

Canada Post Corporation





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Canada Post Corporation 2022 Sustainability Report

Canada Post Corporation 2022 Sustainability Report

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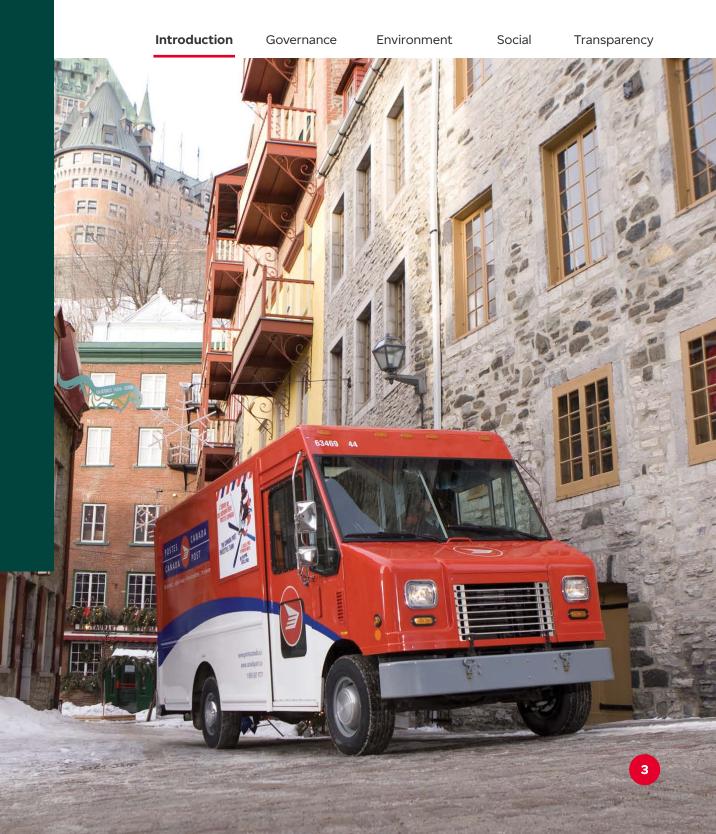
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Message from the Chair of the Board

Over the past few years, Canadians have pulled together to take on big challenges. They adapted to life in a global pandemic. Confronted with a warming climate, they've stood up for the environment and a cleaner future. They've fostered strong communities celebrating diversity and inclusion.

As the needs of Canadians change, Canada Post has an important responsibility to be there for them. We understand the role that the postal service should play in helping to build a stronger Canada – one that's more sustainable, equitable and inclusive. This responsibility to Canadians, to meet their needs and expectations, has continued to drive action across the organization.

In 2022, the Board of Directors approved a billion-dollar investment in Canada Post's net-zero plan, enabling action on cutting emissions and fleet electrification. The Board also approved the company's more ambitious climate target, which sets Canada Post on a path to reduce scope 1 (direct) and scope 2 (indirect) emissions by 50 per cent by 2030 and reach net-zero emissions by 2050.

We also continued to make significant investments to better serve Canadians. Canada Post is investing to improve service and capacity, green its operations and enhance the customer experience.

One of the Corporation's biggest investments in service capacity is the building of its largest processing facility ever. The Albert Jackson Processing Centre is 585,000 square feet, or about the size of six CFL football fields. It has the capacity to process more than a million packages a day.

What's most impressive is that the Albert Jackson Processing Centre will operate with net-zero emissions. It's the largest industrial project in Canada certified under the Zero Carbon Building design standard (via the Canada Green Building Council). The facility is an important demonstration of Canada Post's commitment to transform the business while supporting its commitment to be net zero by 2050.

The Corporation continued to focus on its number one priority: the health, safety, and well-being of its people. In 2022, the Board approved a new five-year road safety strategy to improve driver behaviour. As you'll read in this report, the company also continued to take action to build a more inclusive, equitable and diverse Canada Post, for its employees and communities.

On behalf of the Board of Directors, it's my pleasure to share with Canadians this year's Sustainability Report. I would like to thank everyone at Canada Post for their hard work helping to build a more sustainable and inclusive postal service, as we do our part for a stronger Canada. As we continue this important work, I also thank the senior management team for their dedicated leadership.

Canada Post is here for Canadians. They can count on us to continue to invest in our transformation to better serve Canadians and meet their evolving needs.



Suromitra Sanatani, LL.B., ICD.D
Chair of the Board of Directors



Discussion with the CEO and the VP, Environment, Social, Governance

Canada Post is undertaking a significant transformation to make the postal service greener, more socially responsible, and better positioned to serve Canadians over the long term. Below, Canada Post President and CEO Doug Ettinger and Carrie Chisholm, Vice-President, Environment, Social, Governance (ESG), take a few questions about their work over the past year and priorities as they look ahead.

What is your transformation plan, and why now?

Doug: We all saw the ecommerce boom that happened during the pandemic. That level of parcels moving around the country isn't going away. In fact, it's expected to keep growing. More than ever, Canadians need Canada Post to deliver. So in 2021 we embarked on a comprehensive transformation that's making significant investments in the company.

These are not just investments in service and capacity. We're greening our operations and investing to be the kind of responsible corporate leader that Canadians expect us to be. Driven by our new purpose, *A Stronger Canada – Delivered*, it's a transformation with ESG and the environment as core elements.

Carrie: We're committed to environmental leadership and social purpose – that's a central pillar in our transformation. We're going to be a corporate leader that reflects Canadians' values on the environment, and equity, diversity and inclusion. We're taking action to rebuild relations with Indigenous communities and support reconciliation. And we're taking steps to improve health and safety and well-being for our people. That continues to be our number one priority.

Canada Post has a presence in thousands of communities across the country, with a significant national footprint. You've committed to a science-based target to be net zero by 2050. How will you meet that challenge?

Doug: It's true – our footprint is enormous. We have one of the biggest fleets in the country, the largest retail network in Canada, and about 490 plants and depots from coast to coast to coast. Our climate plan needs to tackle our operations from all angles, and the size of our effort needs to match the scale of our operations.

Carrie: We're working on the electrification of our fleet, retrofitting our buildings, constructing new netzero carbon buildings, and sourcing renewable energy for our real estate and operations. We also need to consider emissions from our value chain. These are the indirect emissions outside our operations – and they'll be one of our biggest challenges. So we're developing a detailed plan to make deep emission cuts with the suppliers who provide us with goods and services, as well as for the emissions generated by our employees who are commuting or travelling for business.



Doug Ettinger

President and CEO, Canada Post



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Carrie Chisholm

Vice-President, Environment,
Social, Governance (ESG)



What should we watch for in the coming years?

Carrie: You'll see more action to step up for our people and all Canadians when it comes to health and safety, and equity, diversity and inclusion. Our new road safety strategy, comprehensive Accessibility Plan and Anti-Racism and Anti-Discrimination Charter are great examples of that. And you'll continue to see progress on the environment. We'll continue to make progress on our goal of diverting at least 90 per cent of waste by 2030. The electrification of our fleet is a big, important project that you should see some early progress on. We've committed to the electrification of half our fleet of 14,000 vehicles by 2030, and the full fleet by 2040.

Doug: We'll keep the momentum going. We're going to keep investing so that we can continue to deliver for Canadians. That means ongoing improvements in our services. It means being a leader that Canadians can rely on and that reflects who we are as a country. We're committed to being a leader on sustainability. The reality is, Canadians expect their postal service to play a leading role in the transition to a low-carbon future. And it's a responsibility we embrace.



Suromitra Sanatani, Chair of Canada Post's Board of Directors, Doug Ettinger, President and CEO, and Sally Dam, Director, Delivery Strategy & Projects



2022 ESG highlights

Environment		Social		Governance	
Climate action	Zero waste	Accessibility	Equity, diversity &	Business	Responsible
• One of the first	 Completed four zero 	• 88.8% digital	inclusion	• 6.6 billion pieces	investment
150 companies in the world (one of only four	waste pilots across the country	accessibility across all active digital products	 Senior management¹ includes 43.5% women, 	of mail, parcels, and messages	 \$277 million invested in renewable energy
Canadian companies)	 Installed 172 touchless 	Building B at head	22.6% persons with	• \$7.2 billion in revenues	and energy storage
with a net-zero target approved by the SBTi	water bottle filling	office certified to Rick	disabilities, and 14.5% visible minorities	7.1.2	through the Canada Post Pension
• 6% decrease in scope 1	stations	Hansen gold standard for accessibility	visible minorities	Corporate	Fund
and 2 emissions in	 Diverted 67% of waste from landfill 	Published our first	Learning &	governance	
2022 versus 2019	waste Horri landriii	Accessibility Plan	development	• 40% women, 10%	Responsible
• 12% decrease			• 829,000 hours of	visible minorities on the Board of	procurement

- **Indigenous** reconciliation
- Invested \$1 million to enhance and expand **postal service** in Indigenous and northern communities

Community **Foundation**

• \$1.3 million donated to 101 initiatives nationwide in 2022

Health & safety

our employees

• 15% reduction in lost **time injury** frequency rate

training delivered to

¹ Includes General Managers and above.

- on the Board of Directors
- ESG metrics account for 25% of our CEO's scorecard and a minimum of 15% of the scorecards of the Officers of the company (vicepresidents and senior vice-presidents)

 Over \$900 million procurement spending with Indigenous suppliers, diverse suppliers, and small or medium businesses and B corporations

Recognitions

in scope 1 and 2

Task Force on

report

Climate-related

emissions intensity

(kt CO_e/billion dollars

revenue) versus 2019

Published our second

Financial Disclosures



Three leaders recognized as environmental champions by the Clean16 and Clean50



Recognized as Corporate Climate Leader by CoreNet at the Canadian Real Estate Conference for a second year



Canada Post's People and Safety team recognized as Canadian HR Team of the Year



Canada Post's Security and Investigation Services team awarded the 2022 Policing Partnership Award for contributions to safety and wellness in Indigenous and northern communities



ESG strategy

Canada Post's purpose, A Stronger Canada – Delivered, is based on the fundamental belief that every business, person, and community in Canada deserves to thrive and prosper.

A Stronger Canada – Delivered commits us to demonstrating leadership on key issues facing the country, with ESG being central to our transformation plan. Through consultations with internal and external stakeholders, we've built on the legacy we developed over the past 250 years and have formalized our commitment through an ESG strategy. This strategy was approved by the Board in November 2021. It has four key pillars – representing the areas where Canada Post can have the most impact.

Vision

Our purpose: A Stronger Canada - Delivered

We're committed to playing a leading role in delivering a stronger, more inclusive, and greener Canada for our customers, communities, and employees

Transformation Plan

Providing a service all Canadians can count on

Social and environmental leadership

Doing right by our people

Priority Areas

Committed to a sustainable future

We have a responsibility to Canadians to reduce our environmental footprint and help deliver a sustainable future. We support the transition to a low-carbon economy with a plan to significantly reduce GHGs across our network and achieve net-zero emissions by 2050.

Equity, diversity, and inclusion

Canadians expect Canada
Post to be a leader on equity
and diversity, to act against
racism and discrimination,
and to help build a more
inclusive country. Our
vision is to reflect Canada's
diversity in all that we do. It's
an essential part of who we
are as a company, how we
operate, and how we see our
future. We're committed to
providing safe, welcoming,
and accessible spaces for
everyone across the country.

Indigenous reconciliation

We're taking concrete steps to renew our relationships with Indigenous and northern communities – which have been historically underserved – and to play a meaningful role in reconciliation.

Supporting small business and the local economy

Small and mediumsized businesses rely on Canada Post to connect with their customers and empower their growth. We're making significant investments in our network and products, services, and solutions to help them grow.



UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated; they recognize that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability.

Canada Post has identified 10 of the SDGs where it can make the largest impact. We have aligned our ESG commitments and initiatives with these SDGs to clearly illustrate how we contribute to achieving them. The table below demonstrates a snapshot of highlights of our contribution to these goals. The SDG icons are displayed throughout this report to indicate how the actions we are taking are aligned to specific SDGs.

Goal	SDG Target(s)		Our Contribution	
3 GOOD HEALTH AND WELL-BEING	3.6	By 2030, halve the number of global deaths and injuries from road traffic accidents	In 2022, we delivered road safety orientations and refresher training to 11,200 employees nationally, including team leader support, safety talks, safe backing up of vehicles, defensive driving, and inspections. The Driver Safety and Compliance organization also deployed Driver Safety Week campaigns to three regions, focused on areas of safe use and defensive driving behaviours, daily vehicle inspections, backing up, and vehicle maintenance. We also introduced collision avoidance training, provided through online and in-class delivery. See the Health, safety, and wellness section for more information.	
4 QUALITY EDUCATION	4.2	By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre- primary education so that they are ready for primary education	The Canada Post Community Foundation supports initiatives that benefit children and youth in the communities we serve. Since 2012, the Foundation has donated \$12.3M to 1,100 initiatives nationwide. Find out more in the Community Foundation section.	
	a	persons with disabilities, Indigenous peoples, and	The Canada Post Indigenous Student Awards celebrate the hard work and determination of members of First Nations, Métis and Inuit communities who were out of school for a year or more, then returned for at least a year. Learn more in the Fostering reconciliation with Indigenous Peoples section of this report.	
		children in vulnerable situations	In collaboration with the National Educational Association of Disabled Students (NEADS), Canada Post established an annual \$10,000 scholarship as well as two paid summer work opportunities for students with disabilities. See the <u>Accessibility at Canada Post</u> section of this report for more information.	
5 GENDER EQUALITY	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	We recognize that pay equity is a basic human right and any disparity in pay due to gender is unacceptable. We are working closely with our bargaining agents and non-unionized employee representatives to make progress on this important requirement. See the Equity, and inclusion section of this report for more information.	



Goal	SDG	Target(s)	Our Contribution
7 AFFORDABLE AND CLEAN ENERGY	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix	We are working closely with the Government of Canada and provincial utilities to negotiate power purchase agreements (PPAs) that support renewable energy generation in provinces with carbon-intensive electrical grids. We are also investing in on-site renewable energy generation. See the <u>Climate action</u> section for more details.
8 DECENT WORK AND EGONOMIC GROWTH	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value	We are committed to providing a safe, inclusive and fair work environment for all of our employees. In 2022, we published our first Accessibility Plan, setting out concrete actions to remove barriers for Canadians that use our products and services and work with us. We also continued to advance our health and safety, and equity, diversity and inclusion
	8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular migrant women, and those in precarious employment	strategies. See the following sections of this report for more information: Accessibility at Canada Post, Health, safety, and wellness, Equity, diversity, and inclusion, Labour relations, and Strengthening Canadian communities.
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Through the Canada Post Pension Plan, we invest in LEED certified buildings as well as renewable energy projects and energy storage. We are also working to upgrade and retrofit our own buildings and infrastructure to make our facilities low-emitting and more energy efficient. See the Responsible investment and Climate action sections of this report.
10 REDUCED INEQUALITIES	10.2	By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status	We aim to provide a safe, welcoming, and inclusive workplace that embraces and celebrates our differences as Canadians and have put in place a 5 year Equity and Diversity strategy to support this. We also invested \$1M to enhance and expand postal services to Indigenous and northern communities. See the Equity, diversity, and inclusion and Fostering reconciliation with Indigenous Peoples sections of this report to find out more.



Goal	SDG	Target(s)	Our Contribution	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	To support achievement of our zero waste target we're taking steps to better understand sources of waste within our operations. In 2022, we completed our first baseline measurement of waste at selected facilities across our network. See the Zero waste section of this report to learn more.	
13 CLIMATE ACTION	13.2	Integrate climate change measures into national policies, strategies, and planning	At the request of our Board of Directors, in 2022 Canada Post strengthened its science-based target by aligning with the 1.5°C warming scenario. See the <u>Climate action</u> section to learn more about our updated targets and progress made on reducing our emissions.	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3	Promote the rule of law at the national and international levels and ensure equal access to justice for all	In 2022, we finalized a refreshed Code of Conduct that builds behaviours and actions that align with our values. Our Code of Conduct encourages Canada Post employees to remember their obligation to Canadians, and each other as colleagues, and to make	
<u></u>	16.5	Substantially reduce corruption and bribery in all their forms	decisions that reflect our shared values. It helps us ensure that our actions and decisions are ethical, sustainable, and meet the expectations of the people we serve. Find out more in the Ethics and Canada Post section.	
	16.6	Develop effective, accountable, and transparent institutions at all levels		



Our business

Committed to transforming our business in a sustainable way, by investing in our operations, our people, and our planet.

Network statistics

21 processing plants

468 letter carrier depots

1.7 million post office boxes (including general delivery)

5,873 post offices, corporately owned or managed by authorized dealers

17.2 million points of delivery

6.6 billion pieces of mail, parcels, and messages

Over 14,300 vehicles

26 million items sorted and delivered daily

22,191 street letter boxes

217,079 community mailbox sites

\$7.2 billion in revenues









Employees

68,000 employees1

\$5.1 billion in wages and benefits

\$341 million in employer contributions to pension plans

\$10 million invested to improve accessibility for employees

Customers

17.2 million points of delivery

\$722 million invested into our network and operations

\$4.5 million invested to improve accessibility for customers at post offices and through digital channels

Planet

\$1 billion in investment over 10 years to take climate action and electrify our fleet

\$277 million invested in renewable energy through the Canada Post Pension Fund

Suppliers

\$2.8 billion in goods and services purchased

\$49 million spend with Indigenous suppliers

\$145 million spend with diverse suppliers

\$753 million spend with suppliers who are small or medium business or B corporations

Communities

\$1.3 million donated through our Community Foundation to 101 projects

\$1 million invested to enhance and expand postal services to Indigenous and northern communities

More than 730,000

items delivered free of charge to people who are blind or partially sighted

~183,000 parcels delivered free of charge to members of the
Canadian Armed Forces

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¹ Full-time and part-time employees, including temporary, casual and term employees.





