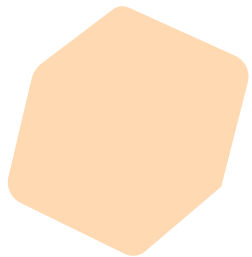




2022

Sustainability report



www.posti.com/sustainability

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Posti's direction

Our vision: modern delivery and fulfillment company with progressive profitability



President and CEO review

After two consecutive years of the COVID-19 pandemic, the world faced a new crisis when Russia invaded Ukraine. Our priority as a company in this situation, too, has been the well-being of our employees.

We discontinued our deliveries to Russia due to the exceptional circumstances, as specified in the Universal Postal Union (UPU) agreements and organized direct aid to Ukraine in the form of, for example, money and aid deliveries.

We succeeded in making the changes required by the exceptional circumstances brought about by the war. Kudos to our entire work community, which has time and time again demonstrated incredible ability to change and showed resilience in changing circumstances.

The well-being of our people is our single most important goal for 2023: to make Posti a better place to work. One we can all be proud of.

We are constantly developing our management and the prerequisites for work and atmosphere of working. Last year, we conducted an extensive employee survey three times and used the information gathered, for example, to further

improve both supervisory work and the well-being of our employees.

We also took the first steps in the systematic development and management of diversity, equity and inclusion. The work was not started from scratch, but the systematic improvement of these matters is still new for most Finnish companies, including us.

Our aim is to transport fossil-free in 2030 and to achieve net-zero emissions in 2040. Logistics is the third most polluting sector in the world and the amount of transport is rising. We need to react to this now.

SBTi targets are set based on what the planet needs, not what an individual company needs. Without sustainability investments, customers will vote the company out of business. Large companies also have a responsibility to help smaller companies in their value chain to engage in fossil-free operations.

According to the SBTi targets, it is extremely important that all companies reach net-zero emissions by 2050. We were the first logistics company in the world to adopt a net-zero target,

but we cannot be the only one—everyone needs to get on board as quickly as possible.

However, just setting goals will not help anyone. One of our biggest concrete measures on the path toward fossil-free logistics is the new clean vehicle roadmap that we published in the fall. This roadmap includes a plan for thousands of new electric, biogas, and hydrogen-powered vehicles to be introduced in the next eight years. It is a financially viable roadmap for the type of fleet we will use to fulfill our promise of fossil-free transport by the end of this decade.

We explain our work for the well-being of both people and the planet in more detail in this report. We also explain how our strategy has progressed in the desired direction despite the challenging operating environment. Not to forget the areas in which we much challenge ourselves more determinedly.

I would like to thank each of my colleagues and all of our customers for our joint work in building more sustainable logistics. The world is changing all the time. This change requires a lot from all of us, but the most important thing is that we care about each other and our shared planet.

Turkka Kuusisto
CEO



The well-being of our people is our single most important goal for 2023: to make Posti a better place to work. One we can all be proud of.

Posti in brief

Posti is owned by the State of Finland and is one of the leading delivery and fulfillment companies in Finland, Sweden and the Baltics, and we have operations in 7 countries through our 4 businesses: Postal Services, eCommerce & Delivery Services, Aditro Logistics and Transval. We make our customers' everyday lives, and businesses, smoother with a wide range of postal, logistics, freight, and eCommerce services.

Net sales:

1,651.6
EUR million

Adjusted EBITDA:

183.8
EUR million

Personnel at the end of 2022 approximately

20,000
people

In 2022, we delivered

68
million parcels in Finland and the Baltics



We have the widest network coverage in Finland, and we visit around 3 million households and companies every weekday



Highlights of the year



We published a new clean vehicle roadmap to reach our goal to transport fossil-free by 2030.

We carried out a DEI pilot survey as part of Posti's work in diversity, equity and inclusion.

We received almost 1,000 registrations for the customer sustainability webinar series during 2022.

We participated in a project with Smart Freight Center and World Business Council for Sustainable Development to develop emission accounting standard for the logistics value chain.



SBTi has approved Posti's science-based net-zero climate targets.

Posti is the first Finnish company and globally the first company in its industry and among 17 first companies worldwide to have its net-zero targets approved by the initiative.

EcoVadis ranked our sustainability work on the Platinum level, the highest level possible.

With the result 82/100 Posti is among the top one percent in the world.

Posti was chosen for the Financial Time's list of Europe's Climate Leaders 2022.

400 companies were selected on the list, of which 20 are Finnish companies.

Finnish consumers chose Posti as Finland's most sustainable parcel and logistics brand in the 2022 Sustainable Brand Index™.

Posti's strategy and business environment

According to Posti's strategy Posti focuses on its delivery and logistics business. The strategy has progressed in the desired direction. The operating environment was challenging last year, but forecasts indicate that the change in long term consumer behavior is progressing.

We revised our strategy two years ago. Our growth consists of delivery and logistics services in Finland, Sweden and the Baltic region. At the same time, we crystallized our purpose: Responsibly delivering what matters to you—on your terms. Therefore, our revised values—reliable, respectful and progressive—provide a strong foundation for implementing our purpose.

Our vision is to 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. The share of eCommerce and Delivery Services and Fulfillment and Logistics Services businesses has grown steadily, and last year it was already 63% of net sales. The diagram on page 8 describes the different parts of the value chain that create Posti's business.

As a company, we can also offer services under one roof, from freight to warehousing and from order processing and picking to transporting orders. At its best this means, that an online store customer can still order an item late in the evening and have it delivered to their home during the next day. We are continuously developing the extent of cooperation between our various businesses.

We will deliver printed mail for as long as there is something to deliver. In the future, printed mail will travel 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.

In the fall of 2022, Posti's Board of Directors decided that the strategy is still functional and progressing in the desired direction.



The focus on the delivery and logistics business has been reflected not only in our own development work, but also in acquisitions. At the beginning of the year, we acquired the Swedish logistics company Veddestagruppen, which complements the contract logistics and warehousing services of Aditro Logistics, and in the fall, we acquired WebLog Finland Oy, which specializes in e-commerce logistics. The divestment of Russian businesses in December 2021 was also part of the implementation of the strategy.

A key element of the strategy is to improve customer experience. Progress in this has been shown, for example, according to the studies by T-Media, which measures companies' reputation, Posti's reputation has improved significantly for two consecutive years.

Strong progress in sustainability

One of the key focus areas of the strategy is sustainability. We want to be an international leader in the green transition of logistics. These efforts have been noted both within and outside our home market. In the fall, we attended the UN Private Sector Forum during the UN Global Compact General Assembly week in New York.

The Global Compact aims to get companies to commit to the climate targets set out in the Science Based Targets (SBT) initiative. At the moment, there are more than two thousand companies involved, but the number should be multiplied by a hundred. As a company, Posti wants to speak in favor of this goal.

A concrete step forward in our climate work is our new clean vehicle roadmap. Over the past year, we have also launched a number of new measures aimed at improving people's

well-being. We explain these advances in more detail in the sections People and Planet in this report.

Challenging operating environment

The Russian invasion of Ukraine had a negative impact on the European economy, in terms of both supply and demand. The overall economic outlook deteriorated toward the end of the year due to the increase in uncertainty, the energy crisis, rising inflation and rising interest rates.

Demand has been affected by weakened consumer confidence in economy and, for example, retail sales decreased during the year, which affected the turnover rate of goods in Posti's warehouses and weakened the demand for parcel deliveries. The growth spike in parcel deliveries caused by the COVID-19 pandemic leveled off.

Posti's value chain





However, according to forecasts, demand is expected to return to a growth path as consumption increasingly transfers online.

The war in Ukraine also had a direct impact on Posti's business. As of April 11, 2022, we decided to suspend all letter and parcel traffic between Finland and Russia, as well as between Finland and Belarus, until further notice. Our decision is based on the special circumstances as per the Universal Postal Union agreements.

We have arranged the transport and storage of humanitarian aid with, for example, the Ukrainian Association in Finland. We have accepted donations made at our service points and transported them to our central warehouse since the beginning of the war. In addition, transport has been carried out in cooperation with other companies and the Embassy of Ukraine. There has also been cooperation with the Finnish Red Cross, for example. At the beginning of the war, we donated a total of EUR 50,000 to UNICEF and the Finnish Red Cross for emergency humanitarian aid. Posti is involved in the Security Through Work project coordinated by the Confederation of Finnish Industries and StaffPoint.

Even though Posti is constantly working to improve energy efficiency — we reached the Energy Efficiency Agreement target set for 2025 already in 2020 — we took a number of new measures, such as lowering indoor temperatures, to alleviate potential electricity shortages.

Postal Act reform

The amendment of the Postal Act and new delivery support for the delivery of newspapers in sparsely populated areas progressed during the last year, and in January 2023, the Finnish Parliament approved the Government's proposal. The reform will bring the regulation of the sector into line with the drastically decreasing mail volumes. By easing postal regulation, the state will not have to finance the universal service with tax revenue. The climate also commends the amendment of the Postal Act. By reducing the number of delivery days and making delivery more efficient, Posti is able to significantly reduce its carbon-dioxide emissions.

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 with the customers. The delivery speed of postage stamp letters will also remain unchanged in the new Postal Act.

The new delivery support will create the conditions for the continuation of the five-day delivery of paper publications in sparsely populated areas. The volume of letters delivered by Posti has fallen by nearly 70% over the last 10 years so there are no longer enough letters to be delivered profitably every day.

The Road to 2030



Internationally recognized sustainability work

In 2022, Posti reached significant milestones as a forerunner in the green transition in logistics. Posti received SBTi's approval for its net-zero emissions target as the first logistics company and among the first 17 companies in the world. In addition to this, Posti succeeded in improving its score in the Ecovadis assessment of corporate responsibility while retaining the best platinum level. Posti is among the most responsible 1% of all companies globally. We have participated in international development programs during the past year. The most significant of these is the development of international transport emissions calculation guidelines together with the Smart Freight Centre (SFC), the World Business Council for Sustainable Development (WBCSD) and 30 other companies. The new guidelines establish ground rules for shipment-specific reporting, thus enabling more accurate monitoring of emissions for the buyer of transport.



Sustainability at Posti

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



Managing sustainability

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

Posti's sustainability is based on the company's strategy, values, 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 part of the definition of the purpose of the company's existence. Posti's carbon dioxide emissions target and fossil-free transport by 2030 are a key part of the company's strategy. The company has a climate target, an occupational safety target and an employee engagement commitment target for its personnel as parts of the company's remuneration program.

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

in accordance with the UN principles pertaining to businesses and human rights. The Science Based Targets initiative has approved both Posti's short-term science-based emission reduction targets for 2030 and the net-zero target for the entire value chain by 2040. Posti was the first Finnish company and the first company in the industry globally whose net-zero targets were approved by the initiative in June 2022.

Posti's values and sustainability principles take concrete form in the [Code of Conduct](#) updated in 2021, which sets out the appropriate procedures for various situations. Posti requires its partners and suppliers to comply with the same procedures and principles. They are described in more detail in the Supplier Code of Conduct, which was updated in 2022.

At Posti, sustainability is integrated into the company's strategy, and the Board of Directors confirmed the sustainability program

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

- Health and safety
- Learning and development



Industries, innovation and infrastructure

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

- Resource efficiency



Sustainable cities and communities

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

- Air quality
- Circular economy



Responsible production and consumption

Ensure sustainable consumption and production patterns

- Responsible sourcing



Climate action

Take urgent action to combat climate change and its impacts

- Mitigating climate change

More information on the progress of IPC's environmental and climate efforts is provided in the [IPC Postal Sector Sustainability Report 2022](#).

in connection with the 2020 strategy update. The Board of Directors and the Posti Executive Board annually monitor the progress of the sustainability program. In 2021, a person in charge of sustainability was appointed to the Posti Leadership Team.

The sustainability function is managed by the Sustainability Forum steering group, which was established in fall 2020 and updated in summer 2021, with representatives from several Posti organizations. The group is tasked with monitoring the progress of the sustainability program and ensuring that sustainability is considered in Posti's strategy and investment decisions. The steering group is headed by a representative of the Posti Leadership Team, and the personnel and businesses are also represented in the group. In 2022, Posti's Leadership Team received training on diversity, equity and biodiversity.

Posti carried out a sustainability risk assessment to develop its sustainability work in 2021, and the work continued in 2022 with regard to the promotion of corrective actions and updating the identified risks. Posti's risks related to sustainability concerned, for example, the following topics: biodiversity, circular economy, diversity and equity of personnel, human rights, subcontracting and the supply chain. At the end of 2022, the assessment of the financial

impact of climate change in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) began. The work will continue during 2023.

