEUR	44.8	39.0	66.1	59.8	58.9
Adjusted EBITDA MEUR				181.6	183.8

<sup>1</sup> Sanna Suvanto-Harsaae since May 14, 2020, Markku Pohjola until May 14, 2020.

<sup>2</sup> Per Sjödell since May 14, 2020, Suvi-Anne Siimes until May 14, 2020.

<sup>3</sup> Turkkka Kuusisto since October 2, 2019, Heikki Malinen until October 1, 2019.

<sup>4</sup> Posti’s total employee benefits deducted by pensions and other social expenses and divided by amount of full-time equivalent personnel.

# Board of Directors Remuneration and Supervisory Board Remuneration 2022

## Board of Directors Remuneration

The Board of Directors is responsible for the management of the company and the proper organization of its operations. Remuneration for the Board of Directors is approved annually at the AGM. The Board members receive a monthly fee (based on their role) and an additional meeting attendance fee. Board members do not receive other benefits from Posti. The fee structure for the Board of Directors, which consists of a monthly remuneration and a meeting remuneration, has remained unchanged since 2010.

Remuneration in EUR payable to Board members determined at the 2022 AGM:

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

\* For Board members residing outside Finland the fee is paid in double i.e. 1,200 EUR per meeting.

## Board of Directors Remuneration 2022 (EUR)

Member on December 31, 2022	Monthly remuneration, total	Meeting fees: Board of Directors	Meeting fees: Committee	Total
<b>Sanna Suvanto-Harsaae</b> , (Chair) Strategy Committee (Chair) Personnel Committee (Chair) Audit Committee	43,800	14,400	16,800	75,000
<b>Per Sjäodell</b> , (Deputy Chair) Personnel Committee (since 4.4.2022) Strategy Committee (until 4.4.2022)	28,200	14,400	6,000	48,600
<b>Raija-Leena Hankonen-Nyboom</b> Audit Committee (Chair)	28,200	7,200	3,000	38,400
<b>Harri Hietala</b> Personnel Committee	25,200	7,200	2,400	34,800
<b>Sirpa Huuskonen</b> (until 28.3.2022) Personnel Committee (until 28.3.2022)	6,300	2,400	600	9,300
<b>Kari-Pekka Laaksonen</b> Audit Committee (since 4.4.2022) Strategy Committee (until 4.4.2022)	25,200	14,400	7,200	46,800
<b>Jukka Leinonen</b> (as from 28 March 2022) Strategy Committee (as from 4 April 2022)	19,171	4,800	1,800	25,771
<b>Frank Marthaler</b> Audit Committee Strategy Committee	25,200	14,400	12,000	51,600
<b>Minna Pajumaa</b> Audit Committee (until 4.4.2022) Personnel Committee	25,200	7,200	3,000	35,400
<b>Hanna Vuorela</b> Strategy Committee	25,200	7,200	3,000	35,400
<b>Satu Ollikainen</b> Personnel Representative		7,200		7,200

## Supervisory Board Remuneration

Posti has a governance model by which the management of Posti is the responsibility of the General Meeting of Shareholders, the Board of Directors and the President and CEO. In addition, the management of the company is supervised by the Supervisory Board. The Supervisory Board does not participate in remuneration- and reward-related decisions. The remuneration of the Supervisory Board is approved annually at the AGM. Supervisory Board members receive a fixed fee based on meeting attendance and they do not receive other benefits from Posti.

Meeting compensation in EUR payable to Supervisory Board members determined at the AGM in 2022 was:

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

Supervisory Board members do not receive other benefits from Posti.

## Supervisory Board Remuneration 2022 (EUR)

	<b>Remuneration total</b>
Aki Lindén, Chair**	-
Kimmo Kiljunen, Chair***	2,900
Heli Järvinen, Deputy Chair	1,800
Sari Essayah	2,000
Eeva Kalli	1,000
Mia Laiho	2,000
Rami Lehto	2,000
Pia Lohikoski	1,500
Mari Rantanen	1,500
Veronica Rehn-Kivi	2,000
Ari Torniainen	2,000
Paula Werning	1,500
Seppo Eskelinen****	1,500

\*\* 1.1.–28.3.2022 and 21.11.–31.12.2022 Chair and Member of the Supervisory Board

\*\*\* 28.3.–21.11.2022 Chair and 1.1.–31.12.2022 Member of the Supervisory Board

\*\*\*\* 28.3.–21.11.2022 Member of the Supervisory Board

# President and CEO Remuneration 2022

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

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

The total amount of short-term bonus and long-term incentives paid to President and CEO Turkkua Kuusisto in 2022 was 48.3% of the total amount of remuneration paid to him in 2022. The total amount of the fixed salary (including fringe benefits and insurance benefits) was 51.7% of the of the total amount of remuneration paid to him in 2022.

## Total Remuneration of the President and CEO 2022 (EUR)

Fixed salary including fringe benefits, holiday pay and insurance benefits	Short-term bonus related to 2020 performance	Long-term incentive relating to performance in 2019-2021 (LT11) and Bridge incentive plan (2X)	Total
512,002	204,480	273,789	990,271

# Long-term incentive plans

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

Plan	Performance measures	Outcome	Payment as % of maximum
Bridge incentive plan 2X performance period 1.7.–31.12.2018 & 1.1.–30.6.2019 Payment period 2020–2022*	Posti Group's adjusted EBIT Posti Group's consolidated Customer satisfaction	Over target	2020: 32% 2021: 16% 2022: 32%
LTI 11 performance period 2019–2021 Payment period 2022	Profitability (EPS) Growth (Parcel and eCommerce net sales)	Over target	2022: 58%
LTI 12 performance period 2020–2022 Payment period 2023	Profitability (EPS) Greenhouse gas emissions Customer satisfaction	Over target	2023: 67%
LTI 2021–2023	Profitability (EPS) Greenhouse gas emissions Customer satisfaction		
LTI 2022–2024	Profitability (EPS) Greenhouse gas emissions Customer satisfaction Employee engagement		
LTI 2023–2025	Profitability (EPS) Greenhouse gas emissions Customer satisfaction Employee engagement		

\* Payouts: 40% in 2020, 20% in 2021 and 40% in 2022.

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

# Short-term bonus

Bonuses for 2021 performance (paid in 2022) were based on adjusted Group EBITDA, Group net sales and Group accident frequency (LTA1). The bonus paid to the President and CEO Turkka Kuusisto for 2021 performance was 45.4% of one year's salary.

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

The maximum bonus opportunity for the short-term bonus is 60% of one year's salary. The bonus payment is conditional on a valid employment relationship at the time of the payment.



[www.posti.com/governance](http://www.posti.com/governance)