Fostering reconciliation with Indigenous Peoples

We are taking concrete actions to renew our relationship with Indigenous and northern communities, which have been historically underserved. Canada Post seeks to play a meaningful role in reconciliation.

Indigenous and Northern Reconciliation Strategy

We have developed an Indigenous and Northern Reconciliation Strategy to support the interests of these communities and ensure the unique rights of Indigenous Peoples are taken into consideration within our obligation to serve all Canadians. We are committed to taking action in four key areas:



Improve postal services in Indigenous communities



Improve our hiring and retention of Indigenous People



Develop an Indigenous Procurement Policy



Support wellness and safety of Indigenous communities





Improve postal services in Indigenous communities

Northern communities rely on Canada Post to deliver items typically ordered online. Following a community-by-community approach, we are working to strengthen our retail network in Indigenous and northern communities over the next five years. Some communities will see new full-service post offices, while others will see expansions or upgrades to improve service.

Key initiatives in 2022

- Invested \$1 million to enhance and expand postal service to Indigenous and northern communities in collaboration with leaders of involved communities.
- Improved postal services in eight Indigenous communities such as issuing new postal codes for identity and community recognition, upgrading postal boxes, and adding new full-service and pickand-drop locations.
- Opened three full-service post offices in rural locations (Christian Island First Nation, Ontario; Nahanni Butte Dene First Nation, Northwest Territories; and Sagamok First Nation, Ontario) and announced that a second post office will open in lgaluit, Nunavut in 2023.
- Opened three more community hub post offices in Membertou, Nova Scotia; Little Current, Ontario; and Fort Qu'Appelle, Saskatchewan. In addition to

core postal products and services, varying slightly by location, community hubs provide customers with access to secure parcel drop-off and pickup services, parcel lockers, and money services. Electric vehicle charging and small-business support services are also available, such as a community directory to showcase local businesses, rentable meeting rooms, secure printing and shredding services, and publicly available computers for videoconferencing.

 Provided Indigenous Culture Awareness training to Canada Post employees working in the surrounding area of the Membertou community hub. In 2023 this training will be expanded in targeted areas.

Improve our hiring and retention of Indigenous People

In partnership with our unions and Indigenous communities, we are working to improve Indigenous representation in our workforce so that it reflects the country and the communities we serve.

In 2020, we engaged our bargaining agents to explore special equity measures supported by the *Employment Equity Act*. These measures allow us to bypass collective agreement staffing provisions to increase diversity at Canada Post – specifically our representation of Indigenous Peoples and people with disabilities.

As of 2021, we signed four memorandums of agreement (MOAs) with our bargaining agents in support of special equity measures. Each MOA is

unique and reflects various exceptions in the staffing processes of a given collective agreement.

We are also developing an ambitious Indigenous recruitment and retention strategy. In 2022, approximately 2,200 Canada Post employees self-identified as Indigenous, and we continue to be committed to increasing employment opportunities. New positions have been designated for Indigenous Peoples across several Canada Post functions, including Procurement, Finance, Human Resources and Security. We remain committed to our equity targets and hiring more Indigenous employees. Our employment rate goal is to achieve 80 per cent of the Canadian Labour Market Availability for Indigenous Peoples, by 2026.

In 2023, we are exploring designated Indigenous employment in corporate permanent positions, maximizing the Indigenous employee resource group, and expanding collaboration with our union partners on permanent Indigenous positions.

Employees that self identify as Indigenous Peoples

Category	%
Target	2.9%
Result	3.1%



Develop an Indigenous Procurement Policy

In 2021, with the Indigenous Procurement Policy, we adopted a target to buy five per cent of our procured goods and services from Indigenous-owned suppliers or subcontractors by the end of 2025. Several steps were taken in 2022 to make progress towards this goal For details, please refer to the Responsible procurement section.

Support the wellness and safety of Indigenous communities

Collaborating with community leaders and local law enforcement agencies, we are working to ensure we serve Indigenous and northern communities safely. This includes taking steps to reduce levels of non-mailable matter, such as alcohol and illicit drugs, entering these communities through the mail.

Key initiatives in 2022

- Inspected more than 3,500 items destined for Indigenous First Nations and northern communities, resulting in the removal of non-mailable matter with an estimated street value of \$4.2 million.
- Facilitated 120 awareness sessions with stakeholders, including postal clerks, Indigenous community leaders, and local and Indigenous law enforcement agencies. Canada Post's Security and Investigation Services team achieved its goal of engaging 120 communities by focusing efforts on dry northern communities in Northwest Territories, northern Manitoba, northern Quebec, and Nunavut. Forty-two of these engagements were conducted in person by Postal Inspectors attending Indigenous community meetings, Indigenous law enforcement meetings, and Indigenous post office visits.

- Conducted Indigenous awareness training for the Security and Investigation Services team.
- Received the 2022 Policing Partnership Award from the Canadian Association of Chiefs of Police (CACP) in Quebec City, in recognition of Canada Post's contributions to supporting law enforcement agencies and the safety and wellness of Indigenous and northern communities.

Indigenous Student Awards

Canada Post works with Indspire to promote the Canada Post Indigenous Student Awards. Indspire is a national Indigenous registered charity that invests in the education of First Nations, Inuit and Métis Peoples.

The Canada Post Indigenous Student Awards celebrate the hard work and determination of members of First Nations, Métis and Inuit communities who were out of school for a year or more, then returned for at least a year.

The awards have been granted across the country annually since 2004. In 2022, 25 Indigenous students in Canada received grants of \$2,000 to help cover the cost of their education.







Stamps recognizing Indigenous Canadians

In 2022, Canada Post issued the following commemorative stamps in support of our commitment to Indigenous reconciliation:



Three stamps honouring Indigenous leaders recognized by their communities for their significant contributions to Indigenous rights and culture over the past 50 years:

- Jose Kusugak (Inuit)
- Harry Daniels (Métis)
- Chief Marie-Anne Day Walker-Pelletier, OC (First Nations)







Artistic visions of First Nations, Inuit and Métis artists

Clockwise from top left: Jackie Traverse reminds us

that for bountiful future harvests, we must share the sun, water, and land. Gayle Uyagaqi Kabloona's woman lighting a qulliq signifies care and healing for all Indigenous communities. Kim Gullion Stewart uses floral beadwork to show the need to live symbiotically with the land, nature, and each other.



Canadian designer Blair Thomson's crying hands offer the dual perspectives of Indigenous Peoples and settlers. An Indigenous child looks out from behind the hands to reinforce the message that we must never look away again.

A Canadian war hero

• Thomas George Prince (1915-1977), an Indigenous Canadian war hero and one of Canada's most decorated First Nations soldiers, serving in World War II and the Korean War.



Chief Marie-Anne Day Walker-Pelletier speaking at her stamp unveiling in Fort Qu'Appelle, Saskatchewan



International collaboration

Canada Post is working to extend its commitment to environmental and social responsibility beyond its borders. Our International Relations team is working with foreign postal partners to integrate environmental, social and governance (ESG) initiatives into our business outside Canada, and is taking steps to support and promote sustainability within the global postal industry.

For example, Canada Post represents Canada at the Universal Postal Union (UPU) where it is co-chair (with Egypt) of the UPU's Council of Administration Committee responsible for advancing sustainable postal services. The Committee is tasked with leading member countries to implement initiatives in support of the United Nations' Sustainable Development Goals through 2022-2025.

As Canada's designated postal operator, Canada Post is supporting an extra budgetary 2021 Congress resolution calling for the reduction of greenhouse gas emissions in the global postal sector. This involves a contribution of 10,000 CHF (Swiss francs) for each of four years, along with like-minded member countries, to fund activities in support of this goal.

A summary of some of our international initiatives and their alignment with the UN SDGs is presented below.

International Postal Group Memberships

We are members of the Universal Postal Union (UPU); the Postal Union of the Americas, Spain, and Portugal (UPAEP); Kahala Post Group (KPG); and International Post Corporation (IPC).









Initiative	SDG alignment
Collecting data for the setting of voluntary targets for greenhouse gas emission reductions, low emission vehicles, and renewables.	13
 Canada Post provided data to the international tool OSCAR (Online Solution for Carbon Analysis and Reporting), which generates multiple climate performance indicators. 	
Participating in activities required for the development of a policy for gender equality and the empowerment of women for the postal sector.	5
 The goal is to increase participation and the representation of women in leadership and decision-making positions, in alignment with the Government of Canada's feminist foreign policy commitments. 	
Renewing the co-operation agreement with the UNI Global Union (a global union federation for the services sectors in 150 countries).	5 8
 The renewed agreement will focus on diversification of postal services, climate action, and gender equality. 	13
Working with bilateral postal partners to introduce environmentally sustainable exchange practices through sustainable packaging and pallets.	12



Stakeholder engagement and materiality

As Canada's postal service provider, Canada Post is one of the country's largest employers with a presence in thousands of communities across the country. Canadians expect us to view our responsibility as going beyond the services we provide.

Engaging with our key stakeholders and understanding the needs and expectations of Canadians is critical to the long-term sustainability of our business. Examples of our stakeholder and community engagement activities are provided on the right.

Canada Post Stakeholder Engagement



Employees

Annual employee engagement survey Employee Recognition Program

Regular communications on important topics, including the delivery of 40 team leader forums across the country

Our first ever Humans in Health and Safety virtual conference

Employee Resource Groups focused on anti-racism, Indigenous Peoples, persons with disabilities, and LGBTQ2S+Pride, among others



Customers

Direct customer engagement via meetings with our Sales team Regular customer surveys



Bargaining agents

Regular relationship committee meetings with union representatives

Joint committees on critical issues such as environmental responsibility and equity, diversity, and inclusion

Collaboration on initiatives to improve customer service



Suppliers

Annual supplier survey

Direct supplier engagement through meetings with our Procurement team on various topics, including ESG



Government

Canada Post orientation presentations to Members of Parliament including information on ESG initiatives and goals

Participation in municipal conferences to inform municipalities about Canada Post activities and projects, including ESG initiatives and goals

Partnerships with federal and provincial departments to establish power purchase agreements

Collaboration and consultation with municipal governments on ESG initiatives



Communities

Canada Post Community Foundation supporting registered charities, school programs, or local initiatives benefiting children and youth

Sponsorships that promote disability inclusion



Indigenous Peoples

Outreach and awareness sessions with leaders from Indigenous communities

Community hubs that offer a wide range of services to underserved Indigenous, northern, and rural communities

Direct engagement with Indigenous suppliers to encourage participation in Canada Post's requests for proposals



Material environmental, social and governance topics

In addition to regular activities, we engage our main stakeholder groups to identify their key environmental, social and governance (ESG) priorities through our materiality assessment process. This assessment is conducted every two years to ensure we continue to address our stakeholders' top priorities.

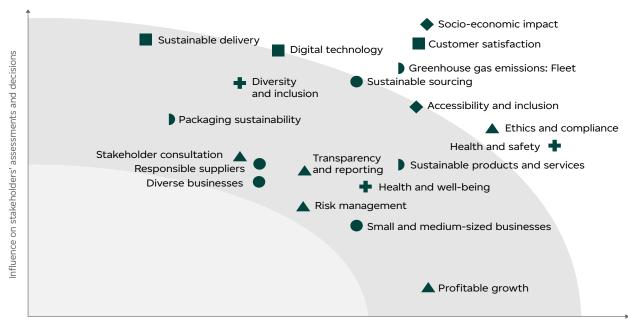
Our last materiality assessment was conducted in 2021 prior to the development of the ESG strategy. We used the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Air Freight and Logistics standard to define potential material topics to Canada Post. We also conducted a peer benchmarking analysis to understand our list of priority topics. We then conducted surveys with internal and external stakeholders and held workshops with our senior leadership to rank the topics according to stakeholder interest and business impact. The purpose of this engagement was i) to validate topics Canada Post should consider as part of its sustainability/ESG strategy and ii) to build internal alignment on sustainability priorities aligned to stakeholder expectations.

We engaged the following stakeholders in the materiality assessment: employees; bargaining agents; Board of Directors; business customers; communities; customers; financial community; federal and provincial governments; partners and suppliers; subsidiaries.

After analyzing the results of our materiality assessment, we grouped the highest-priority ESG topics into six main categories. These results helped inform where we should focus our ESG strategy and reporting based on our business impacts and stakeholder priorities. This Sustainability Report provides details on how we are addressing these key topics.

Materiality matrix

Canada Post's materiality matrix provides a visual ranking of the shortlisted topics. The matrix was developed in accordance with GRI 101: Foundation (2016). The x-axis represents areas where Canada Post has significant economic, environmental, and social impacts. The y-axis represents the topics with the greatest influence on Canada Post stakeholder assessments and decisions. Our next materiality assessment will be conducted in the summer of 2023.



Significance of Canada Post's economic, environmental and social impacts

- Environmental stewardship
- **♦** Economic and community impact
- + Human capital
- Responsible procurement
- Customer satisfaction
- **▲** Responsible management

Canada Post Corporation 2022 Sustainability Report

Key sustainability topics

Material topic	What we are doing		Relevant SDGs
Environmental stewardship	Environmental Action Plan	Zero waste	7 12 13
	Climate action	Sustainable delivery	
Economic and community impact	Our business	Strengthening Canadian communities	3 8 9 10
	Fostering reconciliation with Indigenous Peoples	Community Foundation	
	Accessibility at Canada Post	International collaboration	
	Investing in the success of small business		
Human capital	Health, safety, and wellness	Talent acquisition and retention	3 5 8 10 4
	Equity, diversity, and inclusion	Labour relations	
	Employee engagement		
Sustainable procurement	Responsible procurement		5 8 10 13
Customer satisfaction	Privacy	Security of the mail	8 9 10
	Access to information		
Responsible management	Corporate governance	Official languages	5 8 16
	Ethics and Canada Post	Responsible investment	
	Canada Post as a Crown corporation		



Commitments, awards, and recognitions

In 2022 and early 2023, Canada Post's leadership in ESG and sustainability was recognized through our public commitments, as well as various awards and recognitions.

Commitments to ESG leadership

The Science Based Targets initiative (SBTi) approved Canada Post's 1.5°C, near-term emissions reduction target. We became one of the first 150 companies globally to have an officially approved net-zero target.



Canada Post is proud to be an official participant in the Government of Canada's Net-Zero Challenge launched on August 26, 2022. The Net-Zero Challenge is a voluntary initiative that encourages companies to develop and implement credible and effective plans to transition their facilities and operations to net-zero emissions by 2050.



In November 2022, Canada Post became a signatory to the United Nations' Global Compact, reaffirming its commitment to respecting and promoting universal human rights, implementing decent work practices, reducing environmental impact, and putting together strong anticorruption mechanisms.



Climate leadership awards and recognitions

Canada Post was recognized as part of Delta Management Group's Clean16 and Clean50 awards for exceptional contributions to the clean economy in the Manufacturing and Transportation category. Recognition was awarded to Canada Post for being one of the largest corporations in Canada to lay out a comprehensive plan to get to net zero by 2050, and with progress under way.



Canada Post was listed on the Canadian Business for Social Responsibility (CBSR) Net-Zero Leaderboard recognizing companies with a credible and robust commitment to net-zero emissions.



Canada Post received a B score for its 2022 climate change submission, recognizing the Corporation's taking coordinated action on climate issues. The score placed Canada Post above the North American, global, and sector average scores. We also achieved an A score for leadership in supplier engagement on climate action, up from a score of A- in 2021.



The Canada Post Real Estate team was the recipient of the Corporate Social Responsibility (CSR) Leadership Award - Climate Change for a second consecutive year, at the 11th Annual REmmy Awards Gala. The Annual REmmy Awards recognizes leadership excellence, innovation, and sustainable design and social responsibility in corporate real estate and workplace management.



Canada Post Corporation 2022 Sustainability Report



ESG leadership awards and recognitions

Canada Post earned a silver rating from EcoVadis, placing the company in the 84th percentile across all companies evaluated (up from the 40th percentile in 2021). EcoVadis scores companies' sustainability performance across four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

ecovadis

Canada Post's People and Safety team won the Canadian HR Team of the Year Award for organizations with more than 500 employees in Canada. This award recognizes the team that excels within the Human Resources department, and across the business, by partnering with different parts of the organization. The award recognized the team's collaborative approach.



Canada Post's Procurement team was recognized by Women Business Enterprises (WBE) Canada for "Most Improved Supplier Diversity Program." This award recognizes a WBE Canada Corporate Member that has made a distinct and describable difference in their Supplier Diversity Program.



Canada Post was recognized as a National Capital Region Top Employer. This recognition honours employers in the Ottawa-Gatineau area that lead their industries in offering exceptional places to work.



Received the 2022 Policing Partnership Award from the Canadian Association of Chiefs of Police for Canada Post's contributions to safety and wellness in Indigenous and northern communities.



Received Rick Hansen Gold certification in 2022 for the accessibility features implemented during the refurbishment at Building B on the head office campus.





Governance

In this section:

Corporate governance

Ethics and Canada Post Canada Post as a Crown corporation

Official languages

Canada Post Corporation 2022 Sustainability Report

Responsible investment

Responsible procurement







Corporate governance

Canada Post is a federal Crown corporation that reports to Parliament through the Minister of Public Services and Procurement. Its single shareholder is the Government of Canada. Through our Board of Directors and leadership team, we are committed to maintaining high corporate governance standards that allow us to make sound business decisions and deliver sustainable value for all of our stakeholders.

About the Board of Directors

The Board of Directors provides oversight and guidance on behalf of the shareholder on the strategies, business plans, and related affairs at Canada Post. The Board follows explicit rules and regulations as defined by the *Canada Post Act*, the *Canadian Postal Service Charter*, our Code of Conduct, and other standards.