The UN Sustainable Development Goals in the postal and logistics industry

Posti is an active participant in the sustainability efforts of the International Post Corporation (IPC). As an IPC member and part of international industry collaboration, Posti is committed to the promotion of five UN Sustainable Development Goals by 2030. In 2019, the members of the IPC agreed on more detailed industry-specific focus areas, which they will promote as part of the broader industry sustainability program. More information on the progress of the IPC's sustainability efforts is provided in the [IPC Postal Sector Sustainability Report for 2022](#), in which Posti and 22 other IPC members have reported on their progress in relation to the identified focus areas and targets. The results reported by Posti for 2021 improved in all seven focus areas compared to the reference year 2020. At Posti, the share of electric vehicles in the fleet, the use of renewable energy in buildings, and the proportion of waste recycled and reused already meet the target levels of IPC's sustainability program performance indicators for 2030.

Sustainability governance model

Top management	Board of Directors		Audit 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		

Posti's sustainability program and targets

Posti announced a new sustainability program for 2021–2023 at the beginning of 2021. The sustainability program 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 and inclusion, sustainable sourcing and ethical business practices form the basis of sustainability work.

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

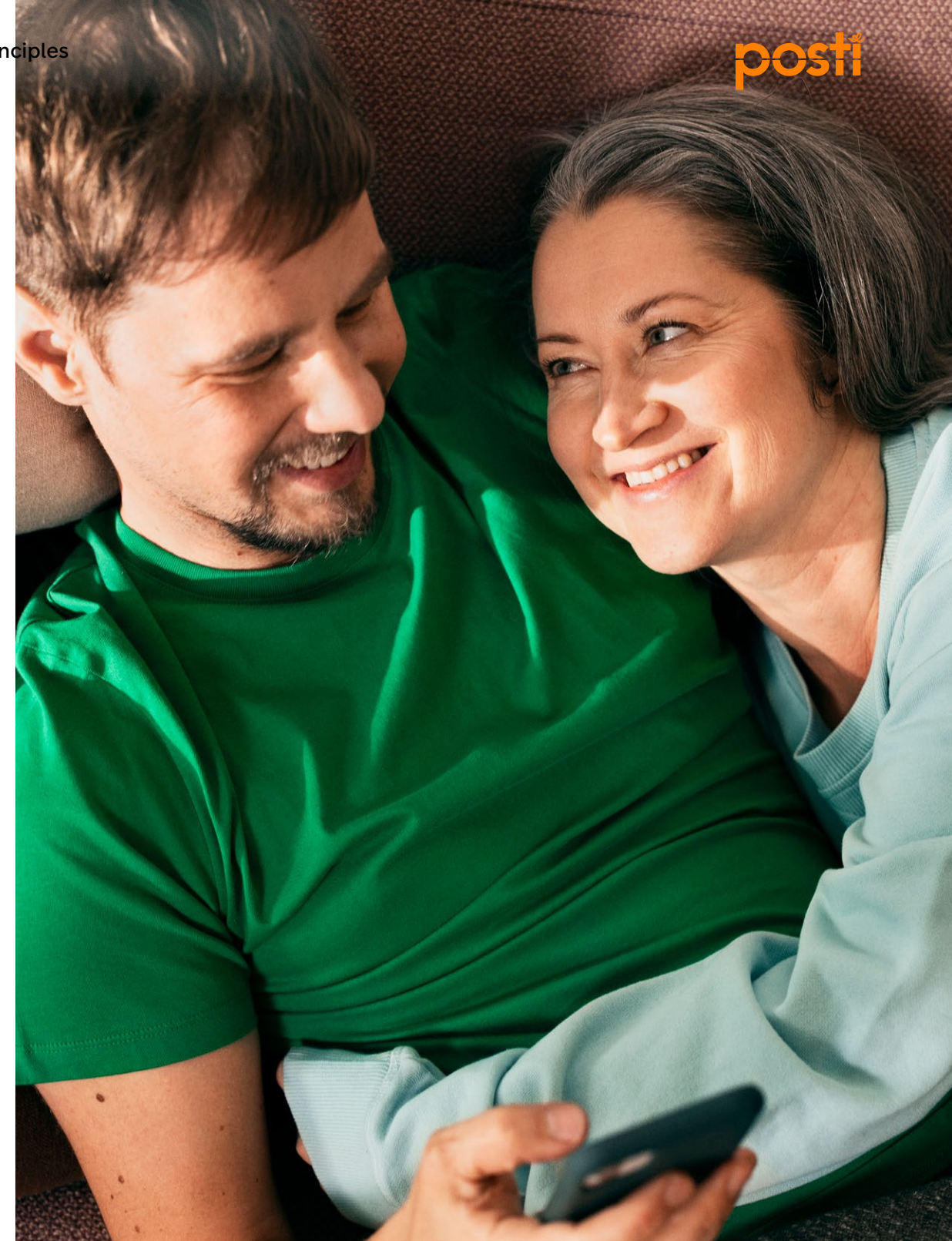
Sustainability-related expectations toward companies continuously increase, and companies are expected to actively take part in solving societal and environmental problems. We have identified the changes in our business environment and the expectations of our stakeholders, and we have integrated sustainability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

As a delivery and fulfillment 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.

In 2021, the SBTi initiative approved Posti's short-term science-based emissions reduction target of reducing its total emissions (Scopes 1, 2 & 3) by 50% by 2030 from the level in 2020. In order to achieve this target, Posti aims to reduce the emissions from its own operations to zero (Scopes 1 & 2) and to carry out 100% fossil-free road deliveries for its partners by 2030.

In 2022, the SBTi initiative approved Posti's net-zero target, according to which Posti must reduce the emissions generated by its own operations—in practice, its transport operations and business premises—as well as emissions from the value chain to zero by 2040. The emissions generated by the value chain include, for example, outsourced transport



services, emissions generated during the production phase of fuels, purchased products and services, and business and work travel.

In addition to the emission reductions, the sustainability program defines our role as a supporter and enabler of our customers' climate work. We help our customers to reach their sustainability goals and promote sustainable consumption by offering sustainable eCommerce solutions, among other things. More information about this work

is available in the chapter "Together towards green future".

In addition to the environment, the sustainability program includes two focus areas related to people. We want all Posti employees to be able to be proud of being Posti employees and the work they do. Meaningful work and purpose-driven leadership build a positive employee experience and support Posti's personnel in the ongoing change process. In 2022, Posti launched a

new HR program, People Journey, which will promote the sustainability program's social responsibility themes.

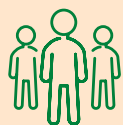
Preparation of the sustainability program and stakeholder involvement

Posti's internal and external stakeholders were involved extensively and diversely in preparing the sustainability program in

2020. In accordance with the principles of the materiality consideration, the needs of stakeholders were identified through a survey and more detailed interviews with selected stakeholders.

Internally, the management of Posti and its businesses, as well as key persons from human resources development, were extensively invited to take part in preparing the sustainability program. This was to ensure that sustainability work is integrated into the

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			



strategy and business and that sustainability work strengthens Posti's customer insight and competitiveness.

As part of the process, an external specialist facilitated a training course concerning topical trends and frameworks of sustainability for the management and key sustainability personnel. The impact of Posti's business on the environment, society and people was assessed through an Upright Project net impact analysis and an impact assessment by Posti's experts and management. The businesses, on the other hand, worked on business models that support sustainable development for Posti.

Background information for the sustainability program was gathered through an online stakeholder survey and stakeholder interviews. A total of 259 people responded to the survey, 25% of which were other than Posti's own employees. According to the respondents, employees' well-being, responsible management and supervisory work that supports change are among the priorities of Posti's sustainability work. Posti's environmental work and its results were praised. Mentioned targets for development included equal pay and remuneration of personnel and developing the quality of services.

Sustainability program objectives and metrics

	Sustainability program focus area	Focus area objective	Metric	Result 2022
	People Meaningful work	We feel proud of who we are and what we do together	Increased employee engagement: Engagement index	6.7 (6.4)
	People Purpose-driven leadership	We lead through common leadership principles, values and purpose	Improved leadership: Leadership index	7.3 (6.9)
	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	-10.5% (-9.3%)
	Planet Together towards green future	Posti is recognized as a green industry forerunner	Carbon footprint of Posti's services. Metric is being updated.	Result 2021: 24,000 tCO ₂ eCommerceland consumer-to-consumer parcel deliveries
	Foundation Safety	Posti is committed to continuous improvement of occupational safety and safety culture	Improved work safety: LTA1	23 (24)
	Foundation 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	5.9% (5.5%)
	Foundation Diversity, Equity and Inclusion	Posti is an equal and non-discriminatory working community that values diversity	Metric is being developed	Not available
	Foundation Sustainable sourcing	Posti acts as a sustainable buyer related to all sourcing activities	<ul style="list-style-type: none"> Percentage of suppliers that have signed the Supplier Code of Conduct Key suppliers' self-assessment survey completion rate 	93.7% suppliers signed the Supplier Code of Conduct No result in 2022
	Foundation 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 	Code of Conduct training completed by 83% of employees 73 reports to the reporting channel in 2022

Result 2022 column includes previous year comparable figures in brackets where applicable.

Stakeholder cooperation

We are actively present in the everyday lives of our customers and partners, and our operations affect society in many ways. Through our stakeholder cooperation, we aim to strengthen the development of Posti's social profile and to support the functioning of Posti's regulatory and business environment.

Posti maintains close contact with a wide range of stakeholders in the form of dialogue and cooperation. Regular interaction is of crucial importance for us so that we can identify the needs of different parties and meet the expectations of our stakeholders. We also want to provide our stakeholders with up-to-date information about Posti and our operating environment, which is subject to major changes as a result of digitalization, climate change and loss of biodiversity. Active dialogue with stakeholders is an essential part of responsible business operations and part of the reporting contents, in accordance with the Global Reporting Initiative standard. We act according to our values reliably, respectfully and progressively.

Posti is actively involved in public debate through various organizations. We are a member of the Service Sector Employers

PALTA, the Finland Chamber of Commerce, the International Chamber of Commerce ICC Finland, the Climate Leadership Council and Finnish Transport and Logistics SKAL. Postal Services is a member of the Finnish Media Federation. In addition to postal regulation, the themes of our representation cover transport policy. With regard to regulation, we also promote society's consistent progress toward more sustainable logistics, in which goods and parcels are transported fossil-free. Sufficient financing for the maintenance of transport networks will ensure the smooth movement of people and goods and prevent the increase in the repair backlog.

We also cooperate regularly with the Universal Postal Union (UPU), the International Post Corporation (IPC) and PostEurop. A large part of transport and logistics legislation is created at EU level. Posti aims for a fair

competitive position to ensure that all delivery companies are treated equally regardless of their nationality or company form. We promote regulation at the international level, which plays a key role in reducing emissions from transport and logistics.

Through the Postal Museum Foundation, Posti participates 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. We also hold stakeholder meetings with cities and NGOs. We believe that urban planning that takes into account urban logistics will create better conditions for delivery services and more functional services for citizens.



Examples of stakeholder cooperation in 2022



Personnel and personnel organizations

Personnel opinions and experiences have been collected in three employee surveys during the past year, from which we received more than 90,000 open comments. As an employer, Posti cooperates actively and closely with personnel organizations, such as the Finnish Post and Logistics Union PAU, the Finnish Transport Workers' Union AKT, the Service Union United PAM and the Industrial Union.

Partners

An increasing share of our business is carried out by our partners. For example, the majority of Posti's approximately 1,000 outlets offering personal service are maintained by our partners, and more than 450 contract operators operate Posti's delivery services. We want to cooperate with our partners on a long-term basis and according to Posti's values.

Customers

In order to create a better customer experience and to fulfill the purpose of our work: "Responsibly delivering what matters to you—on your terms", we want to know what our customers expect and need from us. We measure customer satisfaction when providing services, and in 2022, for example, we received almost 89,000 feedbacks from our customers on Home Parcel deliveries with an average score of 4.7/5.

Owner, political decision-makers and authorities

We held regular discussions with the owner both at various meetings and through the Annual General Meeting, the Board of Directors and committees. In 2022, we engaged in an active dialogue on the reform of the Postal Act with official authorities, the Parliament, political parties, personnel organizations, the media and interest groups.

Active dialogue about the Postal Act

Parliament approved the Government's proposal to amend the Postal Act in January 2023, and Posti has provided various stakeholders with information on the practical effects of the amendments to the Postal Act and the introduction of new newspaper delivery support on postal operations. Posti has also made statements on the reform and been heard by the Transport and Communications Committee. The reform of the Postal Act has also been discussed in Posti's Supervisory Board meetings. Open dialogue on postal regulation is important due to the sharp decline in letter mail. There is not enough letter mail for delivery five days a week, which is why the universal service delivery days will be reduced to three days.



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 can feel pride in being Posti employees and their work.



Meaningful work

We want to serve our customers by delivering responsibly what matters to them. We also want Posti's employees to see their work as meaningful.

During the year, we continued to implement the People Journey HR program, the main purpose of which is to take care of our personnel and support their development as part of our sustainability promise. The Posti employee survey was conducted three times in 2022. The employee engagement index was ascending in each survey.

Competence development

Our vision is to be a modern delivery and fulfillment company. Building the Posti of the future requires our personnel's competence to be state-of-the-art. The opportunity to develop competence is also one of the most important factors in job satisfaction and a good employee experience.

Posti supports and facilitates diverse learning and continuous development. For example, all Posti employees and the personnel of our

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, and we develop competence in accordance with three main principles:

- 1) Everyone is responsible for their own competence and its development. Enthusiasm and the will to develop oneself originate in the person themselves, while the employer and supervisor provide the setting and opportunities for development.
- 2) The majority of learning happens at work. Formal training is only a small part of the big picture of competence development.
- 3) Planning and organizing competence development activities is not the responsibility of an individual "training organization". Posti's own experts actively take part in planning as well as in implementing training.





Route Master

Route Master is a gamified application that can be used voluntarily in Posti's delivery tasks, enabling users to collect points by achieving tokens based on key indicators. The tokens provide a certain number of points and the points collected can be turned into monetary rewards.

In other words, the Route Master application rewards users for good work and, in addition, for non-profit activities, such as making safety observations, helping a colleague and driving economically. In addition, Route Master collects data and provides users with a view of their own work, for example, through customer feedback. Thousands of Posti employees have already achieved rewards with the help of Route Master in basic delivery, early-morning delivery and parcel delivery tasks.

Developing digital and technology skills and customer experience

Digitalization spans everything Posti does, with impacts on business and customer behavior, as well as processes and work. Therefore, one of the key areas of competence development is the development of the personnel's digital and technology skills. During 2022, we continued our strong focus on digital skills and promoting the customer and employee experiences by introducing a large number of new mobile devices in transport operations and by renewing transport IT systems. More than 2,500 drivers and drive arrangers from Posti and our partners participated in the training during the year.

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

Change Unit to serve Posti employees

In the transformation of the industry, productive work decreases in some areas and increases elsewhere. In 2022, Posti's Change Unit was tasked with increasing the active offering of work within the Group. The internal change service will

seek a long-term solution for the coming years, as well as the use of different work models in the coordination of jobs. The services of the Change Unit are being developed in cooperation between the employer, employees and employees' representatives.

Diverse and equal work community promotes the meaning of work

As a work community, Posti wants to be equal and non-discriminatory. We respect people of all kinds. Diversity in our work community enriches us: together, we represent more than 80 nationalities.

In 2022, we conducted an internal survey focusing on employee diversity, experiences of inappropriate behavior and experiences of togetherness. We also raised employees' awareness of and competence in the subject area, for example, through extensive training for different target groups. In this way, we can build a more diverse and equal Posti of the future. More information about our diverse and equal work community can be found in the section dedicated to the topic.

Purpose-driven leadership

Good management is fundamentally about management of meaning. Posti has in place leadership principles guiding the entire Group, which Posti's management and supervisors are committed to in their day-to-day work.

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

Managers play a key role at Posti in ensuring that everything we do is meaningful and aligned with our corporate values. Good management is fundamentally about management of meaning. Posti has in place leadership principles guiding the entire Group, which Posti's management and supervisors are committed to in their day-to-day work. The principles define a common and consistent way for management and supervisors to operate and lead. Managers also need to perceive their own work as

meaningful and convey meaning-related expectations of customers and other stakeholders to the work community. This way, supervisors can also grow the entire work community's experience of meaningful work.

We use the Peakon employee survey tool's leadership index as a measure of the development of purpose-driven leadership. The result measured in fall 2022 was 7.3 on a scale of 1–10, rising by 0.4 from the previous measurement. Based on the Peakon survey, our various units and teams have identified and defined a total of almost 1,400 development measures. The action plans drawn up on the basis of these will be implemented in 2023. In 2023, the survey will be carried out twice with the following themes: management and supervisory work, employee commitment, health and well-being, occupational safety and Posti's values.



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

work for Posti supervisors, aimed at providing supervisory work and leadership with certainty.

At the end of the year, we also started to conceptualize a new supervisory work training package. The new Caring Leadership training program which will be launched during spring 2023, will put even more emphasis on the importance of people-centered management. The training will be targeted to all Posti 's supervisors.



Our Posti tour

The COVID-19 pandemic caused a shortage of personal interaction as only mandatory training sessions and meetings could be arranged. To address this and to implement various themes important to production and common to all Posti employees, such as strategy, occupational safety and new tools, we carried out a three-week Our Posti tour covering 15 cities and 19 locations at the turn of May-June 2022. Dozens of Posti employees from different locations and positions were involved in the tour, and during the tour, we reached over 3,000 Posti employees. The best moments of the tour, face-to-face discussions and the exchange of ideas between employees, supervisors and management, were experienced at the Our Posti truck information desks and at a barbecue.

Diversity, equity and inclusion

As a work community, Posti is equal and non-discriminatory. We respect people of all kinds. Diversity, equity and inclusion are one of the foundations of Posti's sustainability program.

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.

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Despite our history, the actual systematic work on diversity, equity and inclusion is relatively new both at Posti and in Finnish companies in general. During 2022, Posti launched a program that aims to compile the work already done to improve diversity, equity and inclusion and to identify what new measures are needed.

Pilot study provides more information to support work

We conducted the first study on diversity, equity and inclusion for a limited group of personnel. The study included a survey and qualitative interviews. The study focused on employee diversity and experiences of inappropriate behavior and inclusion or belonging at Posti. In addition, the study examined how diversity is perceived in our work community and what kinds of experiences people have had of it.

The results of the pilot study showed, among other things, that seven percent of people who feel that they belong to a sexual minority have experienced discrimination or harassment related to their gender or sexual orientation.

All in all, various questions about diversity and inclusion issues clearly indicated that members of sexual and gender minorities, people with disabilities and single parents had more negative experiences than other respondents. Women's responses were also distinct from other responses with somewhat more negative experiences. The qualitative interviews focused in particular on a deeper understanding of the latter observation.

84% of respondents felt they could be themselves at work. This is an important indicator when pursuing the goal defined in the sustainability program, according to which everyone should be proud of who they are and what they do. Nearly half of the respondents, 44%, expect Posti to do more to promote equity in the workplace. Young people and members of sexual minorities in particular stand out on this issue.





Equality and Equal Treatment Committee

Posti has an Equality and Equal Treatment Committee that monitors, investigates and supervises the realization of equality and equity. It processes annually, for example, a report on the salaries and wage differences between men and women and the placement of men and women in different positions.

The committee maintains a feedback channel through which it is possible to leave a notice confidentially, give feedback or ask for instructions on equality and equity. Awareness of the channel has been increased and the threshold for giving feedback has been lowered. In 2022, 14 submissions were made through the feedback channel, compared to three in 2021. Two representatives of the committee have been appointed to be in charge of the feedback channel: an employee representative and an employer representative.

Zero tolerance for bullying and harassment is one of the objectives of the Committee's program period. In 2022, this goal has been promoted, for example, in the Turvavartti safety meetings of operations. In August, the updated guidelines on Addressing inappropriate treatment and harassment at Posti were published.

Increased awareness

We also raised employees' awareness of and competence in the subject area, through training for different target groups, such as the Posti Leadership Team, the Sustainability Forum, HR representatives and the Group's Equality and Equal Treatment Committee. The training also focused on topics highlighted by the study. The challenges highlighted in the study were also openly reported on the company's intranet.

For several consecutive years, we have been a partner of Helsinki Pride—as we were also last year—and one of the ways to highlight diversity and equity issues was the Pride Pre-Party discussion event with our Sustainability Manager and Chief Shop Steward, organized at Box by Posti in the center of Helsinki.

The systematic diversity, equity and inclusion work launched now will be part of Posti's comprehensive People Journey program for the development of HR management, and it will be implemented in cooperation between the sustainability and HR unit and business operations.

In 2022, Posti carried out a pay equality survey. 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 96.95% on December 31 (the entire Group excluding Aditro Logistics). In Finland, the ratio was 97.69% including Transval, and 100% without Transval.

In diversity, equity and inclusion, the experience of every Posti employee is important. The well-being of the majority is not enough if not everyone can experience it.

Safety and well-being

For us, improving occupational safety and well-being is an important part of maintaining the overall well-being and work ability of our employees. The development and management of an occupational safety culture is at the heart of our occupational safety work and an important part of our people responsibility. With comprehensive well-being services, we take care of the work ability of our employees throughout their careers.

Safety

In 2022, we started a project to develop an occupational safety culture and management in order to make safety management practices more uniform. The first phase of the project involved a study of the current state, which included employee surveys and a review of documentation and procedures. In addition, we interviewed nearly 150 managers, supervisors and experts and discussed the results in Leadership Team workshops. The study covered the Group's operations in Finland.

Key areas for development that emerged include strengthening the occupational safety management system, understanding impacts on people and the organization, and building the right situational awareness with our tools. As part of our efforts to define the occupational

safety management system, we also updated our occupational safety policy and the online course on occupational safety management. The occupational safety management system and its functionality, as well as the development of an occupational safety culture, will also be priorities this year.

In the spring of 2022, we relaunched the network of occupational safety experts. The network covers the Baltic countries, Finland and Sweden. The purpose of the network is to ensure that the common occupational safety management system is consistently applied and to share best practices and lessons learned across the boundaries between business units.

In Finland, we developed the competence of occupational safety and health representatives



through training. We updated the Code of Conduct for addressing inappropriate behavior and harassment and arranged training for supervisors and occupational health and safety officials. The Group's central occupational health and safety committee was convened three times. Regional committees were also convened.

In the fall's occupational safety campaign, we encouraged providing feedback on well-packaged and safe trolleys and shared best practices and tips for the safe and ergonomic handling of trolleys.

We developed an occupational safety reporting application to build even better situational awareness. We expanded its use to the Baltic countries, and we will start reporting near misses and safety observations in these countries in 2023. At the end of the year, we will pilot the submission of ideas and initiatives using the same tool.

One of the most effective business-specific development programs was the training of change agents in Postal Services. Among other things, the agents completed the course manager training of the Centre for Occupational Safety and were qualified to provide Occupational Safety Card training. More than 20 training sessions were held during the year.

Toward the end of the year, we launched a delivery safety screening project. As part of the project, we have studied and evaluated our guidelines and best practices related to working alone and night work. In connection with the project, we have cooperated with the police authorities of the capital region.

With regard to ensuring occupational safety, the basic operations continued actively. After the COVID-19 pandemic, we were again able to carry out risk assessments and workplace surveys on-site. Safety observations, walkabouts, discussions and Turvavartti safety sessions continued to be carried out systematically. Internal and external audits in accordance with the ISO 45001 management system are part of our ongoing safety work.

Accident frequency decreased slightly at Group level. One business area managed to reduce the frequency in line with the targets. As part of the development of safety culture, we decided during the fall to monitor LTA0 (TRIF) frequency instead of LTA1 accident frequency. We will include near misses and safety observations in Group-level monitoring.

Well-being

The well-being, health and safety of Posti employees is an essential element of our social responsibility. Our long-term goal is to bring forward the focus area of work ability management. We have promoted this through more business-oriented work ability management. This goal is supported by regular Peakon surveys for our personnel, which help us make our voices and ideas heard in order to develop well-being at work and employee experience.

The year 2022 was still difficult due to the COVID-19 pandemic. Like the rest of society, Posti saw a sharp increase in the number of COVID-19 infections at the turn of the year 2021–2022, and the number of infections remained high at the beginning of the



The well-being, health and safety of Posti employees is an essential element of our social responsibility, and we listen our personnel in developing them.

year. Throughout the COVID-19 pandemic, our most important principle has been to ensure the health and safety of our personnel and customers.

In late spring 2022, we returned to normal and lifted the restrictions in place. Posti's monitoring group continued to monitor the COVID-19 situation throughout the year, and we have prevented infections by offering rapid tests, for example. In Finland, the amount of sick leave was lower than in 2021, as we succeeded in shortening long periods of sick leave in particular.