Members are appointed to the Canada Post Board of Directors by the Governor in Council (GiC), meaning, the Governor General acting on the advice of the King's Privy Council for Canada as represented by Cabinet. Appointments are recommended to Cabinet by the federal minister responsible for Canada Post (currently Public Services and Procurement). The Governor in Council appointment process is open, transparent, and merit based and seeks to attract qualified candidates who reflect Canada's population in terms of linguistic capacity, regional representation, and diversity.

Board members are appointed to committees based on several factors, including professional designations and experience, personal interest, and current membership numbers. The Board Chair and the members work together to determine committee memberships. Committee memberships can also be reassigned.

Board conduct and conflicts of interest

As stewards of the Corporation, Board members are expected to set the tone from the top and embody the Corporation's values and desired behaviours. Their actions are also governed by the <u>Standards of Conduct for Directors</u>, the Statement of Board Values and Board Charter, and By-Laws <u>No. 1</u> and <u>2</u>.

Board members are also subject to the <u>Conflict of Interest Act</u>. They follow strict guidelines and can face public investigations for failing to comply with the Act. Internally, Board members are required to update their personal Declaration of Interest as soon as there is a change to report, and to confirm the Declaration of Interest on an annual basis. Board members are expected to recuse themselves from any discussions or decisions that could create a conflict of interest or the perception of one.





Canada Post's Board of Directors and Board committees

Board of Directors

Board Chair: Suromitra Sanatani

Nine of ten members are independent

Duties and responsibilities:

- · Provides oversight and guidance on behalf of the shareholder on the strategies, business plans and related affairs at Canada Post.
- Holds management accountable for its business performance and strategic objectives.
- Exercises due diligence over strategic sustainability initiatives.
- · Consults regularly with stakeholders.
- Reviews management reports on matters relating to health and safety, accessibility, sustainability, and EDI.

90% 40% 10%

Independent

Women

Visible minorities

Labour Relations Committee

Five members

Duties and responsibilities:

 Provides additional oversight and guidance related to collective agreement negotiations and related matters.

Pension Committee

Four members

Duties and responsibilities:

- · Canada Post Pension Plan.
- Pension plan strategies including the responsible investment strategy.
- Corporate responsibilities as pension plan sponsor.
- Corporation's fiduciary responsibilities as pension plan administrator.
- Investment decisions and investment managers.

Human Resources and Compensation Committee

Four members

Duties and responsibilities:

- Reviews, reports, and approves or provides recommendations to the Board regarding human resources and compensation.
- · Matters include but are not limited to health and safety, management succession, recruitment, compensation, development, retention, proposals for the compensation of the president and CEO, as well as other significant human resource policies.
- Provides additional oversight and guidance to the Board on relevant aspects of ESG, such as EDI and culture.

Environmental, Social, and Governance Committee

Four members

Duties and responsibilities:

- Reviews ESG issues, plans, and strategies, and makes recommendations to the Board on specific ESG topics and on overall integration across the Corporation.
- Provides focus on corporate governance and facilitates Board effectiveness.
- · Oversees policies, programs, practices, procedures, and performance with respect to corporate sustainability.
- Approves the Sustainability Report and ESG targets as required, including the Corporation's science-based emissions reduction target.

Audit Committee

Five members

Duties and responsibilities:

- · Financial information.
- · Systems of corporate controls.
- Audit process.
- Risk management framework, privacy and cybersecurity.
- Corporation's financial performance against its corporate plan.
- Alignment of proposed investments or procurement with the ESG strategy.

Information as of March 23, 2023.

For additional information on the Board's structure and composition, please refer to our website: Corporate governance and Board of Directors biographies. All committee members are independent. Doug Ettinger, President and CEO, is not an independent member of the Board of Directors, but may attend any committee meeting.



ESG governance

Canada Post's Board of Directors has oversight for the company's environmental, social and governance (ESG) strategy through the Board's ESG Committee. The Committee focuses on corporate governance and provides guidance on priorities, performance, and policies related to corporate sustainability. The ESG Committee's membership consists of the Chair of the Board of Directors and three directors. The ESG Committee met three times in 2022, with sustainability and climate-related issues on the agenda at all meetings. Examples of agenda items in 2022 included: approval of the 2021 Sustainability Report, approval of our strengthened science-based emissions reduction target aligned with a 1.5°C warming scenario, approval of the Accessibility Plan and review of the ESG and Indigenous Scorecard.

At the corporate level, the ESG and corporate sustainability function falls under the purview of the Senior Vice-President, General Counsel and Sustainability, who reports directly to the CEO. The Senior Vice-President, General Counsel and Sustainability has overall responsibility for the ESG strategy and initiatives as well as the assessment and management of sustainability risks and opportunities. The Corporation has processes in place to assess and manage sustainability risk, opportunities, programs, and investments.

Notably, in 2022, the Corporation created a new Vice-President, ESG position. The Corporate Sustainability and ESG team reports to the Vice-President, ESG, who in turn reports to the Senior Vice-President, General Counsel and Sustainability. The Vice-President, ESG oversees the development, integration, and implementation of the company's ESG strategy. The Corporate Sustainability and ESG team act as a trusted advisory group of subject matter experts to various key internal stakeholder groups throughout Canada Post, to enable management of ESG issues across the business. The team reports regularly on performance to Canada Post's Executive Management Team and the ESG Committee of the Board of Directors.

Canada Post's Board of Directors and committees Oversees ESG matters (environment, accessibility, etc.), provides guidance on plans and strategies, **ESG** Committee and makes recommendations to the Board on of the Board specific ESG topics and on overall integration across the Corporation Responsible for all aspects of the business of the **President & CEO** company, including management's approach to ESG and sustainability Senior Overall responsibility for the ESG strategy Vice-President. and initiatives as well as the assessment **General Counsel** and management of sustainability risks and & Sustainability opportunities Oversees the development, integration, and Vice-President, ESG implementation of the company's ESG strategy Advisory group of subject matter experts Corporate to various key internal stakeholder groups Sustainability & throughout Canada Post, to enable management ESG team of ESG issues across the business. Key internal stakeholder groups: Human Resources, Sales & Marketing, Finance, Operations, etc. Implement ESG initiatives across the company



Oversight of key sustainability topics

Key sustainability topic	Board oversight	Frequency of review by the Board	Highest managerial responsibility	Link to executive pay ¹	Main policies and documents
Environmental stewardship	Complete	Quarterly at Board / every ESG Committee meeting (3x per year)	CEO (President's Report at Board) Senior Vice-President, General Counsel and Sustainability (Sustainability Updates at ESG)	Complete	 Environmental Action Plan 2022 TCFD Report Environment Policy
Economic and community impact	Complete	Quarterly at Board / every ESG Committee meeting (3x per year)	CEO (President's Report at Board)	Complete	 Indigenous and Northern reconciliation strategy Accessibility Plan
Human capital	Complete	Quarterly at Board / every HRCC meeting (3x per year)	CEO (President's Report at Board) Chief People and Safety Officer (at Human Resources and Compensation Committee)	Complete	 Anti-Racism and Anti-Discrimination Charter Accessibility Plan Equality in Employment Policy Duty to Accommodate Policy Health and Safety Policy Workplace Harassment and Violence Prevention Policy Employee Privacy Policy
Sustainable procurement	Complete	As required by the ESG committee	Chief Financial Officer		Procurement PolicySupplier Code of Conduct
Customer satisfaction	Complete	Quarterly	CEO (President's Report at Board) Chief Customer and Marketing Officer	Complete	Customer Service Policy
Responsible management	Complete	Quarterly	Senior Vice-President, General Counsel and Sustainability		 Code of Conduct Anti-Fraud Policy Conflict of Interest Policy Disclosure of Wrongdoings Policy Fair Competition Policy

¹ In 2022, ESG metrics incorporated into our executive scorecards included: our science-based GHG emissions reduction target, EDI employment goals, health and safety metrics, employee engagement, and an annual target to be recognized as an environmentally responsible company by our employees. These metrics account for 25% of our CEO's scorecard and a minimum of 15% of the scorecards of the Officers of the company (vice-presidents and senior vice-presidents).

Canada Post Corporation 2022 Sustainability Report





Ethics and Canada Post

Canada Post is undergoing an important transformation. With one purpose, A Stronger Canada – Delivered, it strategically positions us for the future by putting the needs of Canadians first. A successful transformation must include consideration of how we align our policies, practices, and most importantly, our behaviours, to support our bold new plan. Our new Code of Conduct reflects this cultural change, building behaviours and actions that align with our values.

A refreshed Code of Conduct

In 2022, we embarked on a journey to strengthen our corporate culture. Our refreshed values and behaviours were unveiled through virtual sessions and 40 in-person team leader forums, held in 15 cities across the country. More than 5,300 employees attended the forums. Our new values (Trust, Respect, Deliver) and behaviours (Make the call, Know the destination, Deliver for others, Ignite our pride) aim to empower and engage our employees to help us build a stronger Canada.

Our refreshed Code of Conduct was finalized in 2022 and launched company-wide in 2023. The Code of Conduct helps employees translate our values into clear behaviours and decision-making. It encourages Canada Post employees to remember their obligation

to Canadians, to each other as colleagues, and to make decisions that reflect our shared values.

Making our Code of Conduct public is one way we're transparent with Canadians. The Code of Conduct helps us ensure that our actions and decisions are ethical, sustainable, and meet the expectations of the people we serve.

Disclosure of wrongdoing

Our Code of Conduct communicates the traditional avenues for reporting unethical actions and encourages employees to report serious wrongdoings using Canada Post's confidential disclosure process. Reporting unethical behaviour helps protect our employees and the organization and supports our new vision and culture.

We expect employees who know of serious violations of the Code of Conduct to report them immediately. Our confidential disclosure of wrongdoings process offers assurances that anyone who reports a serious wrongdoing can do so without fear of reprisal. We will investigate all allegations of serious violations or misconduct while keeping the reported and disclosed information confidential to the extent reasonably possible. Under the *Public Service Disclosure Protection Act*, employees who report violations of the Code receive protection from reprisals. Employees have the option to report anonymously.

In 2022, on the heels of finalizing a refreshed Code of Conduct, the disclosure of wrongdoings policy and procedure underwent an extensive review. The new Disclosure of Wrongdoings Policy provides greater clarity for what constitutes wrongdoing and reportable conduct; defines parameters for submitting and actioning reports; and more clearly articulates the protections against reprisals. Employees can submit a report by calling the hotline, mail their report, or submit one through the confidential online reporting platform.

Reports are categorized to align with the reportable conduct defined in the Policy. Reports from employees that do not meet the definition of wrongdoings are redirected to the appropriate internal functions for review. These may include Human Resources, Operations, Internal Audit, and/or Security and Investigative Services.

2022 results

293 reports were received, 70 per cent of which were made via the online portal

38% of reporters identified themselves

Reports by category

Categories	# of Reports
Violation of Laws, Regulations, Policies, or Procedures	110
Unethical Conduct and Conflict of Interest	88
Undefined/Miscellaneous	65
Theft, Embezzlement, or Fraud	6
Manipulation or Falsification of Data, Records	15
COVID-19 (Coronavirus) Concerns or Questions	9



Human rights

We train all employees on human rights, employment equity, and respectful workplace practices. This training helps raise awareness of employees' rights, roles, and responsibilities and contributes to a respectful workplace. If an employee has a human rights concern, they can raise it through our internal resolution process or with the Human Rights Commission. Employees can also leverage our confidential diversity inbox by emailing us directly.

In 2023, we will be creating a human rights training toolkit based on the United Nations' 13 grounds of discrimination, which outlines universal rights that must be respected.

Conflicts of interest

At Canada Post, all employees are subject to the Corporation's Conflict of Interest policy. The Policy requires employees to disclose any personal, financial, or business interests that could interfere or appear to interfere with their duties at Canada Post. The Policy prohibits employees from hiring or supervising directly or indirectly via the reporting hierarchy, their immediate family, or close personal relations. Employees are responsible for identifying, reporting and declaring any potential or actual conflicts of interest involving themselves and/or other employees, contractors and suppliers.

Compliance and anti-competitive behaviour

High ethical standards and compliance with applicable laws and regulations are part of our culture and commitment to integrity. In 2022, Canada Post did not receive any court or tribunal decisions against it related to anti-competitive behaviour; nor did we receive any material fines related to non-compliance with laws and regulations.

HELP FOR UKRAINE / AIDE À L'UKRAINE CANADA +10

Help for Ukraine Stamp

Recognizing the generosity of Canadians in times of need, in 2022 Canada Post issued a fundraising stamp to offer our customers and collectors an opportunity to support those impacted by the humanitarian crisis stemming from the Russian invasion of Ukraine. Funds raised through the purchase of this stamp will be distributed through the Canada-Ukraine Foundation. The stamp highlights the sunflower, the national flower of Ukraine, which has become a widely recognized symbol of peace and unity.

Human rights complaints

Category	2020	2021	2022	2022/2021 change
Formal human rights complaints	23	26	34	+31%
Internal human rights complaints	155	85	47	-45%
Pre-emptive human rights complaints ¹	40	82	269	+228%
Total	218	193	350	+81%

¹ Pre-emptive human rights complaints rose in 2022 as a result of the mandatory COVID-19 vaccination practice.





Canada Post as a Crown corporation

As outlined in the Treasury Board of Canada Secretariat's *Guiding principles for the management of Crown corporations*, Crown corporations – including Canada Post – must: serve the public interest in a commercial environment; have managerial autonomy; operate in a commercial manner; and operate on a level playing field. Canada Post continuously works to balance these important guiding principles.

Canada Post is also bound by legislation, regulations, and the *Canadian Postal Service Charter*. These define our services, guide our decisions, and preserve our high standards of corporate responsibility. Our services are also regularly audited to ensure we meet our statutory obligations and uphold our commitment to Canadians. The Charter ensures that postal services remain universal, affordable, reliable, convenient, secure, and responsive for all Canadians. In addition, the *Canada Post Corporation Act* (the Act) obliges Canada Post to provide high-quality postal services that meet the needs of Canadians, to operate safely and securely, and to be financially sustainable.

Public Policy programs

The Act also obliges Canada Post to deliver programs on behalf of the Government of Canada. These include our Government mail program and our program providing free mailing of materials for the use of persons who are blind or partially sighted. Canadians with visual impairments and small and large libraries, including the Canadian National Institute for the Blind (CNIB), use this free access to postal service to exchange audiobooks and other materials across Canada and around the world. In 2022, we delivered more than 730,000 items used by persons who are blind or partially sighted.

Our library materials service offers reduced postage rates for eligible library materials circulated between libraries and their patrons, including materials requested through inter-library loans. In 2022, nearly 861,000 shipments of library materials benefited from reduced postage rates. Canada Post receives no appropriation or compensation of any kind from the government for these reduced postage rates.

We also offer free delivery of letters and regular parcels to members of the Canadian Armed Forces deployed overseas during the holiday season. Since this program's inception in 2006, we have delivered nearly 183,000 parcels. The program also includes free delivery of letters for military families.

730,000 items delivered

in 2022, used by persons who are blind or partially sighted.

Nearly 861,000 shipments

of **library materials benefited** from reduced postage in 2022.

Canada Post has delivered nearly

183,000 parcels

to members of the Canadian Armed Forces since 2006.





Official languages

As a Crown corporation that proudly serves all Canadians, we aim to provide high-quality communications and services in both official languages. We strive to foster a work environment where both official languages are fully embraced. In addition, we have several initiatives in place to support the development and vitality of official language minority communities and promote the full recognition of both official languages in Canadian society.

In 2022, as part of our efforts to create an inclusive and respectful workplace, Canada Post engaged with its employees in bilingual regions through a new Language-of-Work Survey. The purpose of the Survey was to better understand whether employees in these regions feel their work environment is conducive to the use of both official languages and to establish a baseline of the culture around bilingualism. The results will be used to help us identify barriers and develop appropriate supports for our employees in 2023.

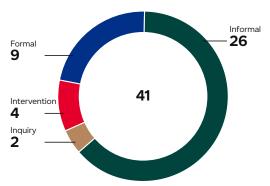
We are continuously improving our processes and developing new initiatives to reinforce official languages considerations at all levels of operations. In 2022, we included an official language active offer question in customer surveys at designated bilingual post offices, provided through our Retail Point of Sales systems. We enhanced our FlexDelivery services by adding a feature that allows customers to select their preferred post office based on its linguistic designations. We also updated our Stamp Selection Policy as it relates to official languages.

Canada Post continues to work with external and internal stakeholders in preparation for the upcoming Official Languages Regulations Re-Application Exercise and for the implementation of the Official Languages-amended regulations (public services and communications). This new regulatory framework will progressively come into force over the next few years and is expected to have a significant impact on the Corporation's retail network.

Official language complaints

2022/2021 change	2022	2021	2020
-7%	41	44	22

Complaints by type









Responsible investment

The Canada Post Corporation Registered Pension Plan integrates environmental, social and governance (ESG) factors into its investment strategy while maintaining a focus on returns for its employees and pensioners. Our approach is based on our belief that long-term value creation requires effective management of environmental and social risks and opportunities, and that good governance leads to better returns.

Investment strategy

Our ESG investment strategy has four key pillars:



Integration

We work to incorporate ESG issues into our investment strategy, analysis, and decision-making.



Engagement

We engage with companies on ESG issues and expect our asset managers to engage as well.



Advocacy

We advocate for policies and practices that support a more sustainable and inclusive future.



Investment

We seek opportunities to invest in solutions that contribute to improved long-term sustainability outcomes.





Our two key ESG strategic priorities are climate change and equity, diversity and inclusion (EDI).