Substance abuse work is a matter of occupational safety

Posti Group's revised substance abuse program entered into force in November. Toward the end of the year, we trained occupational safety and health representatives and supervisors in substance abuse. We want to promote a substance abuse culture in which addressing substance abuse problems is considered caring and everyone is encouraged to take advantage of the support available at an early stage.

Work is a big part of our everyday life and well-being at work is important

The fall theme of the Peakon employee survey was health and well-being. In connection with the fall survey, we launched the Posti Huoltamo (Posti well-being service) website, where all the low-threshold well-being services and support available can be

found. We offer comprehensive support for mental well-being, the development of the work community, exercise and physical well-being and reducing alcohol consumption, as well as various digital occupational health coaching programs.

We also launched a new Posti Well-being at Work Forum to develop a culture of well-being and safety in expert work. The forum is a place for interaction, development ideas, sharing operating models and joint development.

Posti's most important season kicked off with the Mental Health Month in November. The theme of the month was to remind people how everyone can promote mental well-being and support a mentally healthy workplace. For example, during November, we shared weekly mental health tips and gave a Posti Talk, open to all Posti employees, about supporting mental health and work ability.

Investments in work ability management alongside the change in Posti

Our work ability management is increasingly more business oriented. We have invested in this by providing more of Posti's own work ability experts to support our supervisors, introducing the new role of Well-being Partner as support for businesses and investing in cooperation between occupational health and businesses.

We strengthen our understanding of the importance of work ability management through continuous training. The in-depth Master of Work Ability training for supervisors provides tools for

everyday life, additional skills for effective, knowledge-based work ability management, and tips for the supervisors' own well-being at work. In addition, we have regularly trained occupational safety and health representatives and shop stewards in work ability management.

The New Job project was launched in 2021 to support the continuation of working careers of people with partial work ability. In particular, the project aims to create a common operating model for the Group for finding new jobs across operational boundaries. The New Job process begins when an employee has a confirmed risk of retiring on a premature disability pension. Over the past two years, Posti employees have found successful opportunities to continue their careers in new positions. Posti employees who have found a new job have experienced that the employer cares about their overall situation. Supervisors have gained new, motivated employees, and the solutions have curbed the costs caused by inability to work.

Key figures

Personnel per country on 31.12.2022, GRI 2-7

	2022	2021	2020
Finland	17,642	18,571	17,666
Sweden	1,502	1,761	1,438
Estonia	425	428	446
Lithuania	216	182	162
Latvia	134	131	126
Norway	27	0	0
Poland	50	55	64
Russia	0	0	1,007
Total	19,996	21,128	20,909

Employees by gender 31.12.2022, Group

GRI 2-7	Women	Men	Total
Full time	3,093	7,033	10,126
Part time	1,578	1,805	3,383
Total	4,671	8,838	13,509
Permanent	3,980	7,706	11,686
Temporary	658	1,165	1,823
Total	4,638	8,871	13,509
Non-guaranteed hours	1,708	4,779	6,487
Total	6,379	13,617	19,996

Employees by region 31.12.2022, Group

GRI 2-7, 2-8	Finland	Sweden	Baltics	Other regions	Total
Full time	8,397	920	736	73	10,126
Part time	3,077	263	39	4	3,383
Total	11,474	1,183	775	77	13,509
Permanent	10,170	722	730	64	11,686
Temporary	1,304	461	45	13	1,823
Total	11,474	1,183	775	77	13,509
Non-guaranteed hours*	6,168	319			6,487
Total	17,642	1,502	775	77	19,996
Workers who are not employees					9414

* Baltics and Other regions non-guaranteed hours are included in other employments.

New employee hires and leaving rate, GRI 401-1

Permanent employments 1.1.–31.12. Finland	Permanent employments	New permanent employments	Permanent employments terminated	Permanent employments (%)	New permanent employments (%)	Permanent employments terminated (%)
Females	6,339	1,048	1,446	39.0%	29.8%	35.5%
Males	9,912	2,467	2,631	61.0%	70.2%	64.5%
Total	16,251	3,515	4,077	100.0%	100.0%	100.0%
under 25 years	1,696	1,341	1,337	10.4%	38.2%	32.8%
25–34 years	3,616	993	1,218	22.3%	28.3%	29.9%
35–44 years	3,495	524	605	21.5%	14.9%	14.8%
45–54 years	3,336	354	393	20.5%	10.1%	9.6%
55 years or older	4,108	303	524	25.3%	8.6%	12.9%
Total	16,251	3,515	4,077	100.0%	100.0%	100.0%

**Leaving rate and New
employee hires 1.1.–31.12.
Permanent employments,
Finland**

	Leaving rate (%)	New hire rate (%)
Females	22.8%	16.5%
Males	26.5%	24.9%
Total	25.1%	21.6%
under 25 years	78.8%	79.1%
25–34 years	33.7%	27.5%
35–44 years	17.3%	15.0%
45–54 years	11.8%	10.6%
55 years or older	12.8%	7.4%
Total	25.1%	21.6%

**Leaving rate and hires 1.1.–31.12.
Permanent employments, Group**

	Permanent employments terminated	New permanent employments	Leaving rate (%)	New hire rate (%)
Finland	4,077	3,515	25.1%	21.6%
Sweden	274	257	36.0%	33.8%
Estonia	126	114	30.9%	27.9%
Latvia	66	62	50.4%	47.3%
Lithuania	134	174	69.8%	90.6%
Total	4,677	4,122	26.4%	23.2%

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

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

Parental leave, GRI 401-3

Parental leave 1.1.–31.12., Finland	
Employees that took parental leave	363
Female	159
Male	204
Employees that returned to work from parental leave	390
Female	190
Male	200
Employees that returned from parental leave in 2021 and were retained 12 mo after returning	237

Employee average training hours and regular performance and career development reviews,

GRI 404-1, 404-3	2022	2021	2020
Average hours of training per year per employee 1.1.–31.12., Finland	2.3	1.3	2.1
Workers	1.6	0.6	1.3
Management	6.4	4.7	4.6
Leadership and senior management	5.3	6.7	9.5
Female	1.8	1.3	1.3
Male	2.5	1.3	2.5
Employees covered by regular performance and career development reviews 31.12.2022 (%), Finland*			
Workers**	1.4%		
Management	54.3%		
Leadership and senior management	95.2%		
Female	11.4%		
Male	10.2%		
Total	10.4%	9.1%	9.3%

* Reporting per employee category and gender not available from 2020-2021.

** 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.

Excl. WebLog Finland Oy

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

Finland	2022	2021	2020
Coverage of the occupational health and safety management system (ISO 45001) 31.12.2022 (%)	99.8	99.7	70
External Audits of the occupational health and safety management system 1.1.-31.12.2022	45	43	42
Sickness related absences 1.1.-31.12. (%)	5.6	5.7	5.5*
Occupational diseases 1.1.-31.12.	0	0	0
Lost time accidents 1.1.-31.12.	559	633	862
Fatalities from work-related injury 1.1.-31.12.	1	0	0
Accident frequency, LTA1 1.1.-31.12.**	24	26	37
Disability pensions	81	70	95
Part-time disability pensions	46	65	67
Total disability pensions	127	135	162
Average age for retiring on disability pension	58.4	58.2	58
Average retirement age	64.5	64.1	63.8
Retired	184	171	205

* Group

** LTA1 is calculated based on million hours worked.

Group 1.1.–31.12.	2022	2021	2020
Sickness related absences (%)	5.9	5.5	5.5
Lost time accidents	615	651	877
Fatalities from work-related injury	1	1	0
Accident frequency, LTA1**	23	24*	35

* The figure has been adjusted from previously reported due to improved information.

** LTA1 is calculated based on million hours worked.

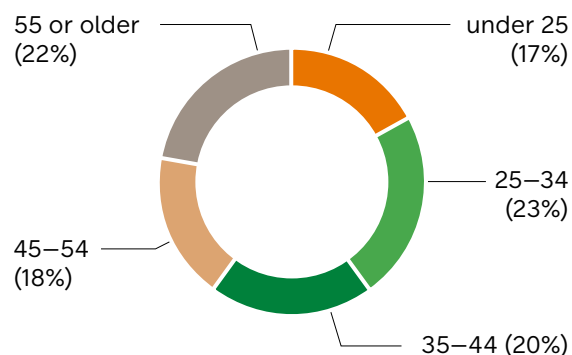
Distribution of collective agreements, Group

	2022
Transport Workers' Union AKT, forwarding warehouse terminal	1.28%
Transport Workers' Union AKT, vehicle personnel in trade	0.18%
Transport Workers' Union AKT, truck drivers	6.60%
Transport Workers' Union AKT, terminal operations	0.25%
Vehicle and machinery trade	0.44%
Union of Private Sector Professionals ERTO, car traffic sector	1.53%
Staffing agreement, The Swedish Trade Union Confederation	4.42%
Staffing agreement Unionen	0.31%
Food industry	0.11%
Forwarding, managers	0.63%

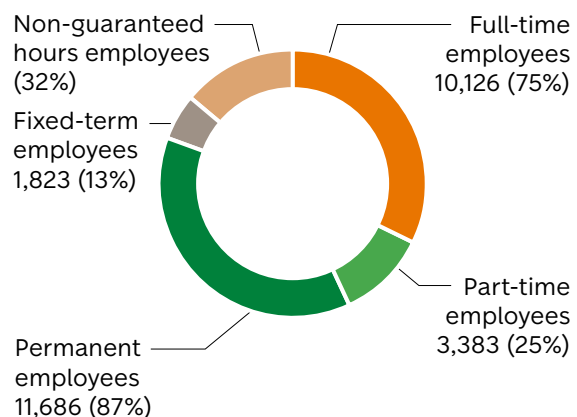
	2022
Information logistics	0.83%
Information logistics, senior	0.54%
Commercial sector	13.94%
Basic chemical industry	0.01%
Rubber industry	0.02%
Bakery industry	0.03%
Meat industry	0.27%
Collective agreement by the Finnish Media Federation, the Industrial Union and Grafinet ry concerning indirect employees	0.86%
Collective agreement by the Finnish Media Federation and the Industrial Union concerning delivery personnel	13.19%
Plastics and chemical products sector	0.09%

	2022
Joinery sector	2.97%
Construction industry, managers	0.02%
Building construction	0.31%
Technology industries	0.74%
Transport agreement, workers	2.23%
Transport agreement, managers	0.36%
Outside collective agreements	5.11%
Security services	0.35%
Security services KV-Turva local	0.14%
Mail communications and logistics	39.18%
Mail communications and logistics, senior	2.99%
Senior indirect employees, Industrial Union TEAM	0.05%

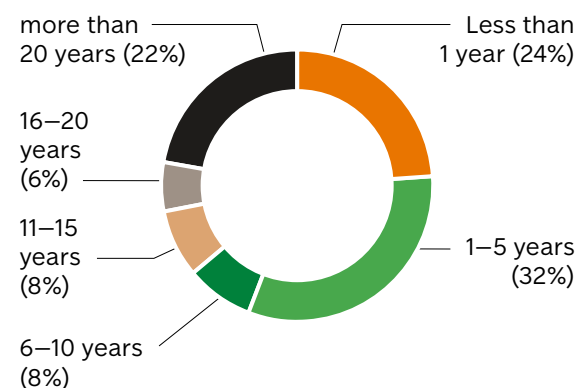
Age distribution of personnel, Group



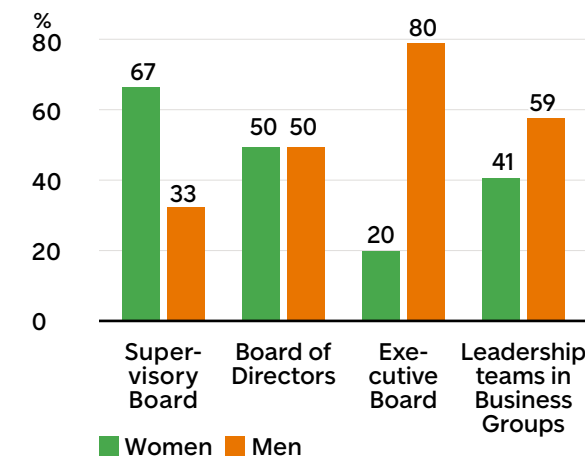
Breakdown of employment contracts as per 31 December 2022, Group



Length of employees' career, Group



Number of women and men in leadership roles





Planet

We are committed to fossil-free transport operations and acquiring only renewable energy for all our facilities by 2030. Our goal is to be net-zero in terms of both our own and the value chain's greenhouse gas emissions by 2040. We support our customers in achieving a more sustainable business and lifestyle.



Net-zero 2040

We are committed to reducing our own greenhouse gas emissions to zero and achieving fossil-free transport by 2030. We are aiming for net-zero emissions in 2040. In 2022, we reduced our own emissions by 10.5%. This was achieved through efficiency improvement measures, increasing the use of renewable fuels and electric vehicles and using more renewable district heating.

Posti's impact on climate change

In total, our greenhouse gas emissions in 2022 were approximately 268,540 tonnes of carbon dioxide equivalent (CO₂e). The figure includes the absolute emissions of our business in all of our countries of operation, including the acquisitions in 2022.

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

are divided into 15 emission categories, of which we report the categories relevant to our operations.

Our own emissions (Scopes 1 & 2) accounted for just under 16% of our total emissions in 2022. Of these, 83% were generated by transport and 17% by properties. The emissions generated by our own vehicles were 35,470 tonnes of CO₂e, down nearly 6% year-on-year. In the case of properties, the emissions amounted to 7,030 tonnes of CO₂e. Property emissions decreased by nearly 29% year-on-year.

Emissions from the value chain (Scope 3) accounted for about 84% of our total emissions, a total of approximately 226,040 tonnes of CO₂e. Emissions generated by the value chain increased by less than two from the previous year. The biggest source of emissions in the value chain was the fuels used by our partners

and other outsourced transport services (43%). Emissions were also generated by other purchased products and services (35%), capital goods (9%), commuting (7%), production of fuels consumed and electricity and heat transmission losses (5%), and business travel (less than 1%).

Transport emission reductions

Posti exists to ensure that deliveries important to the sender and recipient are delivered where they are supposed to go, whether they are a postcard, a parcel from an online store, a truckload or internal material flow management of a production facility. During the year, our own vehicles were used to cover about 96 million kilometers, while the fleet of contract carriers and other partners covered approximately 130 million kilometers. This is equivalent to a total of traveling 5,600 times around the Earth.

Our investments in the electrification of transport are constantly growing. In 2022, we introduced more than 100 new electric vans in Finland. The first dozen of our partners' electric cars joined our network in Finland in late 2022.



The first electric cars were also introduced in Estonia and Latvia. At the end of 2022, more than 200 electric cars already transported Posti's deliveries every day, one of which was a truck. We have more than 2,000 different types of electrified means of transport, such as electric freight scooters, bikes and delivery carts. Posti already delivers to nearly half of households in basic delivery using electricity, and this is more than 90% in the capital region. The electricity used in our own and our partners' electric vehicles in Finland is renewable energy with guarantees of origin.

At the beginning of 2022, all of our gas vehicles were fully using biogas. We introduced nine new trucks (total number at the end of the year 28) powered by liquefied biogas (LBG) and two trucks powered by compressed biogas (CBG). The plan is to keep expanding the biogas fleet as the gas distribution infrastructure develops. More new gas filling stations will also be opened in the vicinity of the main road network this year. In general, an extensive station network contributes to an increase in gas-fueled trucks in heavy-duty traffic.

We also replaced our oldest diesel vehicles with newer and more fuel-efficient vehicles during 2022, as there are still limitations in the availability and operational characteristics of clean vehicles. In 2022, vehicle delivery

schedules were delayed due to a global component shortage, which also delayed the orders of some clean vehicles ordered by Posti to 2023.

We increased the use of renewable diesel in our vehicles during 2022. Renewable fuel reduces the lifecycle fossil emissions of fuel consumption by up to 90%. With regard to our own vehicles, we increased the use of renewable diesel by more than 20% to just under 2 million liters by using renewable diesel on selected line haul routes, in regional transport and in mail delivery vehicles.

Previously, we had already transferred the parcel distribution equipment not powered by electricity to renewable fuel. The use of renewable diesel by our partners is still low, but during 2022, it multiplied to nearly 130,000 liters per year. In all, the share of renewable fuels and electric vehicles in the total distance covered by our own fleet was around 20%.

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

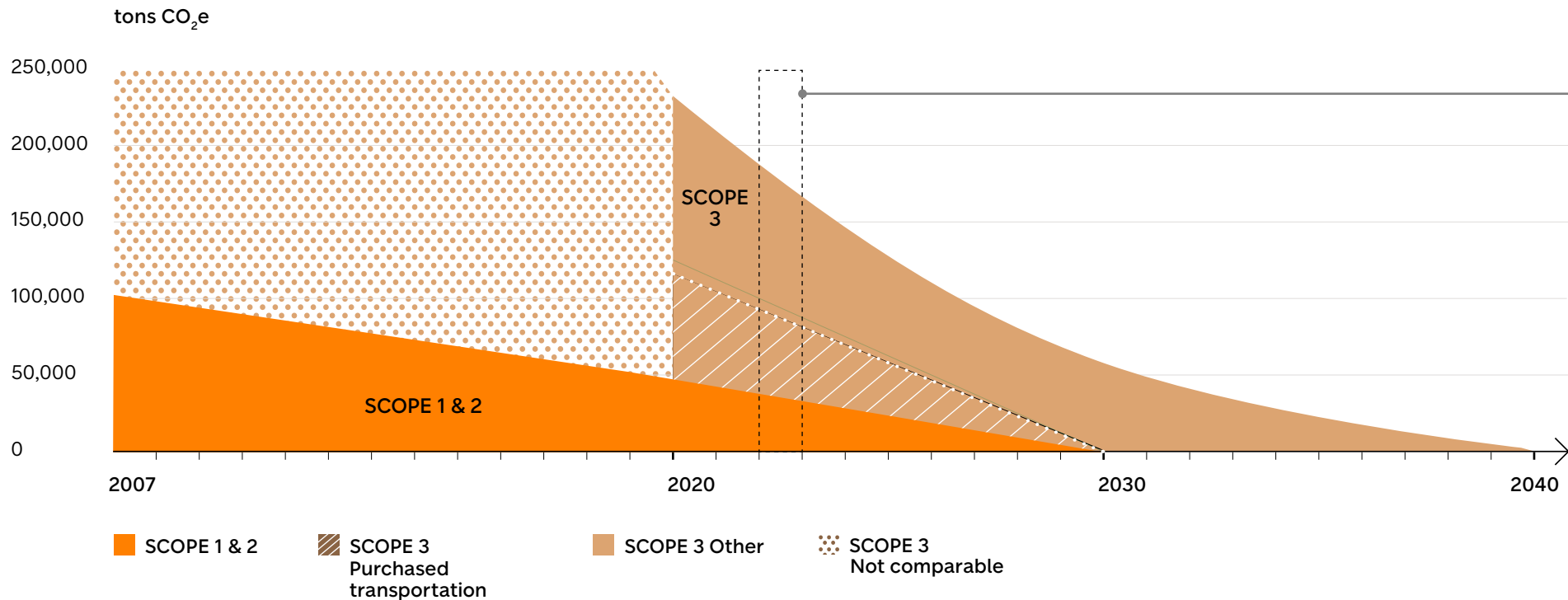


Clean vehicle roadmap

Posti has made a decision on the roadmap to a clean transport fleet in 2030. The implementation of the roadmap will help ensure that our transport operations are completely fossil-free by the end of the decade. The emissions target for 2030 has now been transformed into a concrete plan to help us move to a clean transport fleet.

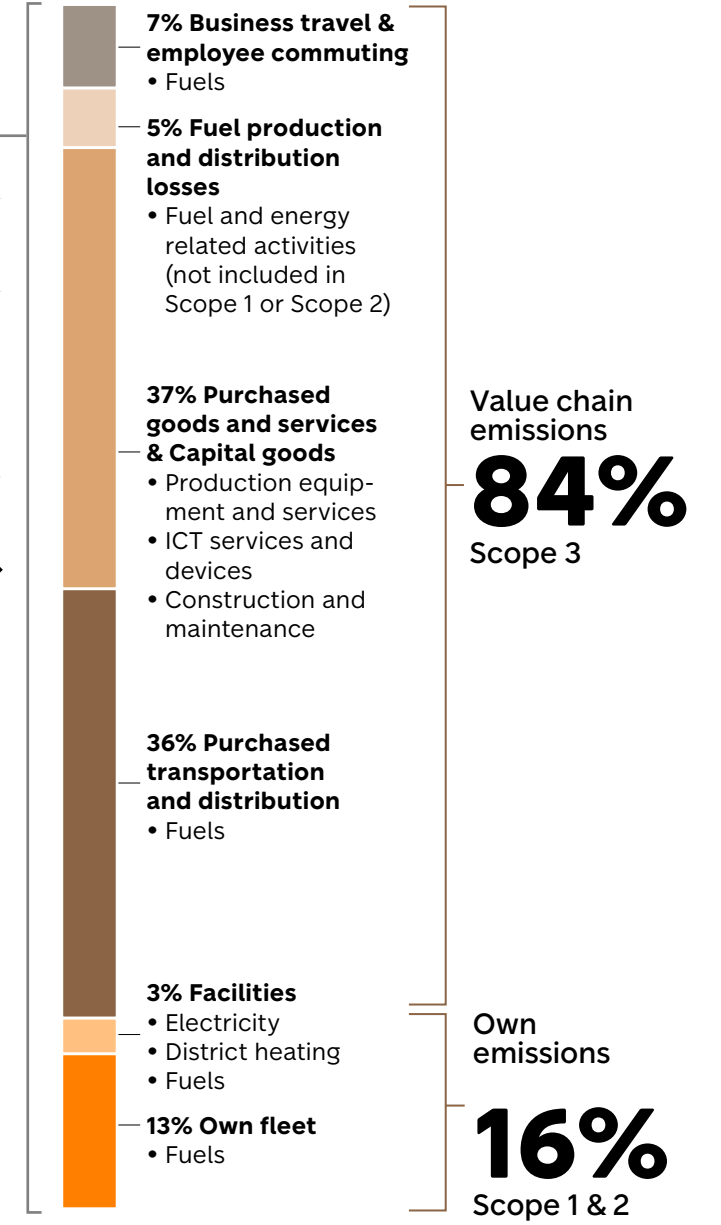
According to the plan, over the next eight years, we will acquire up to a couple of thousand light electric vehicles, several hundred medium heavy electricity- and biogas-powered trucks and transport vehicles, and hundreds of heavy-duty vehicles powered by biogas, electricity or hydrogen. In 2023, we will start building a roadmap for fossil-free transport in our partnership network together with our key partners.

Net-zero roadmap



Tools				
<ul style="list-style-type: none"> Route optimization Fill rate optimization Economic driving 	<ul style="list-style-type: none"> Clean vehicles (electricity, gas, hydrogen) and light vehicles Renewable fuels Collaboration and cooperation with partners 	<ul style="list-style-type: none"> Energy efficiency in facilities Renewable electricity and district heating Production of own clean energy 	<ul style="list-style-type: none"> New digital tools Innovative solutions Emission neutralization 	

Posti Group's total emissions ~268,500 tons CO₂e



Property emission reductions

Our properties from warehouses to distribution-fulfillment centers and service points — more than 500 operating locations in all — consumed approximately 78 GWh of electricity and approximately 59 GWh of district heat in all of our countries of operation combined last year. We constantly monitor energy efficiency in the buildings covered by our own energy contracts. Many of our small operating locations are leased, and energy is included in the lease agreement. For these, we estimate the consumption in our reporting. The total energy consumption of our properties decreased by 4% in 2022, even though we acquired new properties through acquisitions.

All of the electricity we consume in Finland is renewable — we also buy guarantees of origin for the properties in which electricity is included in the rent. The electricity used in Sweden and Norway is renewable, with the exception of the offices where electricity is included in the rent. The electricity used in some of our properties in Estonia and Lithuania is renewable. Altogether, almost 98% of the electricity we purchased was renewable in 2022. We also produce some electricity with solar power ourselves, and we are investigating the expansion of own renewable electricity production.

We started using renewable district heating in Finland and Sweden in 2021, and in 2022, we connected new sites to the renewable district heating network. The share of renewable district heating exceeded the amount of non-renewable district heating for the first time in December 2022. 42% of the district heating consumption during the year was renewable.

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 2022, the reduction was already close to 20%, and the energy efficiency work will continue. In 2022, Posti joined the Down a Degree energy-saving campaign coordinated by Motiva, and as a result, the indoor temperatures of several of Posti's properties were reduced. The total calculated savings from the campaign amounted to approximately 1.1 GWh.

In our new properties, we invest heavily in sustainability already in the design stage. In the spring of 2022, we opened a new 30,000-square meter warehouse in Sipoo. The warehouse's energy solution is based on geothermal heat and supplemented with solar energy. In addition, proactive building technology helps to reduce energy consumption.