Our position and expectations

Priority	Position
Climate change	Climate change is a systemic and material risk to the global economy and humanity. Failure to act will have catastrophic and pervasive consequences including for capital markets and asset valuations. Consequently, climate considerations, with respect to physical and transition risk, are considered in our investment strategy, engagement activity and voting practices.
	In September 2021, the Pension Committee approved a commitment to support the global goal of achieving net-zero emissions by 2050 or sooner. We continue to progress our Climate Action Plan for the pension fund in support of this commitment and expect to publish the Plan in 2023.
	Our efforts are intended to encourage all companies to align with this ambition and clearly articulate climate strategies and transition pathways that will deliver net-zero emissions by the middle of the century. We believe that climate targets should be built around robust methodologies, such as the Science Based Targets initiative (SBTi) framework.
Equity, diversity, and inclusion (EDI)	At Canada Post, we embrace EDI within our own team and leadership and across our investment portfolio. We believe that promoting equity, diversity and inclusion is not only the right thing to do but that it can also be financially beneficial.
	Internally, we seek to attract and support diverse candidates at all levels of the team and provide guidelines for hiring managers to support this objective. In 2022, we ran an Indigenous cultural awareness course for our pension investment staff, followed by team debriefs to promote discussion in alignment with Canada Post commitment to foster reconciliation with Indigenous Peoples.
	Externally, we expect public companies in which we invest to have a minimum of 40 per cent of the board to be represented by women. For Canadian and U.S. public companies, we expect a minimum of 20 per cent of the board to be represented by racially or ethnically diverse directors. We expect our managers to promote EDI within their internal operations and disclose any relevant diversity policies, strategies and targets, and progress towards such targets. We are a member of the 30% Club Investor Group and the REALPAC Diversity & Inclusion Committee.





Key initiatives in 2022

Integration

- Conducted ESG due diligence on every new fund allocation made in 2022, with the findings included in the investment recommendation memo to the Pension Committee.
- Undertook ESG due diligence questionnaires on 22 of our infrastructure and private equity managers, as part of our monitoring and engagement process.
- Engaged on ESG with all of the managers of our real estate investments based on the results of the 2021 ESG questionnaires, including dedicated discussions focused on climate change.
- Incorporated ESG provisions into our legal documents for all new infrastructure and private equity fund mandates.
- Conducted site-specific physical climate risk and resilience assessments on six real estate properties. Combined with the 2021 assessments, we have conducted assessments on a total of 15 investment properties in Canada. Priority actions have been identified and are being monitored.

Engagement

- Established a stewardship committee to oversee the development and implementation of the Pension Plan's stewardship strategy as it relates to the public market portfolios (public equity and corporate debt).
- Engaged with portfolio companies, including Enbridge, TC Energy, Caterpillar, and TransAlta Corporation, for more ambitious climate strategies through collaborative investor initiatives (such as Climate Action 100+ and Climate Engagement Canada).
- Co-filed a shareholder resolution asking Caterpillar Inc. to disclose interim and long-term greenhouse gas targets (including scope 3 emissions) aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5°C, and progress made in achieving them. The resolution received 96 per cent support at the company's 2022 general meeting.





Advocacy

In 2022, we made the following submissions in support of public policy advocating for climate action and increased corporate disclosure.

- Response to the Canadian Securities
 Administrators' Proposed National
 Instrument 51-107 Disclosure
 of Climate-related Matters
 (February 2022).
- 2022 Global Investor Statement to Governments on the Climate Crisis (August 2022).
- Response to the U.S. Securities and Exchange Commission on the Proposed Rule for Climate-Related Disclosures (June 2022).
- Joint letter on the draft International Sustainability Standards Board Climate-related Disclosures, focused on methane (July 2022).
- Joint Canadian Investor Response to Environment and Climate Change Canada (ECCC) Consultation on the Options to Cap and Cut Oil and Gas Sector Emissions (September 2022).
- Submission to OSFI on draft Guideline B-15: Climate Risk Management (for federally regulated financial institutions) (September 30, 2022).

Green Investments

At the end of 2022, the defined benefit (DB) component of the Pension Plan had:

- \$1.0 billion (or 64 per cent of our commercial real estate portfolio) invested in buildings that have Leadership in Energy and Environmental Design (LEED) or Building Owners and Managers Association – Building Environmental Standards (BOMA BEST) ratings (environmental assessment and sustainable building certification programs for real estate).
- \$277 million invested in renewable energy and energy storage, which includes wind power, hydroelectric power, solar power, biomass, energy from waste, and energy storage.
- \$317 million invested in green and sustainability-linked bonds (2.5% of the fixed income portfolio).

The Pension Plan is a signatory to the Principles for Responsible Investment (PRI) and a member of the Canadian Responsible Investment Association (RIA).

Signatory of:









Responsible procurement

Canada Post procures approximately \$2.8 billion in goods and services from over 13,000 suppliers annually. We actively look to create a fair sourcing strategy that offers equal opportunities to suppliers in Canada and around the world.

Our Procurement Policy governs our process and focus. It outlines guiding principles to ensure we satisfy the Corporation's objective of obtaining quality goods and services at competitive prices while considering environmental and social responsibility factors. The Policy stresses the importance of suppliers' environmental and social policies and initiatives, as well as supporting Indigenous-owned businesses in our supply chain.

Our approach

We promote and uphold high standards in our supply chain by applying enhanced environmental and social screening criteria.

- We include environmental and Indigenous engagement factors into product and service specifications.
- We embed ESG requirements in Requests for proposals, with additional consideration given to support Indigenous-owned suppliers.
- We work with suppliers to benchmark and improve their performance on environmental, Indigenous engagement, governance, and diversity and inclusion targets.
- We set expectations for diversity among our suppliers.

We have a principles-based <u>Supplier Code of Conduct</u> that articulates Canada Post's expectations with respect to a supplier's business integrity, responsible business practices, and responsible treatment of individuals and the environment. Adherence to this Code of Conduct is a requirement built into all contracts with our suppliers.

100% supplier compliance

All active suppliers abide by our Supplier Code of Conduct.





Indigenous procurement

We continue to take concrete actions to renew our relationships with Indigenous and northern communities. This includes working to increase the representation of Indigenous-owned businesses in our supply chain.

To make progress on this target, our Procurement Policy encourages the participation of Indigenous-owned businesses in Canada Post's procurement process directly, as well as through subcontractors. We also participate in business associations and councils involving Indigenous Peoples, and have implemented training programs focused on three areas:

 Training for procurement staff on Indigenous rated factors, evaluation of rated factors, opportunities for communities, and technical proficiency in procurement as it relates to Indigenous engagement.

- Training for internal clients to explain specific methodologies, Canada Post's influence on the larger supply chain, and market research indicating the presence and activity of Indigenous businesses in the commercial landscape.
- Training for Indigenous-owned businesses to build familiarity with procurement law and trade treaty obligations, as they relate to Canada Post's business.

Key initiatives in 2022

- All Requests for Proposals included bonus points for Indigenous ownership or for the commitment to spend a portion of the contract value with Indigenous subcontractors.
- We engaged with suppliers representing 85 per cent of our non-Indigenous spend to encourage them to use Indigenous-owned subcontractors and suppliers for Canada Post's procurement needs.
- We worked with Canada Post's Indigenous and Northern relations and retail transformation teams to support the construction of three community hubs serving Indigenous communities.

Our goal:

Five per cent of procurement spend with Indigenous Peoples or Indigenous-owned businesses by 2025

Results - Indigenous procurement

Category	2020	2021	2022	2022 Target	2025 Target
% of eligible spending with Indigenous suppliers	1.9%	2.1%	3.1%	2.7%	5.0%





Supplier diversity and supporting small and medium businesses

In 2022, we completed an audit of our supplier base (2021 data) to identify small or medium businesses, registered B corporations, and businesses with diverse ownership. This provided us with an initial baseline from which targets can be set to increase our spending with these groups.

Results - Small and medium business and diverse supplier spending

Category	Baseline (2021)	2022	2022 Target	Long-term target
% of eligible spending with small or medium businesses and registered B corporations	30.4%	35.3%	33.4%	40%
% of eligible spending with diverse ¹ suppliers	6.3%	7.7%	6.9%	TBD

¹ Suppliers majority-owned and -directed by women, members of visible minority groups, people with disabilities, 2SLGBTQ+ people, or veterans, excluding suppliers majority-owned by Indigenous Peoples.

Reducing emissions in our supply chain

Canada Post is committed to taking action on climate change and supporting the transition to a low-carbon economy. We've set ambitious climate targets that include reducing emissions from our own operations (scope 1 and 2) by 50 per cent by 2030 and achieving net-zero emissions by 2050 (see the <u>Climate action</u> section for more detail). Our near-term target includes a supplier engagement component to drive emissions reductions within our supply chain.

We are engaging with key suppliers to communicate our goals and the importance of working together to take climate action. We have also included the expectation for suppliers to help reduce their collective environmental footprint, including greenhouse gas (GHG) reduction and mitigation, in our Supplier Code of Conduct.

Key initiatives in 2022

- All Requests for Proposals included bonus points for having a science-based target or equivalent externally validated GHG reduction plan.
- We engaged with suppliers representing 95 per cent of our spend to encourage them to set a sciencebased target for GHG reduction if they had not already done so.

In 2022, suppliers planted 110,000 trees on behalf of Canada Post, to offset emissions or paper consumption associated with their contracts with us.

Our goal:

Ensure that a minimum of 67 per cent of suppliers, by spend, set an approved science-based climate target by 2025

Results - Supplier science-based targets

Category	2020	2021	2022	2022 Target
Suppliers with a science-based target commitment (% by spend)	29.4%	31.3%	58.1%	33.0%
Suppliers with an approved science-based target (% by spend)	8.7%	10.9%	13.0%	27.0%



2023 focus areas

Looking ahead to 2023, our focus areas are to:

- Work closely with our largest suppliers to encourage them to move their science-based targets from "committed" to "approved." We also plan to work with our smaller suppliers to promote the Science Based Target initiative's (SBTi's) new simplified pathway for small and medium-sized enterprises (SMEs).
- Develop a formal supplier diversity policy with targets to increase the number of diverse suppliers and SMEs, and increase spend with them.
- Develop a formal accessible procurement policy addressing procurement processes and the inclusion of accessibility criteria when setting specifications and selecting products and services.
- Launch a new page on our corporate website to facilitate SMEs and diverse suppliers selling goods and services to Canada Post.

Memberships in associations and councils

Organization	Area(s) of expertise	Supply chain focus	Internal (Employment) focus
Canadian Council for Aboriginal Business Canadian Council for ABORIGINAL BUSINESS	Indigenous	•	
Canadian Aboriginal and Minority Supplier Council CAMSC	Indigenous, Multicultural	•	
Inclusive Workplace and Supply Council of Canada	People with disabilities, Veterans	•	•
Women Business Enterprises Canada Council WBE Canada	Women	•	
Canada's LGBT+ Chamber of Commerce	LGBT+	•	•
Sustainable Purchasing Leadership Council SUSTAINABLE PURCHASING LEADERSHIP COUNCIL	The SPLC is a non-profit organization that supports purchasing leadership to improve social, economic, and environmental sustainability.	•	

Environment

In this section:

Environmental Action Plan (EAP) Climate action Zero waste Sustainable delivery Engaging our employees





Environmental Action Plan (EAP)

Canada Post and its bargaining agents are committed to working together to help deliver a sustainable future. Through our Joint Union Environment Committee, we co-created <u>The Environmental Action Plan (EAP)</u>, a three-year plan establishing short-term priority actions under four pillars:



Climate action

We support the transition to a low-carbon future through significant greenhouse gas emission reductions across our network.



Zero waste

We'll strive for zero waste in our operations and phase out single-use plastics.



Sustainable delivery

We will transform delivery services to meet changing customer and community expectations around sustainability.



Engaging our people

Our goal is to engage and empower our workers to take action on environmental sustainability.

The plan outlines 19 actions that will help us advance environmental sustainability at Canada Post. A summary of our progress on each of the EAP action items can be found in the EAP progress table. Details on our 2022 achievements under each of these pillars are provided in the sections Climate action, Zero waste, Sustainable delivery, and Engaging our employees. In 2023, we will be replacing the EAP with a Sustainability Strategy to 2030.







Climate action

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report released in 2021 signalled a "code red for humanity" and stressed the importance of limiting the global temperature rise to 1.5°C above pre-industrial levels. Canada Post recognizes its responsibility to significantly reduce emissions and to support a more sustainable future for all Canadians.

Science Based Targets initiative (SBTi) approval and pathway to net zero



At the request of our Board of Directors, in 2022 Canada Post strengthened its science-based target by aligning with the 1.5°C warming scenario. In December 2022, our 2030 near-term emissions reduction target, along with our 2050 net-zero target, were approved by the Science Based Targets initiative (SBTi), making Canada Post one of the first 150 companies in the world to have an officially approved net-zero target.

Our science-based target has three main components:

- 1. Reduce scope 1 and scope 2 greenhouse gas (GHG) emissions by 50 per cent by 2030 (from a 2019 emissions base year).
- 2. Engage top suppliers and subsidiaries to adopt emission reduction targets. Our target is to have 67 per cent of our vendors (by spend), and 100 per cent of our subsidiaries, adopt a science-based target by 2025. See the Responsible procurement section for more detail on progress made towards our supplier target.
- 3. Reach net-zero GHG emissions across the Canada Post value chain by 2050 (from a 2019 base year). This means a 90 per cent absolute reduction in scope 1, 2 and 3 emissions by 2050.

In the near term, our strategy to meet our target includes:

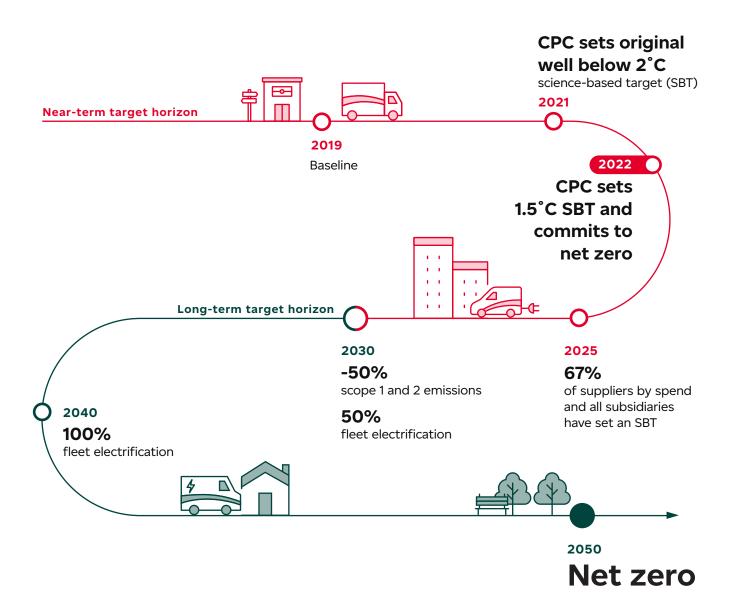
- Investing in renewable energy.
- Decarbonizing our last-mile fleet of over 14,300 vehicles.
- · Decarbonizing our buildings.

We are in the process of formalizing our long-term strategy, including an analysis of sources of our scope 3 emissions. This will allow us to better identify opportunities to reduce emissions and more accurately develop future mitigation plans.





Our pathway to net zero



Canada Post has earmarked \$1 billion to cut emissions and transform its fleet.

Our decarbonization initiatives

Underway



Fleet electrification



First zero-carbon building opening in 2023



Investing in renewable energy through power purchase agreements



Greening our buildings (renewable energy, fuel switching and efficiency)

Under development



Scope 3 emissions reduction strategy and interim absolute emissions reduction targets



GHG emissions

Canada Post's main sources of energy consumption and operational emissions (scope 1 and scope 2) are fuel consumed by our fleet, fuel used in our facilities (such as natural gas and oil for heating), and electricity to power our buildings. The main sources of emissions in our indirect value chain (scope 3) includes upstream transportation and distribution, our investments (subsidiaries) and purchased goods and services. In 2022, Canada Post generated a total of 1,206 kt CO₂e, with scope 3 emissions accounting for 89 per cent of that total.

Methodology updates

As part of our efforts to increase the robustness and accuracy of our GHG emissions reporting, we made the following updates to our calculations:

- Switched to a market-based accounting methodology for our scope 2 emissions.
- Incorporated actual utility consumption data for locations that were previously using estimates based on spend.
- Incorporated actual emissions data from our suppliers, where available, into our purchased goods and services, and capital goods scope 3 emissions calculations and adjusted prior year results for inflation.
- Incorporated upstream generation of electricity estimates to the fuel and energy-related activities category.

- Updated all scope 3 transportation-related emissions to reflect well-to-wheel emissions.
- Updated emissions from waste generated in operations to account for updated data received from waste audits conducted in 2022.
- Updated emissions from end of life treatment of sold products to account for the packaging baseline we conducted in 2022 and restatements made to historical data.
- Updated emissions from our investments to include scope 1 and 2 emissions only.

Where possible, updates were made to our GHG inventory data back to 2019. To view our revised inventory data, please refer to our <u>ESG data</u> supplement.

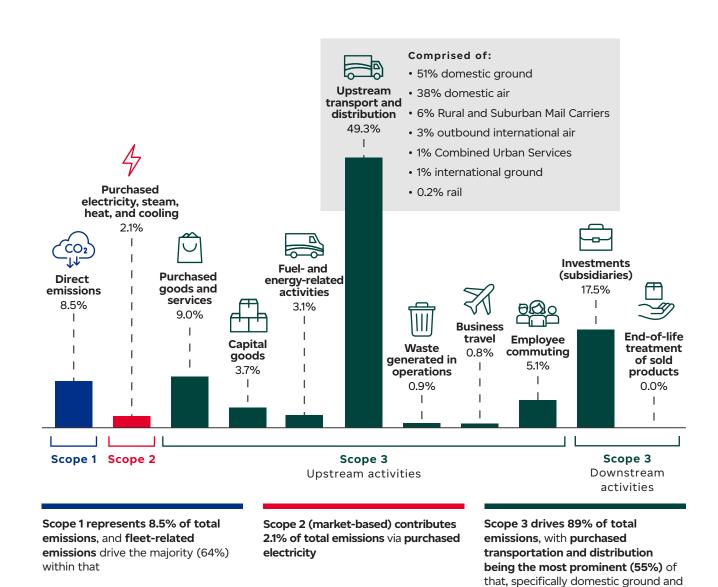




Results - GHG emissions

Emissions source	2022 kt CO ₂ e
Scope 1	
Facilities	37.0
Fleet	65.9
Total scope 1	102.9
Scope 2 (market-based)	
Electricity	25.6
Total scope 1 & scope 2 (market-based)	128.5
Scope 1 & 2 intensity (kt CO ₂ e/billion \$ revenue)	17.9
Scope 3	
Purchased goods & services	108.4
Capital Goods	44.3
Fuel-and energy-related activities	36.9
Upstream transportation & distribution	594.0
Waste generated in operations	10.4
Business travel	10.0
Employee commuting	61.6
End-of-life treatment of sold products	0.5
Investments	211.2
Total scope 3	1,077.2
Total scope 1, 2 and 3	1,205.8

Canada Post 2022 GHG emissions by source



air transport for linehaul

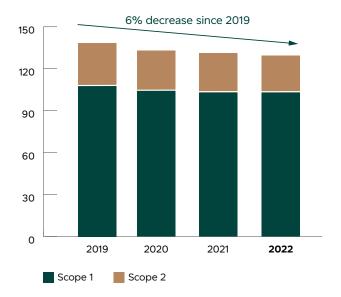


In 2022, we achieved 2 per cent reduction in scope 1 and 2 emissions from 2021 emission levels, and 6 per cent from our 2019 base year target. This reduction was partially due to decreased fleet fuel consumption, with fewer kilometres travelled as a result of reduced volumes. Emission results were further impacted by a shift to a primary source for utility data at our Postmaster delivery sites. These are rural post offices that represent 15 per cent of our overall real estate portfolio. Prior to 2022, we had estimated their utility consumption, resulting in an over-reporting of GHG emissions for some

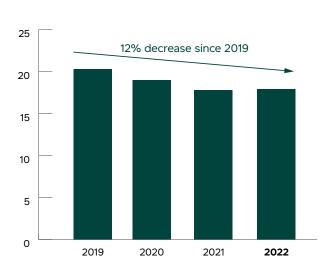
locations. We are proud to report that 100 per cent of scope 1 and 2 data are now from primary consumption information. On an intensity basis (scope 1 and 2 kt CO₂e per billion dollars of revenue), our 2022 results remained relatively flat compared to 2021.

Our scope 3 emissions decreased by 3 per cent in 2022 compared to 2021. This is mainly due to the use of supplier-specific emissions data for Purchased goods and services and Capital goods, where available, leading to more accurate emissions reporting in these categories in 2022.

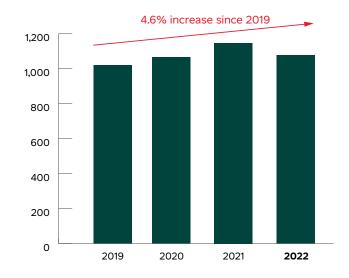
2019-2022 scope 1 and 2 market-based emissions (kT CO₂e)



Market-based scope 1 and 2 emissions intensity (kT CO₂e per billion dollars of revenue)



2019-2022 scope 3 emissions (kT CO₂e)





Annual GHG inventory verification

Our GHG inventory and boundary were prepared in accordance with the requirements of ISO 14064-1: 2006, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. We account for all seven of the GHGs covered by the GHG Protocol (CO_2 , CH_4 , N_2O , HFCs, PFCs, SF_6 , and NF_3) and we do not have biogenic carbon emissions.

Our scope 1 and 2 emissions, along with several categories of our scope 3 emissions, are verified annually by UL Solutions, a global verification body and an independent third party, which

provides a limited assurance review in accordance with the ISO 14064-3 standard.



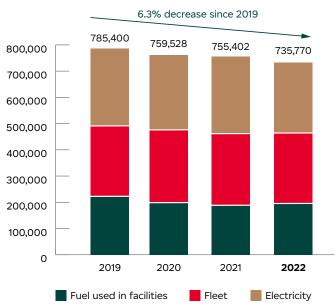
Energy consumption and renewable energy

In 2022, our total energy consumption fell by 2.6 per cent from 2021 and by 6.3 per cent from 2019, mainly due to decreased fleet fuel consumption and our shift to primary source utility data at our Postmaster delivery sites (see explanation above). Our percentage of renewable energy consumed has remained relatively stable. We are in the early stages of implementing a strategy to achieve our scope 1 and 2 emissions reduction target, which includes energy efficiency and fuel switching initiatives, as well as increasing our use of renewable energy. We are working closely with the Government of Canada and provincial utilities to negotiate power purchase

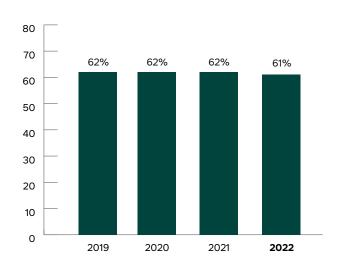
agreements (PPAs) that support renewable energy generation in provinces with carbon-intensive electrical grids. In 2023, we will begin to incorporate Renewable Energy Credits into our energy mix, from PPAs in Alberta and Saskatchewan. As we continue to roll out our operational emissions reduction strategy, we expect our overall energy consumption to fall with increased efficiency of our building systems through the use of technology like heat pumps.

For full details on key performance indicators related to our emissions and energy performance, including year-over-year variance and historical data restatements, please refer to our <u>ESG data</u> supplement.

2019-2022 total energy consumption (MWh)



% renewable electricity consumption



Canada Post Corporation 2022 Sustainability Report



Decarbonizing our fleet

As a major delivery company operating one of Canada's largest fleets (over 14,300 vehicles), transforming our fleet to support a low-carbon economy is a high priority. In June 2022, we announced our commitment to electrify 50 per cent of our last-mile fleet by 2030 and 100 per cent by 2040. Plans to achieve this are well underway, with our first 100 all-electric vehicles expected to be on the road by the end of 2023.

In addition to full-size electric delivery vans, we continue to test other low-emission vehicles for our last-mile delivery fleet, including e-cargo trikes and low-speed electric vehicles.

We are transitioning to a more sustainable fleet, with hybrid and electric vehicles now surpassing 10% of total vehicles.



Decarbonizing our buildings

GHG reduction plan

With a large and diverse building portfolio across the country, Canada Post is committed to reducing emissions from its facilities. We have established a multi-phase GHG emission-reduction plan that uses various measures to make our facilities low-emitting, more energy efficient, and that improves the work environments for our employees. These measures include:

- Fuel switching (e.g., converting fossil fuel systems to electricity)
- Building automation systems
- LED lighting
- Solar panels
- Retro-commissioning (analyzing buildings and taking specific actions to reduce their energy use)

Phase 1 of our plan involves a series of pilot projects that are on track to be completed by the end of 2023, and are expected to reduce GHG emissions by an estimated 900 tonnes. These projects include:

- Solar projects across the provinces of Alberta, Ontario, and Nova Scotia. This includes rooftop solar panels and a ground-mounted solar system in Nova Scotia.
- Electrification projects across the provinces of Newfoundland and Labrador, Nova Scotia, Saskatchewan, and Quebec. Measures include replacing existing fossil fuel heating systems with efficient, electric variable refrigerant flow and air source heat pump systems.
- Equipment upgrades across the provinces of New Brunswick, Nova Scotia and Saskatchewan. Measures include end-of-life mechanical equipment upgrades,

- such as HVAC system upgrades and the integration of building automation systems.
- Building commissioning studies across the provinces of Manitoba, Nova Scotia, Ontario, and Quebec.
 Measures include upgrading controls, adjusting damper positions, alignment of schedules based on occupancy, relocation of thermostats, improvement of temperature setbacks, optimization of in-parallel systems operations, and weatherstripping.
- Interior and exterior LED lighting upgrades, focused on our facilities in New Brunswick, Nova Scotia, and Saskatchewan.

Phase 2 (2023-2025) of our GHG emission reduction plan will build on the lessons learned from the implementation of Phase 1 and involve the implementation of emissions reduction measures in approximately 88 facilities across Canada.



Rooftop solar panels on the Albert Jackson Processing Centre generate renewable energy



Albert Jackson Processing Centre: Canada Post's first net-zero carbon facility

In 2023, Canada Post opened the new Albert Jackson Processing Centre, its first net-zero carbon building and the largest industrial project in Canada to meet the Canada Green Building Council's Zero Carbon Building design standard. This highly energy-efficient building incorporates innovative sustainability features including:

- Rooftop solar panels that generate clean, renewable energy on site.
- An efficient HVAC system and sensor-controlled lighting, based on occupancy and daylight.
- · Ten electric vehicle charging stations available for use by employees.
- Infrastructure that will support the future electrification of Canada Post's five-ton fleet.

In addition, the facility includes employee wellness features such as:

- Six fully enclosed rest pods throughout the plant floor to provide employees quiet spaces close to their work centres.
- A multi-faith room, a wellness and fitness centre and gender-neutral washrooms.
- Skylights on the roof and exterior walls to bring in natural light and provide a more pleasant work environment for employees.

The building is 585,000 square feet (roughly the size of six Canadian football fields) and will be able to process more than a million packages a day at full capacity.

Going forward, our mandate is for all new buildings to meet the Zero Carbon Building Design certification.



Albert Jackson Processing Centre: Canada Post's first net-zero carbon facility



Climate-related risks and opportunities

Canada Post recognizes the importance of assessing and acting on climate-related risks and opportunities to ensure long-term corporate sustainability and resilience. In 2022, we engaged consultants to conduct our first ever climate scenario analysis of the key climate-related risks and opportunities that could significantly impact our company under different scenarios, over the short, medium, and long terms. This analysis included initial estimates of the potential financial impacts of these risks and opportunities on our business. As we evolve in our climate journey, more comprehensive data collection and analysis will enhance the quality of these estimates. This important work also included recommendations to further integrate consideration of climate-related risks into our Enterprise Risk Management process.

A summary of our key climate-related risks and opportunities is presented here. For further detail on how Canada Post manages climate-related risks and opportunities, please refer to our <u>2022 TCFD Report</u>. This report is aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) framework.

Note on estimated financial impacts

Financial impact estimates provided are unaudited, subject to verification and not to be used for any other purpose than to gain a high-level, directional understanding of how climate change could impact our business. To be able to interpret the magnitude and significance of estimated financial impacts provided in this report, we recommend that this information be read in conjunction with the Corporation's annual consolidated financial statements and MD&A for the year ended December 31, 2022.

Canada Post's top climate-related risks and opportunities



Increase in **wildfire risk** with the potential to increase costs to repair infrastructure, relocate facilities, and reroute delivery

Likelihood: More likely than not **Asset value at risk:** \$0.7B - \$1.2B



Increase in **extreme precipitation** with the
potential to increase costs to
repair infrastructure, relocate
facilities, and reroute delivery

Likelihood: More likely than not **Asset value at risk:** \$2.7B - \$4.6B



Policy actions, like **carbon pricing** mechanisms having the potential to increase fuel and energy costs leading to increased operating costs

Likelihood: Very likely **Potential financial impact:** \$130M - \$880M annually



Carbon neutral shipping

Increased revenue resulting from an increased demand for premium low-carbon shipping options

Likelihood: About as likely as not **Potential financial impact:** \$2M - \$4M annually



Climate leadership

Increased revenue resulting from taking a leadership position on climate change to enhance reputation with customers

Likelihood: More likely than not **Potential financial impact:** \$20M - \$35M annually



Fleet electrification

Cost savings and GHG emissions reduction opportunities associated with fleet electrification

Likelihood: Very likely

Potential financial impact:
\$10M annually with 50% fleet
electrification





Zero waste

When it comes to waste, Canada Post is committed to the three R's: Reduce, Reuse, and Recycle. To achieve our target, we're taking steps to understand sources of waste within our operations, implement solutions to ensure accurate measurement and tracking of waste, and piloting strategies to divert waste from landfill. These foundational elements of our strategy will allow us to deliver on our zero waste goals.

Our goal:

Divert at least 90% by weight of non-hazardous operational waste and 90% of all construction and demolition waste by 2030

Waste baseline

In 2022, we completed our first baseline measurement of waste at selected facilities across our network. This project gave us a solid foundation for future progress and allowed us to visualize our waste generation across different categories such as facility type, material and location.

This initial waste baseline highlighted the big picture, but we still needed to drill down into the detailed waste composition at a facility level. To help us obtain this next level of information, we completed two rounds of waste audits (one conducted during peak season and the other conducted off-peak) at 16 facilities across our real estate portfolio. Results from these audits will be available in 2023 and will give us an opportunity to see each type of waste material generated, as well as the proportion of waste being correctly sorted for recycling versus landfill.

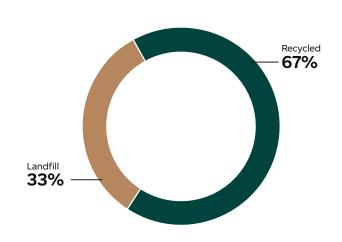
Zero waste strategy

In 2022, we worked with consultants to develop our zero waste strategy, a roadmap to achieve our target of zero waste by 2030. This strategy is made up of five key pillars:

- Waste prevention.
- · Waste diversion.
- Performance analysis.
- · Employee engagement.
- Corporate and community leadership.

Our waste baseline work and audit results will provide a foundation as we take directed action on reducing waste across our operations.

2022 waste generated1



Disposal method	Tonnes
Recycled	26,925
Landfill	13,530
Total	40,454

¹ 2022 results reflect an updated methodology compared to previous year's reporting.



Key initiatives in 2022

- In alignment with our Environmental Action Plan target, we removed all single-use plastics, as outlined in the Government of Canada Single Use Plastics Ban, from micro markets across our portfolio. We eliminated single-use plastic stir sticks and straws from our cafeterias in 2021 and have reduced singleuse plastics in several other categories.
- We hosted a Zero Waste Innovation Challenge. We know our people have fantastic ideas to share and wanted to provide an opportunity for them to pitch solutions to some of our biggest waste problems. The
- winning proposal was selected by a team of executives from across the organization. We'll be trying out metal carabiners as a reusable alternative to the single-use plastic ties we use to attach routing cards to shipping containers. These carabiners, set to be piloted in 2023, are durable and can be recycled at their end-of-life.
- We completed our first four zero waste pilots at plants in Kitchener and Calgary and at two depots in Scarborough and Montréal. These pilots provided facilities with new waste and recycling bins, new recycling services, clear signage, and a comprehensive communication and change management program. The successful pilots led to an overall increase in
- recycling, and employees provided very positive feedback. Learnings from these pilots will be implemented at other facilities moving forward.
- We continued to make progress on construction and demolition waste diversion, with our largest construction project, the Albert Jackson Processing Centre in Scarborough, Ontario, diverting more than 90 per cent of waste every month in 2022. This project will be a blueprint for how we can divert waste from our new construction and retrofit projects in the future.
- We completed the installation of 172 touchless water bottle filling stations, bringing the total number installed across our network since 2018 to 491.





Reusable metal carabiners for attaching routing cards to shipping containers



Touchless water bottle filling station

Canada Post Corporation 2022 Sustainability Report





Sustainable delivery

Our transformation plan to deliver a stronger Canada includes integrating environmental sustainability as a key design principle in the evolution of our products and services. Canada Post continues to seek out and implement new ways to reduce the environmental impacts of how we deliver and what we use to ship our customers' mail.



Carbon-neutral shipping

As we work on absolute emission reductions and reaching net zero by 2050, we're taking steps today to help Canadians and Canadian businesses make sustainable shipping choices. In 2023, we started offering carbon-neutral shipping services for all flat rate box, domestic Regular Parcel™, and Expedited Parcel™ deliveries. To provide these services in the near term, we are purchasing carbon offsets to neutralize the environmental impacts of emissions related to these ground shipping services. Over the long term, the need for carbon offsets will diminish, as we green our operations and supply chain on the road to net zero.

Quality carbon offsets provide important funding for communities and their sustainability and conservation projects. Canada Post prioritizes Indigenous- owned or led, Canadian nature-based offset projects. Our carbon offset purchases are from projects listed under recognized carbon registries and verified by an independent, accredited third party to ensure they are real, permanent, and additional. Our carbon offset projects do not count towards meeting our emission reduction targets.

Carbon calculator

Providing carbon-neutral shipping requires quantifying the emissions generated from shipping a parcel. Trucks, airplanes, trains and ships are used to move parcels across Canada and around the world. These modes of transport use fossil fuels like gas, oil, and diesel, which emit CO₂ emissions. In 2022, we developed a carbon calculation methodology to calculate emissions for all outgoing parcel deliveries within our network. We calculate emissions associated with each parcel based on the distance it travels, its weight, and the mode of transportation. We estimate the distance of each shipment using real-distance data, or average distances when actual data is not available.

Canada Post's emissions calculation methodology was validated by UL Solutions, a global validation body. UL determined the calculator's emissions estimates were properly prepared and based on reasonable assumptions.



How carbon offsetting works:



Emissions calculated

For every tonne of greenhouse gas emissions (CO₂e) generated by domestic Regular Parcel™ and Expedited Parcel™ deliveries,



Emissions offset

we remove one tonne of CO_2 e from the atmosphere by purchasing high-quality, verified, and accredited carbon offsets.



Emissions neutralized

The environment projects supported by carbon offset activities neutralize the greenhouse gas emissions created by parcel delivery.



Reducing the environmental impact of the mail

Canada Post has the privilege and responsibility of delivering mail for Canadians across the country. With that responsibility in mind, we are working with our customers and industry to reduce the environmental impact of the mail that moves through our network.

Working with our customers

We develop and share articles, how-to guides, and other resources focused on sustainable mail and how we can reduce our impact on the environment, through our website, magazines and online tools.