Other climate efforts in the value chain

In 2022, the SBTi initiative approved Posti's net-zero target, according to which Posti must reduce the emissions generated by its entire value chain to zero by 2040. The main focus in the value chain's climate efforts is now on the transport operations of our partners, but in the coming years, we will also invest more heavily in investigating other sources of emissions in the value chain and reducing these emissions.



In our new properties, we invest in sustainability already in the design stage. The energy solution in new Transval warehouse in Sipoo is based on geothermal heat and solar energy.

Together towards green future

The focus area of Posti's sustainability program Together towards green future defines our role as a supporter of our customers' climate efforts and boosts us as a green forerunner in our field. In 2022, measures in the focus area were related to carbon handprint, the potential of C2C eCommerce and the circular economy, and biodiversity.

Carbon handprint

In 2022, we commissioned a thesis to examine the usability of the carbon handprint model in Posti's operations and the climate impact of the new parcel delivery concept. A carbon handprint means that using a product or service saves emissions compared to an established solution. If the product or service of a company has a positive carbon handprint, the company can offer its customers opportunities to reduce their own carbon footprint. The results of the study showed that the new parcel delivery concept can achieve a positive climate impact. The results also indicated that setting a general and broad quantitative carbon handprint target is not problem-free in Posti's case and that it is best suited for internal comparisons between different service options.

C2C eCommerce and circular economy

In addition to Posti's own emission reductions and other measures promoting sustainable development, we want to support sustainable consumption. ReCommerce, the resale and purchase of second-hand goods, partly eliminates the need to produce new products. Smooth logistics can contribute to increasing the circulation of second-hand goods among consumers. For example, the development of digital purchasing channels and more efficient use of Parcel Lockers also streamline and bring flexibility to C2C eCommerce.

We use the principles of the circular economy to minimize packaging materials and waste generated in our operations.





Sustainability webinar series

As part of Posti's sustainability efforts, we want to provide information about the themes of sustainable development to our important stakeholders and thus support them in facilitating the green transition of their own operations. The purpose of the sustainability webinar series held by Posti for customers in fall 2022 was to provide information on current sustainability topics in our industry and in general. In the fall, we held a total of five sustainability webinars with our own experts and guests. Topics ranged from social responsibility to environmental responsibility and loss of biodiversity. We received almost a thousand registrations for the webinars, and we will continue the webinar series in 2023. The webinar recordings can be found on our website posti.fi/sustainability.

For our customers, it is important that the amount of packaging material is optimized to protect the goods being transported from damage during transport. We carry out continuous development work related to the sustainability of our packaging materials and study the possibility of using new packaging materials. In 2022, we reduced the amount of plastic used in packaging and changed the materials to withstand multiple uses.

In Posti's operations, the most significant waste fractions generated are recycled paper, cardboard, mixed wood pulp and energy waste. In 2022, an environmental survey was carried out in eCommerce and delivery services, in which the energy use and waste management of properties selected for observation was studied and the related development measures were identified. The survey revealed that a key measure was to reduce the generation of incinerated waste at our operating locations so that the materials sorted as energy waste, mixed wood pulp or mixed waste are sorted more efficiently into

fractions that can be utilized as raw materials. Measures aimed at promoting circular economy are also carried out in cooperation with our waste management partner. The partner measures the amount of waste generated in our operations and delivers the information to Posti. In 2022, we published the Recycling Game to be used in employee training. The virtual training platform instructs employees in the right sorting of waste. In 2022, Posti joined Finland's national Down a Degree campaign and implemented several energy reduction measures.

Environmental management at Posti is based on the ISO 14001 environmental management standard. Employee awareness of environmental issues is promoted through, for example, a Group-wide sustainability training program, and environmental issues are regularly highlighted in various discussion forums, such as sustainability briefings organized for the personnel and the Group's various internal channels. At the end of 2022, certified environmental management systems covered 94% (97%) of the Group's employees.

Biodiversity

As a large company, it is essential for Posti to understand its impacts related to biodiversity. Posti conducted a pre-study on biodiversity in 2021 and 2022. Reducing greenhouse gas emissions and deploying sustainable energy are examples of the means at our disposal to contribute to the mitigation of biodiversity loss. We are already doing this as part of our climate efforts.

With the help of geospatial modeling, the pre-study project also surveyed the locations of

sites in Finland owned or leased by Posti 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). Two of the owned properties are located less than 500 meters from an area with sensitive biodiversity. Of the rented properties, six delivery points were located in the vicinity of a nature conservation area.



Reducing greenhouse gas emissions and deploying sustainable energy are examples of the means at our disposal to contribute to the mitigation of biodiversity loss.

Key figures

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

Terajoules (TJ)	2022	2021	2020
OWN ENERGY CONSUMPTION			
Renewable	483	418	308
Transportation fuels	118	86	33
Fuel consumption in properties	0	0	0
Electricity	276	275	276
District heat	89	57	0
Non-renewable	706	800	894
Transportation fuels	553	592	663
Fuel consumption in properties	24	39	32
Electricity	7	8	13
District heat	122	160	186
Total	1,189	1,217	1,202
Russia, non-renewable	0	191	190
Energy consumption in purchased transportation, Finland			
Transportation fuels, renewable	4	1	0
Transportation fuels, non-renewable *	943	991	899
Total	947	992	899

* Corrected figures for 2020-2021 including the consumption missing in the previous reporting. Updates in the figures also on other rows of the table.

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

Waste, tons*	2022	2021	2020
Non-hazardous waste	19,689	17,574	18,492
Recycle and reuse	12,275	10,834	10,805
Other recovery	5,828	5,462	6,065
Incineration	1,439	1,216	1,573
Final disposal	148	61	49
Hazardous waste	438	443	445
Recycle and reuse	404	421	311
Final disposal	34	24	136
Total	20,127	18,017	18,937
Recovery rate, %	99%	100%	99%
Recycling rate, %	63%	62%	60%

* 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.

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

Tons CO ₂ e	2022	2021	2020
Scope 1 - Direct emissions			
Finland			
Transportation fuels	34,929	37,607	41,663
Fuel consumption in properties	1,124	2,129	1,871
Refrigerant leakages in properties*	147	113	28
Other operating countries			
Transportation fuels	542	0	0
Fuel consumption in properties	258	317	175
Scope 1 - Direct emissions total	37,000	40,166	43,738
Scope 2 - Indirect emissions			
Finland			
Purchased electricity (market based)	0	0	168
Purchased electricity (location based)	6,732	6,784	6,947
Purchased district heat (market based)	3,927	5,872	6,870
Purchased district heat (location based)	6,729	7,946	6,870
Other operating countries			
Purchased electricity (market based)	1,089	1,187	1,363
Purchased electricity (location based)	1,162	1,200	1,170
Purchased district heat (market based)	483	244	225
Purchased district heat (location based)	633	321	225
Scope 2 - Indirect emissions (market based) total	5,499	7,304	8,627
Scope 2 - Indirect emissions (location based) total	15,256	16,250	15,212

* New row that includes those properties where the maintenance of cooling equipment is Posti's responsibility. Emissions estimated based on fillings. For 2020-2021 data may be partial.

Tons CO ₂ e	2022	2021	2020
Scope 3 - Other indirect emissions			
Finland			
Transportation and distribution**	78,672	82,651	74,660
Fuel production and distribution losses	11,960	12,146	11,965
Purchased goods and services***	73,999	69,771	69,981
Capital goods***	16,997	18,831	15,565
Business travel	1,030	640	391
Employee commuting	14,463	14,516	15,771
Other operating countries			
Transportation and distribution	18,595	16,509	17,504
Fuel production and distribution losses	443	296	262
Purchased goods and services***	4,727	3,785	2,302
Capital goods***	2,965	791	910
Business travel	232	147	84
Employee commuting	1,960	1,907	592
Scope 3 - Other indirect emissions total	226,041	221,990	209,987
Posti Group (scope 1, 2 ja 3) total	268,540	269,459	262,352
Finland (Scope 1, 2 ja 3) total	237,247	244,276	238,934
Other operating countries (Scope 1, 2 ja 3) total	31,293	25,183	23,418
Russia, scopes 1-3	0	32,335	33,358

Biogenic emissions Scope 1: 11,573 (10,013) tCO₂; Scope 3: 8,285 (8,513) tCO₂.

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

** Corrected figures for 2021.

***Calculation updated 2022. Data coverage better than earlier. Cost-based emission factors without inflation correction were used in the calculation.



Society

We are a significant societal operator, and our actions contribute to a sustainable future. The key themes underpinning our sustainability efforts are sustainable sourcing and ethical business practices, which are specified in Posti's Code of Conduct. In tax reporting, we adhere to the guidelines for companies of which the state is the majority shareholder.



Ethical business practices

In addition to ensuring people's well-being and fossil-free transport, a sustainable basis for responsibility is ensured through safety and well-being, diversity and inclusion, sustainable sourcing and ethical business practices.

Sustainable sourcing

We ensure the sustainability of sourcing in many ways. We fulfill our responsibilities 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.

Our partners and partner cooperation are an essential part of Posti's sustainable sourcing. We are on a journey toward the most sustainable logistics in the world together with our partners. Posti's values reliable, respectful and progressive form the basis of our partner cooperation. We want to support our partner suppliers and build cooperation in accordance

with the ecosystem approach. In 2022, we supported selected partners with, for example, supply chain financing and the possibility to purchase electric vans at Posti's purchase price. In 2023, we will start 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.

Posti uses a supplier sourcing portal in Finland, and its use in other countries of operation and in companies acquired during the past year will be expanded. 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. The Supplier Code of Conduct is part of all new sourcing contracts in Finland, Sweden and the Baltic countries, including companies where the sourcing portal is not yet in use.



Posti's Supplier Code of Conduct cover legal and regulatory compliance, good business practices, principles concerning equality and non-discrimination, the avoidance of conflicts of interest, the prohibition of unethical commercial practices and environmental responsibility. In 2022, we invested in the training related to and implementation of the Code of Conduct in the supplier field. At the end of 2022, 93.7%* of suppliers had signed the Supplier Code of Conduct.

In 2022, we introduced a new tool for monitoring and assessing supply chain risks. The tool is used to assess suppliers' environmental, social and governance (ESG) risks. Environmental and social assessments were carried out in connection with 23 supplier audits in Finland. 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 Posti's ESG risk assessment tool. 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. Suppliers may report suspected violations of the Code of Conduct or laws confidentially through Posti's notification channel designed for partners. In addition, in 2022, we renewed the self-assessment

questionnaire for suppliers to take environmental and social responsibility issues more into account. The self-audit form was sent to 890 suppliers, and responses are collected for the years 2022 and 2023.

In 2022, Posti purchased services and products from Finnish companies for EUR 659 million (EUR 657 million in 2021). In 2022, 94.0% (95.5% in 2021) of all Posti's purchases in Finland were made from domestic suppliers**.

* Calculated from actual purchases in Finland excl. Posti Kiinteistöt Ltd and Transval

** Posti's Finnish companies excl. Transval

Ethical business practices

Posti has in place a Code of Conduct for its employees and a Supplier Code of Conduct for its suppliers. These documents address issues such as human rights and the acceptance of gifts. In addition, Posti has in place a combined Health, Safety, Environment and Quality (HSEQ) policy, as well as guidelines related to gifts and hospitality. Posti identifies, assesses and manages the environmental impacts of its operations. Posti's HSEQ policy includes commitments to reduce the Group's impacts with regard to the energy consumption of transport operations and properties, for example. 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.

Employee Code of Conduct training is mandatory for all employees. In 2022 the training had been completed by 83% of the Group's employees (excl. Transval and Aditro Logistics).

We want to encourage personnel and stakeholder representatives to address issues and shortcomings. To facilitate this, in 2021 we launched the SpeakUp whistleblowing channel managed by a third party. This offers an alternative channel for reporting suspected misconduct: anything that violates the law or does not comply with Posti's values or policies. Personnel and stakeholder notification channels are available in 10 languages.

Reports can be submitted anonymously. Posti is committed to protecting the rights and privacy of everyone. 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 channel has been well received and used widely.

The Chief Compliance Officer reports incidents reported through the whistleblowing channel to the Audit Committee, and Posti's Board of Directors is also informed of them. We received 73 notifications via the channel or email in 2022.

Data protection training has been provided through both basic online training and an in-depth classroom format. More than 300 people have received in-depth training on the subject. There have been 682 requests for access to personal data, and the average response time has been less than 14 days.

No legal actions for abuse of a competitive position were initiated in 2022. There were no violations of laws, regulations or voluntary principles related to marketing communications during the reporting period.