We also recognize and highlight customers who are embracing sustainability. Canada Post's Smartmail Marketing Environmental Partner Award recognizes the implementation of a new or innovative practice that has a direct positive impact on the environmental sustainability of commercial mail. In March 2022, we were pleased to provide Précigrafik with the Environmental Partner Award. Précigrafik provides its customers with best practices in sustainable printing and mail, including a guide to eco-friendly inks, using paper stock certified by FSC and information on offsetting carbon emissions.

Working with industry

Canada Post is a founding member of the <u>Sustainable Mail Group</u>, whose focus is to build sustainable mail products and value chains. Collaboration is key to finding and implementing solutions that reduce environmental impacts. We are proud to work with the Sustainable Mail Group and its members to:

- Provide resources and best practices for the industry.
- Participate in webinars and discussions on sustainable mail with industry peers.

Mentor students for a Toronto Metropolitan
 University contest to create innovative practices for
 environmentally sustainable mail.

Sustainable packaging solutions

Packaging plays an important role at Canada Post. It protects the items that people and businesses ship and displays important information for a letter or parcel to move seamlessly through our network. We are actively working to reduce the environmental impacts of the packaging we sell and our customers use.

Eliminating shrink wrap in retail product packaging:

We have worked with our suppliers to eliminate plastics such as shrink wrap that is commonly used as an outer packaging material. This collaborative approach has led to the removal of plastic from 14 packaging products such as packing tape, shipping boxes, and our prepaid Xpresspost envelopes. In many cases plastic has been replaced with paper alternatives.

Increasing use of recycled content: In recent years, we have increased the percentage of recycled content in many of our products. Priority™, Xpresspost™, and regular plastic mailing bags are now made with up to 100 per cent recycled content. We have also increased the recycled content in our plastic padded mailers to 23 per cent and are moving to 50 per cent recycled content by the end of 2023. Our Priority and Xpresspost prepaid envelopes are made from 80 per cent recycled paper content.

Sourcing plastic alternatives: Since 2021, we have introduced two new 100-per-cent-recyclable, paper-padded mailer products available for sale at retail post offices and for our Solutions for Small Business customers.

We continue to explore opportunities to reduce the environmental impact of our packaging while ensuring safe, efficient shipping for Canadians. Our Priority and Xpresspost prepaid envelopes are made from 80 per cent recycled paper content.







Engaging our employees

Our goal is to engage our employees to take action on reducing environmental impacts. We seek to empower our people with the tools and resources they need to help Canada Post achieve its goal of leadership in environmental sustainability.

Sustainability Action Fund

Canada Post is committed to building a culture of environmental responsibility in its workforce. In 2021, we launched the Sustainability Action Fund, a \$500,000 grant program that enables employees to bring forward and implement grassroots projects at their site in support of Canada Post's sustainability efforts. Examples of these projects implemented include:

- · Innovative community gardens across the country.
- Installing bicycle racks to encourage sustainable transportation.
- Using re-chargeable flashlights to eliminate waste from disposable batteries.
- Purchasing durable reusable dishware instead of disposable options.
- · Improving on-site recycling and waste infrastructure.
- · Moving to reusable water bottles.
- · Purchasing reusable envelopes for internal office use.







Since its launch, 143 projects have been approved for funding through Canada Post's Sustainability Action Fund.



Reforestation in recognition of our employees

On Earth Day 2022, Canada Post partnered with Tree Canada, a national non-profit dedicated to planting and nurturing trees in rural and urban environments, to plant 68,000 trees – one for each employee – in recognition of our people. This mass seedling program plants trees in areas that are in need of reforestation or afforestation across Canada. Projects supported by this initiative are summarized below:

Trees planted will result in an estimated total of 13,600 tonnes of CO₂e saved through carbon sequestration.

McLeod Lake, BC

Partner: Little Trees-Big Trees

Where: McLeod Lake, BC

Purpose: Reforestation after spruce beetle

devastation

Description: Reforestation on traditional territory of McLeod Lake First Nation. McLeod Lake Indian Band is part of the Tse'khene group of Aboriginal peoples that also includes bands at Fort Ware (Kwadacha) and Ingenika (Tseh Kay Dene).

Tree species: Lodgepole pine, interior hybrid

white spruce

Number of trees: 21,845 seedlings

Carbon sequestration estimates

(compensation): 4,369 tonnes of CO₂e

Goodfare, AB

Partner: Pat Hrudko's

Agroforestry Project

Where: 720029 Range Rd125 Goodfare, AB

Purpose: Restore parts of the farmland to make the work more sustainable and allow

nature to coexist with the farm.

Description: Restoring native spruce trees on land that has been burned, as well as suffered

damage done by beavers.

Tree species: White spruce

Number of trees: 23,005 seedlings

Carbon sequestration estimates

(compensation): 4,601 tonnes of CO₂e Chipman, NB

Partner: Southern New Brunswick

Wood Cooperative

Where: Lower Cove, NB

Purpose: Afforestation of previous farmland

Description: Restore native Acadian forest on

a land that was strip mined for coal.

Tree species: White spruce, red spruce, white pine, eastern hemlock, red pine,

red oak, larch

Number of trees: 23,150 seedlings

Carbon sequestration estimates

(compensation): 4,630 tonnes of CO₂e

Introduction Governance Environment Social Transparency

Social

In this section:

Doing right by our people

Our people

Health, safety,

and wellness

Equity, diversity,

and inclusion

Talent acquisition Labour relations

and retention

Our customers

Privacy

Access to information (ATI)

Security of the mail

Employee

engagement

Our communities

Accessibility at Canada Post

Investing in the success of small business

Strengthening Canadian communities

Canada Post Corporation 2022 Sustainability Report

Community Foundation





Our people

Canada Post is one of Canada's largest employers with nearly 68,000 employees (full- and part-time, including temporary, casual, and term employees). During 2022, employees delivered almost 6.6 billion pieces of mail, parcels, and messages to over 17 million addresses across Canada. Our employees are the company's greatest ambassadors and proud to serve the communities they live and work in. We have a responsibility to ensure our employees have a workplace that is safe, welcoming, diverse and inclusive. That's why "Doing Right by Our People" is a key pillar of our transformation plan, with three focus areas:



Embedding health and safety into our culture

We are prioritizing the safety and well-being of our employees, customers, and the communities we serve.



Building alignment

We are dedicated to working with our bargaining agents in a spirit of partnership to provide better service and demonstrate leadership on issues that matter to Canadians.



Creating a fair and respectful workplace

We understand our company must reflect our country. We will continue to engage our employees and ensure their diverse voices are heard.

Details on our initiatives in each of these areas can be found in the following sections: <u>Health</u>, <u>safety</u>, and <u>wellness</u>, <u>Employee engagement</u>, <u>Labour relations</u>, and <u>Equity</u>, diversity, and inclusion.

Employee overview

76.0% permanent¹ 65.8% full-time¹

47.4% female²

7.9% with disabilities²

24.9% visible minorities²

3.1% Indigenous²

96% covered by collective bargaining agreements³

- ¹ Includes permanent and temporary employees as well as employees on unpaid leave.
- ² Based on self-identification of Canada Post's equity census.
- ³ Includes those on unpaid leave.



15% improvement in Lost Time Injury Rate



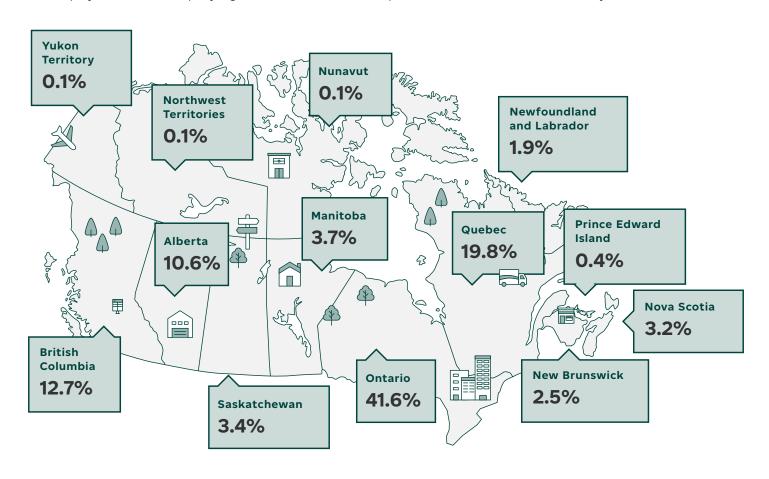
Over 829,000 hours of training



7.4% turnover

Where our employees work

Our employees are the company's greatest ambassadors and proud to serve the communities they live and work in.





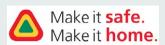


Health, safety, and wellness

We prioritize the safety and well-being of our employees, customers, and the communities we serve. As one of Canada's largest employers with a presence in thousands of communities across the country, we take this responsibility seriously. Canada Post aims to be a leader in workplace health and safety. We remain committed to identifying, preventing, and controlling hazards and risks that affect employees, contractors, visitors, and members of the public.

Our strategy to ensure our employees' well-being involves improving union dynamics, reducing occupational injuries and illnesses, minimizing incidents of workplace harassment and violence, remodeling road safety, and changing our attitudes towards safety and physical and mental health.

Our two foundational programs provide tools, structure, and expertise to employees to support their health, safety, and well-being.



The **Make it safe, make it home** campaign is the result of a company-wide conversation on how we can do a better job of keeping our people safe. It's not just for Operations employees. It's for all our people, whether they deliver mail or parcels, work in a plant, in sales, or sit at a desk.

Make it safe is a call to action for every person in the company, not just front-line operators. We ask every employee: what project, process, or program are you working on that might affect the safety of you and your colleagues?

Make it home is personal. We want every single one of us to make it home safe every day.



Prevention: Keeping wellness in mind starts with taking care of yourself and one another. Prevention is about what you can regularly do to help you function well at home and at work.

Concern: When life means you or someone you care about is having trouble coping, it's OK to ask for help. Confidential help is available. Concerned? We encourage you to act on it.

Urgent: In any urgent situation, call for professional and confidential help immediately. Whether the situation is for you, a colleague, or a family member, it's available 24/7.





Key initiatives in 2022

Canada Post made overall improvements in health, safety, and wellness results in 2022, due to several initiatives including:

- Additional efforts were made in high injury sites
 (HIS) and manager focus areas with our health
 and safety specialists. These sites included 13
 high injury sites and 22 manager focus areas and
 were responsible for 51 per cent of the total injury
 reductions in 2022 across Canada Post.
- Established an Early Intervention Process (EIP): The EIP is a highly collaborative and structured process to provide injured employees with meaningful and suitable modified work options in case of an injury as well as to provide support for team leaders. The process has resulted in a reduction in lost-time injuries and a better employee experience.
- Completed 28 Positive Safety Interaction training sessions: Driven by our purpose, A Stronger
 Canada – Delivered, we are improving our culture and safety journey through the lens of positive safety discussions. In 2022, we trained over 300 leaders through in-person and virtually led sessions.
- Conducted 386 life safety audits: Canada Post continues to focus on compliance for activities in our life safety category. These cover common activities that are have a higher potential than other activities of seriously injuring or even killing an employee (road safety, dock safety, motorized material handling equipment safety, conveyor safety, and maintenance safety). In 2022, we recorded close to 6,000 life safety self-assessments by team leaders.



- Delivered road safety orientations and refresher training to 11,200 employees nationally, including team leader support, safety talks, safe backing up of vehicles, defensive driving, and inspections.
- The Driver Safety and Compliance organization also deployed Driver Safety Week campaigns to three regions, focused on areas of safe use and defensive driving behaviours, daily vehicle inspections, backing up, and vehicle maintenance. Campaigns were delivered in the Atlantic, Pacific, and Greater Toronto Area regions, with over 6,400 employees receiving support and refresher sessions in 2022.
- Introduced collision avoidance training: Training was provided through online and in-class delivery.
 In 2022, over 1,220 employees completed the online training, and an additional 390 employees completed the one-day in-class training.

- Piloted a new experiential training targeted to reduce slips, trips and falls: This mobile simulator offered a safe alternative to engaging all employees in the safety discussion about the most common type of injury at Canada Post. The unit travelled along Highway 401 and was tested in 26 locations in Ontario, Quebec, and New Brunswick, where 874 employees participated in this new experiential training event.
- Held our first national health, safety, and wellness conference for health and safety champions across the country. The title theme was Humans of Health and Safety, emphasizing the human element of health and safety. The conference included guest keynote speakers, panel discussions, demos, videos, and more. Topics and themes were developed in collaboration with our national Joint Health and Safety Committees, covering physical and psychological safety. The virtual event had more than 1,016 participants.



- While working on all four pillars of the mental health strategy in 2022, significant focus was placed on psychological safety risk assessment and building capabilities for team leaders and employees.
- Eleven teams participated in the first wave of a pilot to implement the National Standard of Canada for Psychological Health and Safety in the Workplace. The pilot will be conducted over two years, with team leaders being the focus in year one and frontline employees being included in year two.
- Team leader training continued as we built foundational courses for executives, subject matter experts (Health and Safety and Human Resources teams), and Local Joint Health and Safety Committee/Health and Safety representatives. In addition, seven "mini learnings" launched in 2022, focused on psychological support (a workplace factor within the National Standard of Canada for Psychological Health and Safety in the Workplace).
- In 2022, more than 234,400 hours were spent by our Local Joint Health and Safety Committee members on prevention activities in our workplaces, actively

collaborating on safety compliance and prevention plans tailored to each facility.

COVID-19

In 2022, the Health and Safety team led the company through the final phases of the COVID-19 de-escalation plan, ending our national approach to COVID-19 protocols and replacing it with a targeted, risk-based approach.

We implemented our Tactical Pandemic Response Toolkit (TPRT) to guide our response to COVID-19 and allow for early detection of increased cases within the workplace. The TPRT enables longer-term management of COVID-19 and provides a framework for future pandemics or public health emergencies. Under this risk-based approach for targeted sites, enhanced safety protocols are deployed for Canada Post's employees for a 21-day period. The TPRT can also be deployed for multiple sites within a region or community that's experiencing an increase in positive cases. It allows all other, non-affected facilities to continue to operate normally.

Results - Health, safety and wellness

Category	2021	2022	2022/2021 change	2022 Target
Total injury frequency rate	6.58	5.89	-10.5%	5.83
Lost time injury frequency rate	3.15	2.68	-15.0%	2.62
Total injury severity rate	309	287	-7.2%	293
Motor vehicle collision rate	11.1%	10.9%	-1.8%	11.4%
Slips, trips, and falls	1,223	1,166	-4.7%	N/A
Manual material handling incidents	1,141	949	-16.8%	N/A
Workplace harassment and violence incidents	886	553	-37.5%	N/A





Equity, diversity, and inclusion

Canada Post is committed to representing Canada's diversity. We aim to provide a safe, welcoming and inclusive workplace that embraces and celebrates our differences as Canadians. We value diversity as an essential part of who we are as a company, how we operate, and how we see our future. We believe that attracting, developing, and retaining people who reflect the diversity of Canada is essential to our success. It's a value reflecting what's important to the communities and customers we serve.

In 2022, we continued to make progress with our five-year Equity and Diversity Strategy launched in 2021 with our bargaining agents. Our 2022-2023 action plan identifies specific steps we'll take to foster a diversity-safe, welcoming workplace for everyone. Some of the key actions include:

- Launched the Anti-Racism and Anti-Discrimination Charter in June.
- Provided Indigenous Cultural Awareness training to employees.
- Expanded inclusive practices to support the LGBTQ2S+ community.
- Expanded our employee resource groups with community support.

Our action plans focus on building an inclusive work environment by eliminating barriers for employees. The Joint National Equity and Diversity Committee, formed with all bargaining agents, continued to work on increasing diversity in our workforce by attracting and retaining diverse voices among our employees and leadership.

In 2021, we set and communicated equity objectives to all senior leaders, with the goal of achieving 80 per cent of the representation levels of the Canadian labour market availability (CLMA), at minimum. We plan to meet these levels over five years for Indigenous Peoples and ten years for people with disabilities. We also continued to roll out unconscious bias training to team leaders to foster a culture of understanding and learning, with a focus on safe spaces to engage in open dialogue.

Our employee resource groups (Anti-Racism, Indigenous Peoples, Persons with Disabilities, Women in Network and LGBTQ2S+ PRIDE) received increased interest in 2022. The resource groups offer our employees meaningful ways to share their experiences and concerns, identify barriers, and offer inclusive allyship. The resource groups transitioned from a pilot project to a permanent installation in 2022, with a focus on action plans to address systemic barriers.





Stamps recognizing diversity

In 2022, Canada Post issued the following commemorative stamps in support of our commitment to equity, diversity, and inclusion:

Eleanor Collins, C.M. (b. 1919)

Canada's First Lady of Jazz. Known for her mesmerizing vocals and sophisticated style, the Vancouver-based artist starred alongside Canada's top musicians and in myriad television and radio productions from the early 1940s to the 1980s.



Salome Bey was an Americanborn Canadian singer-songwriter, composer, and actress who, after moving to Toronto in 1964 and playing the jazz club circuit, became known as Canada's First Lady of Blues.







Celebrating cultural diversity











Results - Workforce analysis operational report¹

Category	2020	2021	2022	2022/2021 change (percentage points)	CLMA ²
Overall workforce					
Women	48.3%	47.9%	47.4%	-0.5	49.3%
Indigenous Peoples	2.5%	2.9%	3.1%	+0.2	4.0%
People with disabilities	3.9%	6.8%	7.9%	+1.1	11.5%
Visible minorities	21.2%	23.4%	24.9%	+1.5	19.8%
Senior management					
Women	40.3%	44.9%	43.5%	-1.4	27.6%
Indigenous Peoples	1.5%	0.0%	0.0%	0.0	3.2%
People with disabilities	6.0%	11.6%	22.6%	+11.0	5.0%
Visible minorities	10.4%	14.5%	14.5%	0.0	11.5%

¹ Workforce analysis report includes employees who have worked less than 12 weeks in a calendar year. Total workforce base: 72,559 employees.

Results - Workplace equity information management system, Government of Canada³

Category	2020	2021	2022	2022/2021 change (percentage points)	CLMA ²
Overall workforce					
Women	45.9%	46.9%	47.0%	+0.1	49.3%
Indigenous Peoples	2.4%	2.7%	3.1%	+0.4	4.0%
People with disabilities	3.8%	6.7%	7.7%	+1.0	11.5%
Visible minorities	22.0%	23.3%	24.7%	+0.4	19.8%
Senior management					
Women	40.3%	44.9%	42.6%	-2.3	27.6%
Indigenous Peoples	1.5%	0.0%	0.0%	0.0	3.2%
People with disabilities	5.4%	10.7%	11.6%	+1.1	5.0%
Visible minorities	10.4%	14.5%	14.7%	+0.2	11.5%

³ Workplace equity information management system, Government of Canada. Excludes employees who have worked less than 12 weeks. Total workforce base: 67,487 employees.

² Canadian labour market availability (CLMA) rates are derived from 2016 Canadian census data published in 2021 and based on the 2016 National Household Survey and the 2017 Canada Survey on Disability. Note that in the event that we exceed CLMA levels, Canada Post will not modify recruitment strategies to lower representation levels in our workforce.



Pay equity

The Pay Equity Act, introduced as part of Bill C-86, came into force on August 31, 2021. It requires federal employers to correct any gender wage gap and, going forward, ensure equal pay for work of equal value. In accordance with this legislation, Canada Post is creating a pay equity plan that will be periodically updated. We're establishing a pay equity committee (or multiple pay equity committees if authorized by the Pay Equity Commissioner). To correct wage gaps, we will:

- Identify job classes and determine their gender predominance.
- Establish the value of work and compensation of each job class to compare the compensation received by predominantly male and female job classes.
- Calculate any compensation increases needed to establish and maintain pay equity.

We recognize that pay equity is a basic human right and any disparity in pay due to gender is unacceptable. We are working closely with our bargaining agents and nonunionized employee representatives to make progress on this important requirement. In 2022, we undertook an initial analysis of gender pay ratios. Results are presented below.

Environment

Pay ratio women/men

Level ¹	2022
Senior management	100.9%
Middle management	97.9%
Non-management	96.6%

¹ Levels defined as follows:

Senior management: CEO and direct reports to the CEO

Middle management: Manager to GM level; also includes supervisors and team leaders

Non-management: All other employee levels







Talent acquisition and retention

As a federally regulated Crown corporation, Canada Post is mandated by Canada's *Employment Equity*Act to ensure that its employment opportunities are fair and open to everyone, including women, Indigenous Peoples, people with disabilities, and visible minorities. The Corporation uses Statistics Canada data to measure and report annually on whether its workforce is representative of Canadian labour market availability for these segments of the population (see the Equity, diversity, and inclusion section of this report for details).

Canada Post's commitment to diversity and fair hiring practices goes beyond its legislative requirements. We're working to build an equitable and inclusive workforce that reflects the diversity of Canada and the customers and communities we serve. Embracing rich backgrounds, talents, and abilities of all types of individuals adds value. It enhances innovation and creative thinking, enhances our corporate culture, helps us understand and meet customer needs, and ultimately works to our competitive advantage.

Canada's two official languages are an integral part of our country. In keeping with the Corporation's values and behaviours, respecting language rights is an essential part of our journey to meet Canadians' needs and to provide our employees with a workplace in which they feel comfortable. While respecting the merit principle, Canada Post ensures that the composition of its workforce tends to reflect Canada's two official language groups, in the context of its mandate, its service to Canadians, and the location of its facilities.

We use several channels for recruitment including social media like Facebook and LinkedIn. We leverage career or job fairs, advertisements in newspapers, radio ads, Internet job boards, postings at educational institutions, and professional and alumni associations. Our recruitment channels focused on equity, diversity and inclusion include partnerships with the Canadian Centre for Diversity and Inclusion, Canadian Council on Rehabilitation and Work, Employment Accessibility Resource Network, and other agencies.

Results - New hires

Category	2020	2021	2022	2022/2021 change (percentage points except total new hires)
Total new hires	11,994	11,633	12,678	+1,045
% Women	44.7%	46.4%	47.5%	+1.1
% Indigenous Peoples	3.0%	3.6%	4.5%	+0.9
% Persons with disabilities	5.6%	7.8%	9.3%	+1.6
% Visible minorities	31.0%	31.9%	33.5%	+1.6



Compensation and benefits

At Canada Post, our total compensation philosophy recognizes that our people are an essential part of our business success. Each employee contribution every day helps us achieve our common goals and makes a difference to the millions of Canadians who depend on us for safe, secure, and on-time deliveries.

Our total compensation package includes medical coverage, dental benefits, retirement programs, and other valuable employer-sponsored programs and services. Eligibility for these benefits varies depending on employee group.



Parental leave

All employees are entitled to apply for parental leave.

Results - Parental leave

Category	2020	2021	2022	2022/2021 change
Number of employees taking parental leave ¹	1,553	1,761	1,853	+5.2%

¹ Reflects both maternity and paternal leave. Some employees may be counted in multiple years if their leave crossed over between years.

Pension plan

Canada Post offers a pension plan to eligible employees. The Canada Post Corporation Registered Pension Plan ("the Plan") is made up of two components: the defined benefit component (DB) and defined contribution component (DC). Participation in both components is mandatory for eligible employees and enrollment is automatic when they meet the eligibility criteria. For more information on the Plan and eligibility, please visit cpcpension.com.

Results - Pension plans

Defined contribution	2020	2021	2022
Number of participants	4,180	5,103	6,060
Canada Post contributions	\$15.5M	\$17.1M	\$22.7M
Members' contributions	\$9.2M	\$10.2M	\$13.6M

Defined benefit	2020	2021	2022
Number of participants	53,132	53,397	52,984
Projected benefit obligation	\$36,741M	\$34,905M	\$27,167M
Estimated value of assets	\$29,616M	\$32,357M	\$29,520M
Canada Post current service contributions	\$301M	\$326M	\$318M
Members' contributions	\$281M	\$297M	\$296M



Employee retention

Attracting and retaining top talent is a key priority for Canada Post. We strive to build a collaborative, engaging, and inclusive employee experience.

Key initiatives in 2022

- Modernized our employee recognition program.
- · Acted on feedback from our employee engagement survey.
- Communicated more with employees to better inform them of the Corporation's achievements, "destination," and goals.
- Placed greater emphasis on career development planning to prepare employees for leadership positions and support their career goals.
- Launched a hybrid work practice that allows for flexible work arrangements.
- Held culture workshops with team leaders across the country.

Results - Employee retention

Category	2020	2021	2022	2022/2021 change (percentage points)
Employee turnover rate ¹	5.1%	6.5%	7.4%	+0.9

¹ Includes permanent regular full-time and part-time employees.







Employee engagement

Canada Post recognizes the value of an engaged workforce. We strive to inspire our employees to do their best work and bring forward ideas to achieve our goals and drive positive change. We're building a culture where employees are encouraged to collaborate with colleagues and take pride in their service to Canadians. In today's highly competitive market for top talent, the ability for any organization to provide an engaging work environment can be a key differentiator.

In 2022, we unveiled our refreshed values and new signature behaviours through the delivery of 40 team leader forums across the country. These sessions included in-person business updates and culture workshops to engage employees in our new culture journey.

Our signature behaviours



Make the call

We're empowered to make decisions, respectfully challenge the status quo, and support others to do the same.



Know the destination

We understand Canada Post's strategy and goals and how we contribute to them, and we move forward with open minds when exploring new approaches.



Deliver for others

We take pride in doing our personal best, demonstrate care for others, and support and encourage them to reach their potential.



Ignite our pride

We play a role in making Canada stronger by celebrating who we are, the communities we serve, and issues that matter.





Employee Engagement Survey

Listening to our employees is key to ensuring that we deliver on our goal of "Doing right by our people." Our organization conducts an annual Employee Engagement Survey to get feedback from employees on what's working, what's not working, and how we can improve the employee experience.

Since the initial deployment in 2019, we have been working to increase digital promotion and digital access to the survey for our frontline employees, to help minimize reliance on paper. In 2022, the survey was deployed to more than 26,326 personal data terminals (PDTs) for frontline employees. More than 800 tablets and Chromebooks were made available during the survey period.

Our annual Employee Engagement Survey, conducted anonymously by an independent third party, takes place in September and targets all active employees at Canada Post. The participation rate for 2022 was 53 per cent, representing a significant increase from our first deployment in 2019. Employees responded

with an overall Engagement Index of 71 per cent and shared more than 56,000 comments. The survey questions are categorized into different dimensions such as safety, work environment, employee experience, corporate social responsibility, and communications. The 2022 responses highlighted our company-wide focus on safety as the highest scoring dimension. Notably, in response to the statement, "Canada Post has created a work environment where people of diverse backgrounds can succeed," 81 per cent were favourable – representing our best score. A close second was support for the statement, "I am proud to work at Canada Post," which received an 80 per cent favourable response.

Results of the survey are shared with employees. In 2022, corporate-level action plans focused on the areas of manageable stress and tension as well as tools and resources. Plans for 2023 will be focused on performance enablement, career development, and communication. Additionally, team leaders engage their teams to create action plans based on overall team results. The fifth engagement survey is targeted for September 2023.

Results - Employee Engagement Survey

Category	2020	2021	2022	2022/2021 change
Participation rate in engagement survey (%)	25%	51%	53%	+3.4%
Engagement score (index)	72	73	71	-2.7%
Canada Post is an environmentally responsible company	42%	47%	49%	+4.2%





Training and development

Canada Post is committed to providing all employees with opportunities to learn at various points in their careers and in a variety of ways. In turn, employees are encouraged to support each other to reach their full potential and help Canada Post achieve its goals. Our focus continues to be ensuring that our employees are job-ready and that they have the knowledge and skills needed to perform their roles properly and safely. We offer various training courses, developed internally and externally, to support employee development. We also reimburse tuition fees from external courses, provided they receive approval and meet criteria set out in our Learning and Development Practice guidelines.

In 2022, we completed over 829,000 hours of training, of which more than 50 per cent was delivered via eLearning, self-directed courses, or blended eLearning and in-person courses. Safety training remained a critical focus with more than 118,000 hours completed. For example, 25,000 hours of training was delivered for Standard First Aid and Automated External Defibrillation, 21,000 hours for Dangerous Goods Handling, 15,000 hours for Basic Driver training, and 12,700 hours for Orientation to Health and Safety for Workers training.

Examples of internal and external courses offered in 2022 include:

- Business and computer training: third-party training on Microsoft Office applications, leadership and business solutions, and project management.
- First Aid training including certification in Automated External Defibrillation (AED); this is the application of an electric shock to a heart that has stopped beating.
- · Language training.
- Virtual Selling eLearning: how to leverage MS Teams from a sales representative's perspective.
- How to Speak with Confidence: how to establish rapport and techniques to combat nervousness and why positive self-talk is so important to be a confident speaker.
- Skilled Presenter: The Skilled Presenter™ teaches
 participants how to structure and organize their own
 presentations by examining good mechanics.
 In addition, the course focuses on performance skills
 such as: voice projection, eye contact, breathing,
 gestures, stance, and movement.

- Think on Your Feet*: provides communication techniques as the foundation for other skills such as leading, speaking, writing, selling, and managing. The course offers 10 core communication structures that help participants quickly decide what messages are essential and present them persuasively.
- Bookboon: Audio learning that provides learning opportunities for employees with disabilities, and new skills and opportunities for growth that other materials do not.
- The Canada Post eLibrary: Free to everyone in the pilot group. It contains over 2,500 short and effective eBooks and audio titles (podcasts) that cover a variety of topics for personal and professional development.

Results - Employee training

Category	2020	2021	2022	2022/2021 change
Hours of training delivered	680,000	787,000	829,000	+5.3%
Average hours of training per employee	10	11	12	+9.1%



Performance management and career development

Performance management

Canada Post has put in place an enhanced performance management process that aims to:

- Signal our culture and values.
- Fuel performance in the future.
- · Fairly recognize differentiated performance.
- Provide timely and ongoing performance feedback.
- Invest time in employee discussions, not ratings or distributions.
- · Emphasize simplicity and utility.
- Hold team leaders accountable for talent development.

Our Performance Management Process covers management employees of all levels, and employees represented by the Public Service Alliance of Canada/ Union of Postal Communications Employees (PSAC/ UPCE) and the Association of Postal Officials of Canada (APOC). The performance management process addresses the need to understand the purpose, direction and objectives of the employee's work, and ensures this work supports the organization in achieving its goals.

Performance evaluation and feedback are provided through quarterly check-ins and ongoing discussions between team leaders and employees. These discussions provide forums to review progress and offer opportunities for coaching and development.

Career development

As with the Performance Management Process, talent development discussions and talent segmentation activities are applicable to all Canada Post employees represented by APOC, PSAC/UPCE, as well as management employees at all levels. Although employees are the drivers of their growth, team leaders have a supportive and consultative role in employee development.

The employee groups mentioned above are encouraged to establish one or more development plans at the beginning of the year. Development plans should be aligned with the employee's aspirations and corporate priorities. Team leaders and employees are encouraged to have growth conversations on a quarterly basis to discuss and brainstorm development opportunities and monitor development plans.

The mid-year growth discussion is a key step for team leaders in their preparation for talent segmentation. The latter is an activity that takes place once a year, usually from August through October. Team leaders, supported by their Human Resources Business Partners (HRBPs), discuss employee potential and their readiness to take on aspirational roles that employees have identified. During this time, HRBPs and senior leaders also plan succession for executive roles (director and above).

Performance and career development reviews in 2022

Approximately 8,200 employees participated in performance and career development reviews in 2022.

Level	Number of employees
APOC and PSAC/UPCE	5,600
Senior executive/executive	400
Middle management	1,400
Entry level management	800





Labour relations

Canadians count on us to work collaboratively with our bargaining agents for the benefit of our employees, customers, and the communities we serve. We remain committed to cultivating strong relationships with our bargaining agents. They play a critical role in our business evolution by bringing valuable perspectives and contributions to Canada Post and helping to shape our path forward.

Relationship committees with some of our bargaining agents as well as other joint committees have continued to serve as central platforms to promote open and consistent dialogue between the parties. These committees provide a forum for important discussions on critical issues and serve as a venue for regular business updates and engagement with our bargaining agents.

Further, in addition to our various committees, the robust consultation and communication processes provided for in our collective agreements ensure both our bargaining agents and employees are advised of matters impacting them in a timely manner.

In 2022, we continued to engage with our bargaining agents through consultation, committees, and other mechanisms to address a range of important issues, such as:

- All safety and staffing matters related to the new Albert Jackson Processing Centre in northeast Toronto, opening in 2023.
- The ongoing development of a new hourly rate of pay model for Rural and Suburban Mail Carriers (RSMCs).
- The implementation of the pay equity settlement between the company and the Canadian Postmasters and Assistants Association (CPAA).

Results - Labour grievances

Grievances	2020	2021	2022	2022/2021 change
Filed	12,256	14,108	14,300	+1.4%
Pending	22,299	22,331	24,875	+11.4%





Number of employees covered by collective agreements¹

Bargaining agent

CUPW-UPO²

Number of represented employees¹

36,071

Expiry date of the collective agreement

January 31, 2024

Bargaining agent

CUPW-RSMC³

Number of represented employees¹

8,855

Expiry date of the collective agreement

December 31, 2023

Bargaining agent

CPAA⁴

Number of represented employees¹

5,214

Expiry date of the collective agreement

December 31, 2023

Bargaining agent

APOC⁵

Number of represented employees¹

4,309

Expiry date of the collective agreement **March 31. 2025**

Bargaining agent

PSAC/UPCE⁶

Number of represented employees¹

1,364

Expiry date of the collective agreement

August 31, 2024

Total number of represented employees

55,813

¹ All full-time and part-time employees including those on unpaid leave, as of December 31, 2022; excludes 18,247 temporary, casual and term employees.

² CUPW-UPO: Canadian Union of Postal Workers – Urban Postal Operations, which represents plant and retail employees as well as letter carriers and mail service couriers.

³ CUPW-RSMC: Canadian Union of Postal Workers – Rural and Suburban Mail Carriers, which represents mail delivery couriers in rural and suburban Canada.

⁴ CPAA: Canadian Postmasters and Assistants Association, which represents rural post office postmasters and assistants.

⁵ APOC: Association of Postal Officials of Canada, which represents supervisors as well as supervisory support groups, such as trainers, route measurement officers, and sales employees.

⁶ PSAC/UPCE: Public Service Alliance of Canada/Union of Postal Communications Employees, which represents employees who perform certain administrative, clerical, technical, and professional work, including personnel in call centres, pay reporting, and technical employees in areas such as finance and engineering. PSAC has made an application to the Canada Industrial Relations Board, seeking the inclusion of other jobs currently in the management classification.



Privacy

Canadians and Canada Post employees entrust vast amounts of their personal information to the Corporation. They expect Canada Post to handle this information responsibly and protect it in accordance with Canada's *Privacy Act*. Underpinning the Act are fundamental privacy principles such as data minimization; proactive identification of privacy risks when developing products, services, and programs; respect for individuals' privacy rights; and meaningful data governance and accountability.