In 2022, the Data Protection Authority processed one new privacy-related complaint, for which Posti was asked to provide clarification. There were 31 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.

Posti complies with country-specific collective agreements in all of its countries of operation. Of the company's entire personnel, 94.89% are covered by collective agreements. Posti requires its partners to comply with collective agreements, and nothing has come to Posti's attention that needs to be addressed concerning this.

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 or collective agreements in all of its countries of operation.

As a company, Posti does not support or endorse political parties.



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 on June 7, 2022.

The most significant difference from the previous guidance issued in 2014 is related to the provision of country-specific information, as Posti has previously reported tax footprint data by country group for smaller countries of operation. Correspondingly, the data for the comparison year have been adjusted to correspond to the data contents, in accordance with the revised guidelines.

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 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.



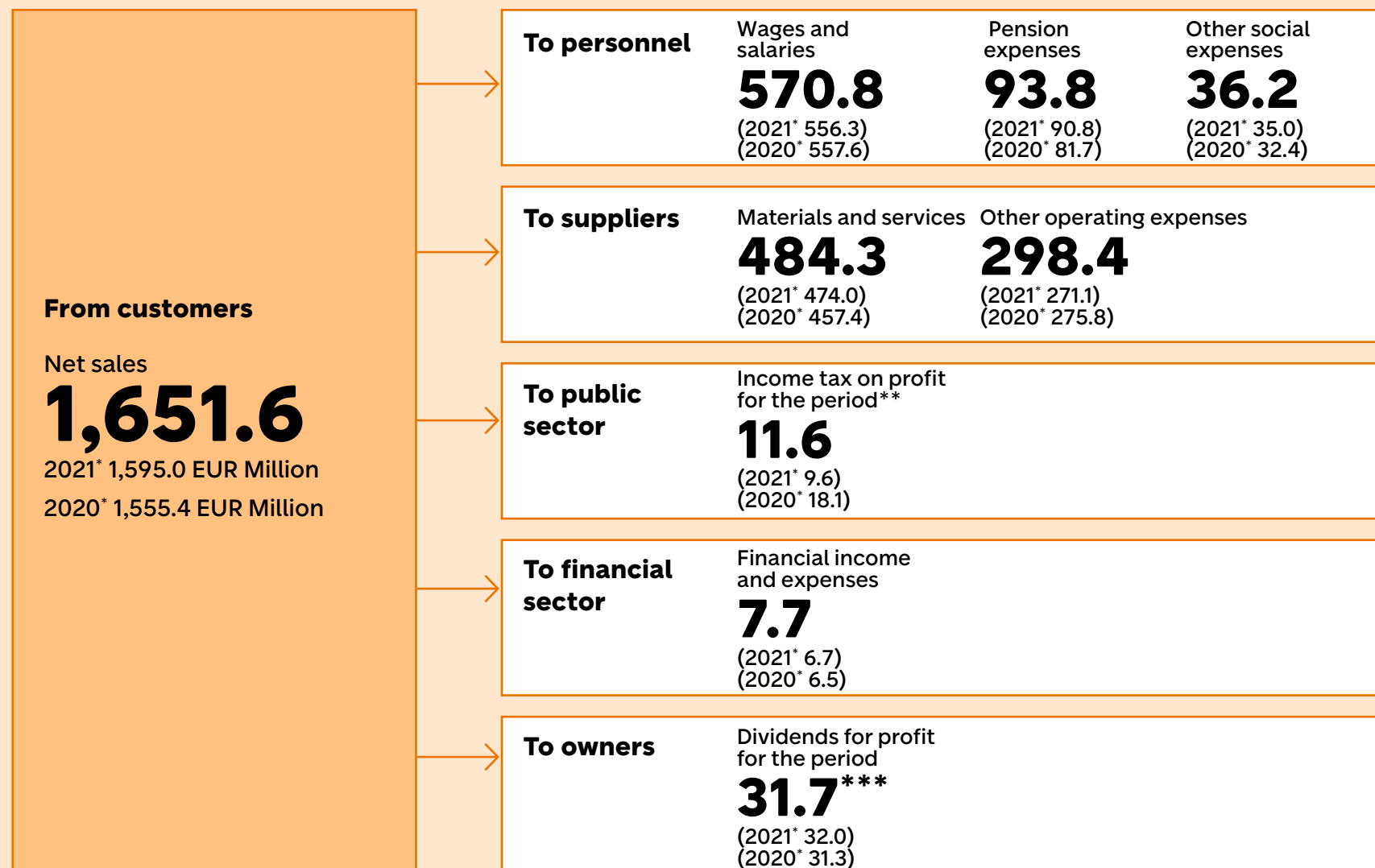
Management of tax-related issues

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 Group's Audit Committee. 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.

Financial impact in accordance with the consolidated income statement 2022 (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.

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.

In accordance with the new guidelines, Posti must present its tax footprint data on a country-by-country basis. 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. With regard to comparative data, the report also presents country-specific data for Russia, even though Posti divested its entire Russian business operations in December 2021. The report provides information on an unconsolidated basis according to the country of location of the company. The comparative data have been adjusted, especially with regard to net sales.

The Group operates 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

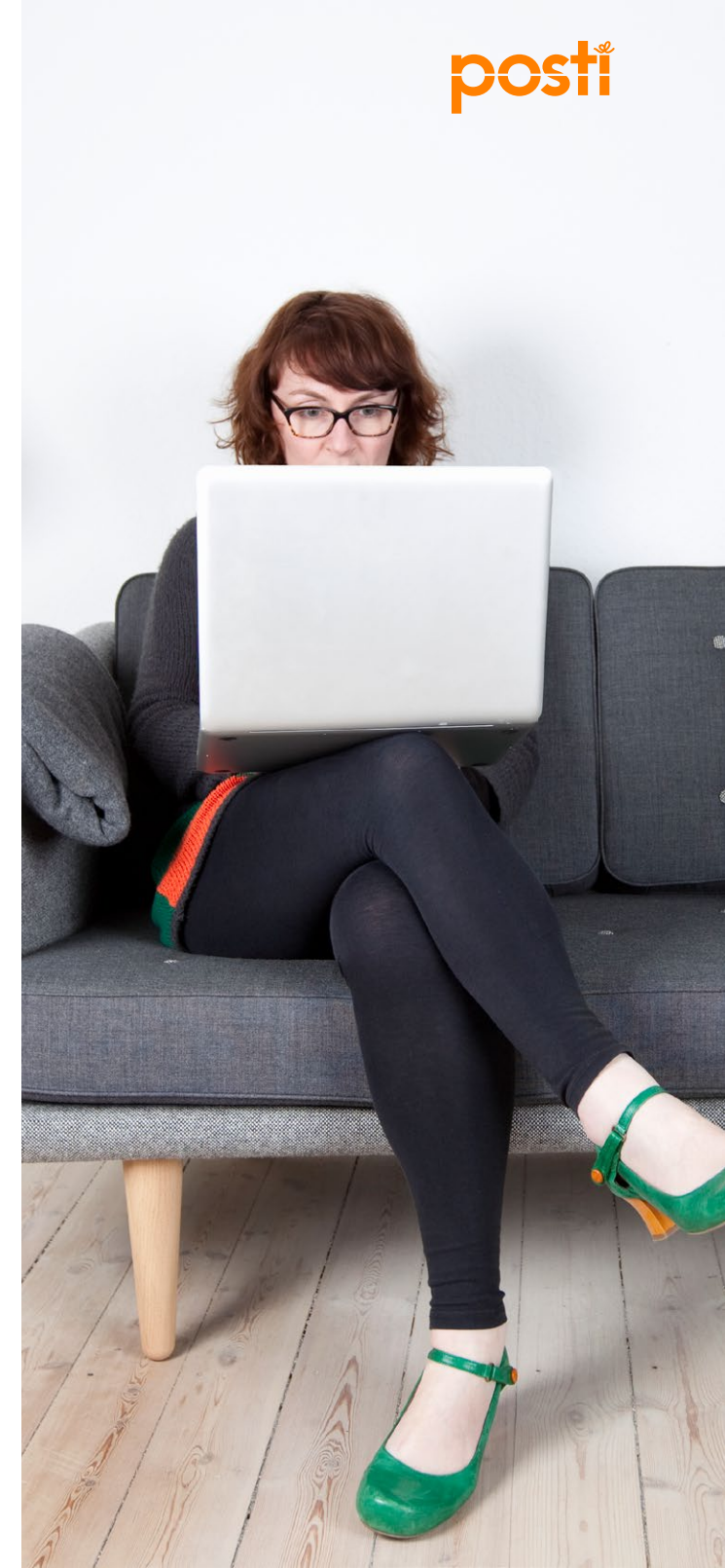
the companies included in the report can be found in Posti's annual financial statements.

The Group's tax position in 2022

In 2022, the Group's effective tax rate was 26.7% (2021: 19.9%). The effective tax rate is calculated based on accrual-based income taxes and changes in deferred taxes. The increase in the effective tax rate was particularly influenced by accumulated losses in Sweden, for which no deferred tax assets were recognized.

The cash-based amount of income tax for the reporting and comparison year was significantly affected by the sale of Russian operations in December 2021 and in relation to the sale of Russian real estate companies resulting in a significant deductible loss to Posti in Finland. Of this loss, deferred tax assets of EUR 19.6 million were registered for the comparison year, of which EUR 11.3 million was tax expenses for the reporting period. According to Posti's estimate, the tax loss will be fully utilized by 2024. The Group's accrual-based income taxes for the financial year, excluding the effect of changes in deferred taxes, amounted to EUR 0.9 million.

The tax dispute pending with Posti Group is limited to a claim for an adjustment of minor importance in Finland regarding transfer tax. Posti has no pending tax disputes in its other countries of operation.



Key figures

Posti Group's tax footprint

2022, EUR million	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland	
Net sales and other operating income from unrelated parties	1,480.0	124.5	23.6	16.7	5.6	7.2	0.0	
Net sales and other operating income from Group companies	636.3	6.8	12.4	7.8	6.8	0.0	2.1	
Result before taxes	125.2	-5.7	1.8	-1.7	-0.5	0.1	0.1	
Taxes to be paid	24.3	12.5	3.2	1.0	0.7	0.2	0.0	
Remitted taxes	233.8	12.8	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	210.3	16.3	10.2	1.9	1.7	0.1	0.0	
Stated capital by the end of the financial year	484.6	13.7	0.2	3.4	2.5	1.0	12.5	
Accumulated earnings by the end of the financial year	340.3	2.8	21.7	-3.8	-1.4	2.5	-11.7	
Number of personnel by the end of the financial year (full-time-equivalent)	13,095	1,067	409	214	132	27	50	
2021, EUR million								
	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland	Russia
Net sales and other operating income from unrelated parties	1,471.8	95.4	26.0	14.3	4.9	6.4	0.0	51.4
Net sales and other operating income from Group companies	595.8	4.1	10.8	6.7	6.6	0.0	2.2	7.8
Result before taxes	115.4	-3.2	3.9	-1.1	0.4	0.1	0.1	5.2
Taxes to be paid	35.0	10.1	3.2	0.8	0.6	0.2	0.0	3.6
Remitted taxes	221.2	16.2	3.5	-0.2	0.2	1.4	0.5	6.0
Received public support	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets excluding cash and cash equivalents	190.8	9.7	12.4	1.3	1.3	0.1	0	0
Stated capital by the end of the financial year	730.2	19.9	0.2	0.9	2.5	1.1	12.7	7.7
Accumulated earnings by the end of the financial year	53.8	-30.7	20.2	-1.1	-1.8	0.5	-11.9	-31
Number of personnel by the end of the financial year (full-time-equivalent)	13,499	1,131	425	182	126	59	57	894*

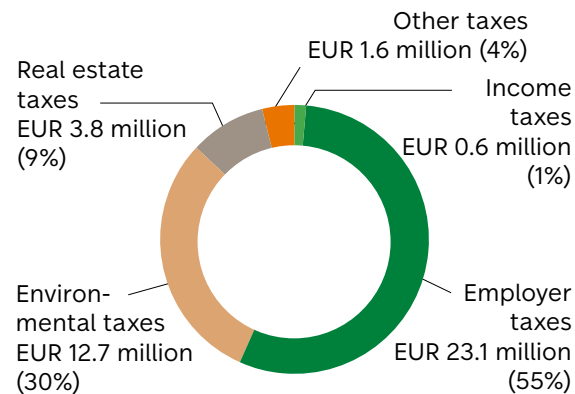
* Number of personnel in Russia at the time of divestment 30.11.2021

Taxes to be paid by category and by country

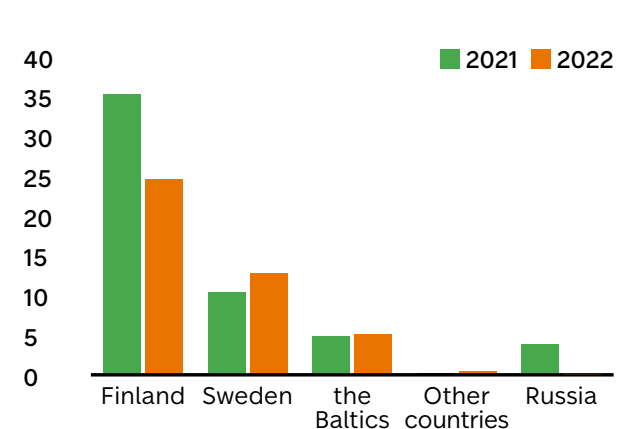
2022, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Income taxes	0.6	-0.3	0.9	0.0	0.0	0.0	0.0	0.0
Employer taxes	23.1	6.9	11.2	3.2	1.0	0.7	0.2	0.0
Environmental taxes	12.7	12.3	0.4	0.0	0.0	0.0	0.0	0.0
Real estate taxes	3.8	3.8	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Total taxes to be paid	41.9	24.3	12.5	3.2	1.0	0.7	0.2	0.0

2021, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland	Russia
Income taxes	11.3	11.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.7
Employer taxes	24.3	7.0	10.1	3.2	0.8	0.5	0.2	0.0	2.5
Environmental taxes	13.2	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real estate taxes	3.1	2.3	0.4	0.0	0.0	0.0	0.0	0.0	0.4
Other taxes	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total taxes to be paid	53.4	35.0	10.1	3.2	0.8	0.6	0.2	0.0	3.6

Taxes to be paid by category
EUR 41.9 million



Taxes to be paid by geographical area
EUR 41.9 million



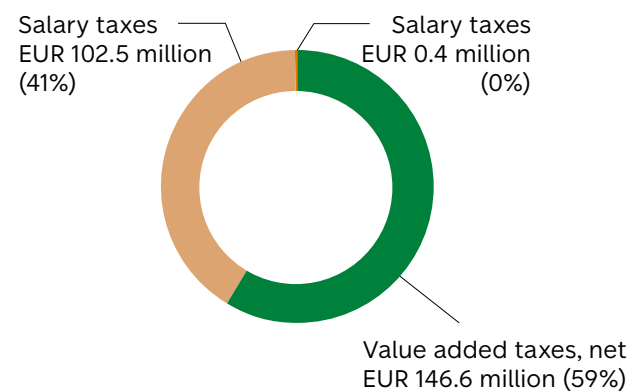
Remitted taxes by category and country

2022, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland
Value added taxes, net	146.6	144.4	3.1	0.7	-1.2	-0.7	0.4	-0.1
Salary taxes	102.5	89.3	9.7	1.7	0.8	0.5	0.2	0.2
Other taxes	0.4	0.1	0.0	0.0	0.0	0.3	0.0	0.0
Total remitted taxes	249.6	233.8	12.8	2.4	-0.4	0.1	0.6	0.2

2021, EUR million	Total	Finland	Sweden	Estonia	Lithuania	Latvia	Norway	Poland	Russia
Value added taxes, net	146.7	130.7	9.7	1.6	-0.8	-0.5	1.4	-0.1	4.6
Salary taxes	101.7	90.4	6.5	1.9	0.6	0.5	0.0	0.6	1.2
Other taxes	0.5	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.1
Total remitted taxes	248.8	221.2	16.2	3.5	-0.2	0.2	1.4	0.5	6.0

Remitted taxes by category

EUR 249.6 million





Reporting principles

Posti's annual sustainability report is prepared taking into account the environmental, social and corporate responsibility themes that are relevant to the Group. The report is based on established international guidelines and standards for corporate sustainability reporting.



Reporting principles

Posti's sustainability report has been prepared with reference to the sustainability reporting standards issued by the Global Reporting Initiative (GRI). Topic-specific standards have been reported for the areas of financial, social, administrative and environmental responsibility that are material to Posti. The GRI reporting contents can be found in the GRI Index.

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 (Scopes 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 ISAE3000 (revised) and ISAE3410 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 information for 2022 will be published on April 5, 2023. The sustainability unit of Posti is responsible for the preparation of the sustainability report together with the communications unit. 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 the Leadership Team for comments before 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 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 calculations are provided in a [table](#).

Changes in reporting

The sustainability report references the updated Universal Standards of GRI 2021. The Russian business divested in late 2021 is omitted from the Group's figures and reported separately. The coverage of the indicators is reported in connection with the indicators. Posti's tax footprint has been reported in accordance with the country-specific tax reporting guidelines for companies of which the Finnish state is the majority shareholder, as updated in 2022.

With regard to emissions data, Scope 1 emissions included refrigerants in the 2022 report. The calculation method for the Scope 3 categories Purchased goods and services and Capital goods was updated in 2022. The calculation is now based directly on the same financial data as in financial reporting, while the latest Exiobase consumption-based coefficients were updated. The calculation was also retrospectively updated for 2020–2021.

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Independent practitioner's limited assurance report

Translation of the Finnish original

To the Management of Posti Group Corporation

We have been engaged by the Management of Posti Group Corporation (hereinafter also the "Company") to perform a limited assurance engagement on selected sustainability information for the reporting period 1 January 2022 to 31 December 2022, disclosed in Posti Group Sustainability report 2022 and report of the board of directors (hereinafter the Selected sustainability information).

Selected sustainability information

The scope of our work was limited to assurance over the following information:

- The accident frequency indicator (LTA1: Group, Finland)
- Energy
 - 302-1 Energy consumption within the organization (2016)
 - 302-2 Energy consumption outside of the organization (2016)

- GHG emissions
 - 305-1 Direct (Scope 1) Greenhouse Gas (GHG) emissions (2016)
 - 305-2 Energy indirect (Scope 2) Greenhouse Gas (GHG) emissions (2016)
 - 305-3 Other indirect (Scope 3) Greenhouse Gas (GHG) emissions (2016)

Management's responsibility

The Management of the Company is responsible for preparing the Selected sustainability information in accordance with the reporting criteria as set out in the Company's reporting instructions described in the Posti Group Sustainability report 2022, the GRI Standards of the Global Reporting Initiative and Company's internal reporting instructions (collectively Reporting criteria). The Management of the Company is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence, other ethical requirements and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Control (ISQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance

engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Interviewing employees responsible for collecting and reporting the selected information at the Group level as well as at the site level in Finland, Lithuania and Estonia.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

- Considering the disclosure and presentation of the Selected sustainability information.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Posti Group Corporation's Selected sustainability information for the reporting period 1 January 2022 to 31 December 2022 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Posti Group Corporation

for our work, for this report, or for the conclusions that we have reached.

Helsinki 13 March 2023

PricewaterhouseCoopers Oy

Mikael Niskala
Partner, ESG Reporting & Assurance Services

Mikko Nieminen
Partner, Authorised Public Accountant (KHT)

GRI index

Statement of use: Posti Group Oyj has reported the information cited in this GRI content index for the period 1.1.–31.12.2022 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 2022 : Group companies, 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. 53
	2-5 External assurance	p. 53-55
	2-6 Activities, value chain and other business relationships	p. 7-9
	2-7 Employees	p. 28
	2-8 Workers who are not employees	p. 28
	2-9 Governance structure and composition	p. 12 Corporate Governance Statement 2022
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement 2022
	2-11 Chair of the highest governance body	Corporate Governance Statement 2022
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2022
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Statement 2022
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Statement 2022
	2-15 Conflicts of interest	Corporate Governance Statement 2022 Financial review 2022 : Related party transactions
	2-16 Communication of critical concerns	p. 44-45
	2-17 Collective knowledge of the highest governance body	p. 12

GRI standard	Disclosure	Location
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Statement 2022
	2-19 Remuneration policies	Remuneration report 2022
	2-20 Process to determine remuneration	Corporate Governance Statement 2022
	2-21 Annual total compensation ratio	Remuneration report 2022
	2-22 Statement on sustainable development strategy	p. 4
	2-23 Policy commitments	p. 11-12
	2-24 Embedding policy commitments	p. 11-12
	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. 44-45
	2-28 Membership associations	p. 16-17
	2-29 Approach to stakeholder engagement	p. 14, 16-17
	2-30 Collective bargaining agreements	p. 31, 45
Material Topics		
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	p. 13-15
	3-2 List of material topics	p. 14-15, 56-62
	3-3 Management of material topics	p. 12-15
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. 12

GRI standard	Disclosure	Location
	201-3 Defined benefit plan obligations and other retirement plans	Financial review 2022 : Employee benefits, Pension liabilities
	201-4 Financial assistance received from government	Financial review 2022 : Other operating income
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016		
	203-1 Infrastructure investments and services supported	Financial review 2022 : Property, plant and equipment, Research and development
	203-2 Significant indirect economic impacts	Financial review 2022 : Market situation and operating environment
Procurement Practices		
GRI 204: Procurement Practices 2016		
	204-1 Proportion of spending on local suppliers	p. 44
Anti-corruption		
GRI 205: Anti-corruption 2016		
	205-1 Operations assessed for risks related to corruption	p. 44
	205-2 Communication and training about anti-corruption policies and procedures	p. 44
	205-3 Confirmed incidents of corruption and actions taken	p. 44
Anti-competitive Behaviour		
GRI 206: Anti-competitive Behavior 2016		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 45
Tax		
GRI 207: Tax 2019		
	207-1 Approach to tax	p. 46
	207-2 Tax governance, control, and risk management	p. 47

GRI standard	Disclosure	Location
	207-3 Stakeholder engagement and management of concerns related to tax	p. 47-48
	207-4 Country-by-country reporting	p. 46, 48, 49-51
Energy		
GRI 302: Energy 2016		
	302-1 Energy consumption within the organization	p. 40
	302-2 Energy consumption outside of the organization	p. 40
	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. 39
	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
Emissions		
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	p. 41
	305-2 Energy indirect (Scope 2) GHG emissions	p. 41
	305-3 Other indirect (Scope 3) GHG emissions	p. 41
	305-4 GHG emissions intensity	Information unavailable

GRI standard	Disclosure	Location
	305-5 Reduction of GHG emissions	Information unavailable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable
Waste		
GRI 306: Waste 2020		
	306-1 Waste generation and significant waste-related impacts	p. 37-39
	306-2 Management of significant waste-related impacts	p. 37-39
	306-3 Waste generated	p. 40
	306-4 Waste diverted from disposal	p. 40
	306-5 Waste directed to disposal	p. 40
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016		
	308-1 New suppliers that were screened using environmental criteria	p. 43-44
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 43-44
Employment		
GRI 401: Employment 2016		
	401-1 New employee hires and employee turnover	p. 29
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	https://careers.posti.com/en/why-posti
	401-3 Parental leave	p. 30

GRI standard	Disclosure	Location
Labor/Management Relations		
GRI 402: Labor/Management Relations 2016		
	402-1 Minimum notice periods regarding operational changes	p. 45
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018		
	403-1 Occupational health and safety management system	p. 25-26
	403-2 Hazard identification, risk assessment, and incident investigation	p. 25-26
	403-3 Occupational health services	p. 26-27
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 25-27
	403-5 Worker training on occupational health and safety	p. 25-27
	403-6 Promotion of worker health	p. 26-27
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 25-27
	403-8 Workers covered by an occupational health and safety management system	p. 30
	403-9 Work-related injuries	p. 30
	403-10 Work-related ill health	p. 30
Training and Education		
GRI 404: Training and Education 2016		
	404-1 Average hours of training per year per employee	p. 30
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 26-27
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 30
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016		
	405-1 Diversity of governance bodies and employees	p. 28-29, 31
	405-2 Ratio of basic salary and remuneration of women to men	p. 24

GRI standard	Disclosure	Location
Non-discrimination		
GRI 406: Non-discrimination 2016		
	406-1 Incidents of discrimination and corrective actions taken	p. 23-24
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016		
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 45
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016		
	414-1 New suppliers that were screened using social criteria	p. 43-44
	414-2 Negative social impacts in the supply chain and actions taken	p. 43-44
Public Policy		
GRI 415: Public Policy 2016		
	415-1 Political contributions	p. 45
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 45
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016		
	417-3 Incidents of non-compliance concerning marketing communications	p. 45
Customer Privacy		
GRI 418: Customer Privacy 2016		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 45



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