Key initiatives in 2022

- Initiated a comprehensive Privacy Impact
 Assessment (PIA) to support our multi-year, multi phase Experience Transformation project (ET). As
 part of Canada Post's A Stronger Canada Delivered
 transformation, the ET project is intended to
 transform the broad business experiences that have
 affected the Corporation's competitive position in an
 evolving and increasingly competitive marketplace.
 The PIA will be key to establishing appropriate data
 lifecycle management and ensuring compliance with
 the data minimization principle in the context of the
 ET project.
- Established an ethics assessment panel with Privacy as a central stakeholder to review key corporate initiatives that leverage data, including customer and employee personal information. In 2022, the panel reviewed a few of these initiatives affecting both employees and customers. For example, the panel reviewed the Mental Health Dashboard project that supports Canada Post's five-year Mental Health Strategy by establishing measurement mechanisms to identify the mental well-being of our people.

- Expanded our user-consent management toolkit to include a third-party solution that enables visitors to <u>canadapost.ca</u> to set their preferences related to cookies and other tracking technologies. The new solution will be deployed in early 2023.
- Provided advice regarding the corporate initiatives intended to update and upgrade ID verification and authentication methods for customer-facing products and services to minimize the risk of identity theft and fraud.
- Reviewed and revised internal privacy policies to ensure they are current, accurate, and that they protect the personal information under Canada Post's control. The updated policy instruments will be completed and rolled out in 2023.
- Procured and configured a third-party tool to assist with a multi-year project that will create a comprehensive inventory of corporate personal information holdings. The tool will be piloted to map out personal information in the context of a key line of business in 2023. The inventory is critical to identifying and addressing privacy risks in a proactive and timely manner.

Results - Customer-related privacy complaints and breaches

Category	2020	2021	2022	2022/2021 change
Total number of substantiated complaints received concerning breaches of customer privacy from outside parties	11	6	0	-100%
Total number of substantiated complaints received concerning breaches of customer privacy from regulatory bodies	1	0	0	0%
Total number of identified leaks, thefts, or losses of customer data	10	5	1	-80%



Access to information (ATI)

We are committed to fulfilling our obligations under the *Access to Information Act* while protecting the information we receive from our partners, suppliers, and customers. We balance requesters' right of access with the protection of commercially sensitive corporate and third-party information. This commitment is fundamental to respecting customer relationships and maintaining trust.

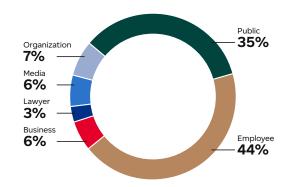
We embrace the principles of openness and transparency expected of us as a Crown corporation that serves Canadians. We demonstrate our commitment in several ways. We publish a comprehensive annual report about our business and financial performance as well as the Canada postal guide, which provides detailed information on our products and services. We are always looking at ways to enhance transparency and build trust with our customers, the public, and our employees. We regularly and proactively connect with key business areas to discuss our respective roles and responsibilities, challenges that may arise and tangible solutions to continually improve the processing of access to information requests. Since COVID-19, we improved our process and have now transitioned from paper records to electronic copies.

Results - Access to information requests and complaints

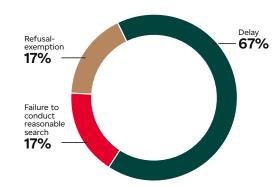
Category	2020	2021	2022	2022/2021 change
Total number of requests for access to information	79	97	71	-27%
Total number of complaints received concerning access to information requests		16	12	-25%
Total number of substantiated complaints received concerning access to information requests	2	4	0	-100%

6 requests were provided in a paper format, which represents only 8 per cent of the total requests received in 2022.

Sources of ATI requests



Reasons for ATI complaints





Security of the mail

In a world of constant evolving physical and cyber-security threats, Canada Post is committed to ensuring the security of the mail, the safety of its employees, and the protection of its customers' privacy. To this end, we have adopted stringent policies and practices to safeguard the security of the mail and enforce compliance with our legislative obligations.

In 2022, Canada Post was the first postal administration in the world to achieve the Universal Postal Union's (UPU) Gold + Security Certification, one of the highest levels of certification for security excellence in the operational, physical, personnel and transportation aspects of international mail.

Canada Post's Security and Investigation Services team continues to foster relationships with internal and external stakeholders to deploy a robust regulatory inspection program to support Indigenous and northern communities. Collaborating with community leaders and local law enforcement agencies, Canada Post is working to improve health and safety in Indigenous and northern communities. Collaborative partnerships with law enforcement and the use of screening technologies have helped us detect and remove non-mailable matter from the postal system.

Key initiatives in 2022

- Identifying and inspecting 3,574 items inbound to Indigenous and northern communities that led to the removal of non-mailable matter with an estimated street value of \$4.24 million.
- Over and above the Indigenous and Northern community safety initiative, identifying and removing additional illicit substances with a street value of \$11.5 million.
- Using high-security locks, cameras, and electronic access controls, intrusion detection systems, and radar technology to protect the mail, our plants, depots, and retail outlets.
- Holding over hundreds of security awareness sessions annually to continuously review security of the mail protocols with frontline employees, contractors, and the general public, with 1,118 sessions held in 2022.
- Holding 120 security-of-the-mail awareness sessions with Indigenous communities, meeting with Indigenous community leaders, local Indigenous law enforcement, and/or local Indigenous postal officials.
- Inspecting 277 postal facilities to ensure security of the mail protocols are understood by frontline employees, surpassing our total inspection target of 200.
- Making an on-demand educational video available on the Canada Post website to help small and mediumsized businesses identify and prevent ecommerce fraud.
- Assisting over 2,100 Canadian fraud victims by intercepting parcel shipments before delivery.





- Conducting annual fraud risk assessments to ensure risk-commensurate security controls are in place.
- Reviewing safety controls on new sustainable technologies and vehicles, such as e-cargo trikes, low-speed electric vehicles, and full-size all-electric delivery vehicles.
- Employing a formal process to escalate breaches of sensitive information to the relevant authorities.
- Working with third-party contractors to ensure they have adequate security controls in place.
- Requiring mandatory security clearance for all employees and contractors.

- 24/7 in-house intrusion alarm monitoring through an internal, state-of-the-art national security operations centre.
- Proactively detecting and disrupting known physical and digital threats.
- Researching and developing best-in-class technological advances to proactively address security threats (using technology such as artificial intelligence and video analytics, cellular-based CCTV technologies, X-rays, and illicit material detection).

Results - Security of the mail

Category		2021	2022	2022 Target
Number of postal facility inspections	270	165	277	200
Number of security of the mail awareness sessions with frontline employees, contractors, and the general public		900	1,118	900
Number of security of the mail awareness sessions with Indigenous community leaders, law enforcement, and/or local postal officials		100	120	120
Number of inbound items (suspected of containing illicit products) detected, inspected, and removed from the postal system, in collaboration with Indigenous and northern communities that have self-identified as dry		2,218	3,574	2,661





Accessibility at Canada Post

With an aging population and 6.2 million Canadians living with at least one disability, enhancing accessibility is more important than ever. With deep roots in communities across the country, Canada Post has an important role to play in fostering an accessible and inclusive Canada. We're committed to building an equitable, respectful and caring workplace, where everyone has equal opportunity. Our vision is to demonstrate leadership in accessibility by promoting disability awareness, removing barriers, and recognizing the valuable contributions of people with disabilities.

Accessibility strategy

The Canada Post Accessibility Strategy, developed in alignment with the focus areas of the *Accessible Canada Act*, was approved by the Environmental, Social, and Governance (ESG) Committee of the Board of Directors in April 2020. The strategy was launched publicly on May 31, 2021, during National AccessAbility Week. It sets out concrete actions to ensure that all Canadians can use our products, services, and programs with ease, and work with us without barriers. Our strategy has four pillars:



Creating a diverse and inclusive workforce culture



Delighting our customers



Building accessible barrier-free spaces



Seeking more inclusive business opportunities





Creating a diverse and inclusive workforce culture

Our goal is to attract diverse talent and remove barriers to the full participation of people with disabilities. We will do this by:

- Embedding accessibility and inclusion into our culture through awareness, education, and socialization.
- Attracting, growing, and retaining diverse talent that represents the fabric of Canada.
- Effectively recruiting people with disabilities and ensuring they can build full and meaningful careers at Canada Post.



Key initiatives in 2022

Canada Post Award for Students with Disabilities and summer work opportunities

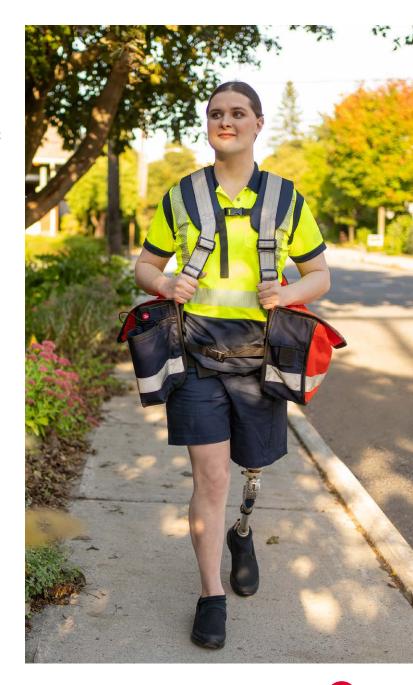
In collaboration with the National Educational Association of Disabled Students (NEADS), Canada Post established an annual \$10,000 scholarship as well as two paid summer work opportunities for students with disabilities. In 2022, the second annual Canada Post award was presented to Alina Heck, who is enrolled in the Doctor of Medicine program at the University of Alberta. We exceeded our recruitment target and hired seven students with disabilities for summer work opportunities.

Workplace opportunities: Removing barriers to equity

We also expanded our partnership with NEADS and joined the project "Building Employment Pathways for People with Disabilities," funded by the Workplace Opportunities: Removing Barriers to Equity (WORBE) program led by Employment and Social Development Canada (ESDC). As the industry partner, Canada Post supported the application that NEADS submitted to ESDC. We will work with NEADS and its partners to identify barriers in employment for people with disabilities within the postal and courier industry and will develop resources and toolkits to remove these barriers.

Accessibility HR audits

To create an inclusive and welcoming work environment, we engaged external consultants Optimus Consulting (partnered with Left Turn Right Turn) to conduct two comprehensive audits of our end-to-end recruitment and retention process and disability accommodation process. We received a preliminary report of findings that included process maps of our accommodation process. This project will wrap up in 2023.

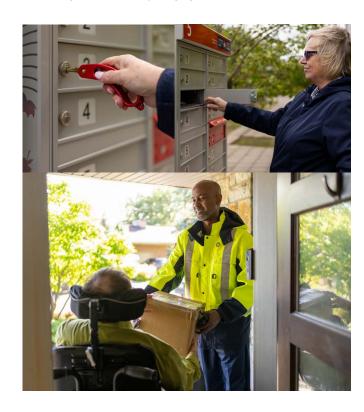




Delighting our customers

We strive to create a welcoming and inclusive experience for customers with disabilities. We will fulfil this by:

- Improving the delivery experience through enhanced customer service.
- Increasing the accessibility of our products, services, and programs, as well as our digital features and applications.
- Promoting accessibility initiatives to Canadians through community engagement.



Key initiatives in 2022

Digital accessibility

We are putting accessibility and usability at the forefront of our digital services to create an inclusive online experience. In line with our goal to provide accessible products and services to Canadians, all new public-facing digital products must be built to meet the Web Content Accessibility Guidelines (WCAG) 2.1 at Level AA. To meet these standards, we implemented a thorough accessibility testing approach and actively trained over 100 employees and contractors. We achieved a measure of 88.8 per cent on digital accessibility across all active digital products in 2022, exceeding our 2021 result of 85.9 per cent.

Results - Digital accessibility

Category	2020	2021	2022	2022/2021 change
Digital accessibility across all active digital products (%)	77.3%	85.9%	88.8%	+3.4%

Delivery Accommodation Program

The Delivery Accommodation Program is offered year-round, temporarily, or seasonally. It supports residential customers with functional limitations or health issues that affect their access to mail and parcels. In 2022, we received 1,698 new requests for accommodation and implemented 2,152 accommodations, our highest response since 2015. These accommodations included mailbox key turners, sliding mail trays, adjustments to the mailbox compartments, mailbox braille markings, and seasonal or weekly home delivery. In some cases, more than one accommodation is offered to the customer to ensure their needs are met.

We continued to review how we manage accommodation requests and simplified our customer forms and our requirement for supporting documents. We are committed to increasing awareness of the program and improving its service to its customers. Canadians who need accommodation can access the program online or by calling 1-844-454-3009.

Results - Delivery accommodation

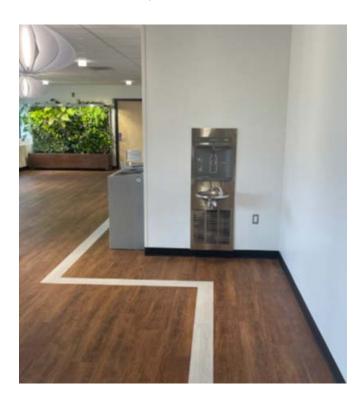
Category	2020	2021	2022	2022/2021 change
New approved accommodations	1,636	1,711	2,152	+25.8%
Total active accommodations	17,795	19,524	16,119	-17.4%



Building accessible barrier-free spaces

We recognize the importance of creating barrier-free spaces and strive to make post offices, administrative offices, depots, and processing facilities accessible to users. We will do this by:

- Ensuring all new buildings are accessible.
- Auditing and enhancing accessibility in our network of existing buildings.
- Working with third-party partners that offer Canada Post services, such as dealer post offices, to enhance accessibility.



Living wall and contrast colour on floor provides direction to key areas of Building B

Key initiatives in 2022

Accessibility design standards

In early 2022, we finalized and implemented the Canada Post National Accessibility Design Standards to be applied across our network of post offices and buildings. These standards integrate best practices that go beyond the minimum accessibility requirements in building codes. They also promote consistency in our approach to identifying, removing, and preventing barriers in the built environment.

Results

- Completed 246 accessibility audits of corporateowned facilities.
- 121 sites achieved a passing score, meeting accessibility requirements.
- Completed 23 accessibility construction projects.
- Completed more than 80 accessibility upgrades in retail stores (primarily counter replacements and automatic doors).

Building B - Rick Hansen Foundation Accessibility Certified Gold rating

Building B, on the Head Office Campus in Ottawa, is our first real estate project to be awarded a Rick Hansen Foundation Accessibility Certified Gold rating for the building's accessibility features, which were incorporated in an extensive retrofit after a 2017 fire. The recognition highlights our commitment to creating barrier-free workspaces accessible to everyone.



This retrofitted and redesigned administrative building includes:

- A universal washroom on every floor.
- Workstations with mobile pull-out filing cabinets with seats on the top, for easy access to seating when working collaboratively.
- Four living walls that provide visual as well as olfactory wayfinding cues.
- Kitchens with open space for maneuvering with knee clearance below the sink.
- Tactile features and braille on signage.
- Fully accessible parking lot.
- Visual and audible fire alarms throughout the building.



Seeking more inclusive business opportunities

We aim to integrate accessibility and inclusion in our supply chain. We will do this by:

- Creating opportunities for businesses that are committed to accessibility or owned/operated by people with disabilities.
- Ensuring procurement processes are accessible to all potential suppliers, including people with disabilities.
- Collaborating with networks to leverage and share best practices.

Please refer to the <u>Responsible procurement</u> section for further details on some of our initiatives in this area.



Service animals are welcome in all post offices

Accessibility Advisory Panel

Canada Post's Accessibility Advisory Panel includes up to 15 members, many with lived experience and several from organizations that represent people with disabilities and older Canadians. The inaugural Advisory Panel meeting took place in November 2018 with subsequent meetings occurring twice a year. In 2022, Canada Post welcomed two new panel members and held a virtual meeting on June 15. The spring meeting included consultations on the development of our Accessibility Plan.

Accessibility Plan

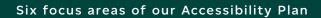
As required by the Accessible Canada Act, Canada Post created and published its first Accessibility Plan in consultation with people with disabilities. Over 1,200 Canadians and people with disabilities responded to our national survey and helped inform our Accessibility Plan. We also consulted with our Accessibility Advisory Panel, and with our national Employee Resource Group for People with Disabilities. Our Accessibility Plan is available in alternate formats here.

National AccessAbility Week

In 2022, in commemoration of National AccessAbility Week, we launched a disability-themed stamp slideshow. The stamps highlighted the valuable contributions of Canadians with disabilities, including the first Paralympic Games in 1976, through guide dogs, inventions, athletes, a musician, and supporting mental health. Together, the stamps reflect inclusion as an important value for Canadians and capture the shared goal of a barrier-free Canada.

Accessibility feedback

Canada Post established a formal process for receiving feedback on the implementation of its Accessibility Plan and any accessibility barriers encountered by customers, employees, and other Canadians. A dedicated email address and webform were created specifically to receive feedback on accessibility, in addition to our existing customer service channels. More information can be found on our Accessibility at Canada Post webpage.





Employment



Information and communication technology



Procurement of goods, services, and facilities



Built environment



Communication



Design and delivery of programs and services



Investing in the success of small business

Small businesses are the heart of the Canadian economy. Nearly 68 per cent of Canadians work for a small business of less than 50 employees, which make up approximately 37 per cent of the country's GDP, according to data from Innovation, Science and Economic Development Canada. Businesses are vital to a strong, healthy economy and a critical customer group for Canada Post. To empower their growth, we're making significant investments in our network and in new products, services, and solutions to better meet their needs.

Tales of triumph

Every small business has a big story to tell – whether it's about how it started, how it evolved, or its role in the community. Now in its third year, our annual Tales of Triumph contest gets to know the entrepreneurs behind small and diverse businesses and celebrates their unique stories. With more than 500 submissions from across the country, our expert panel, employees, and Canadians voted to select five small businesses that demonstrate how they are doing good in their community, making marketing magic happen, and rising as businesses.

Each winner received up to \$20,000 in prizes including credits for Canada Post Parcel and Smartmail Marketing™ services, marketing support, and national exposure through the campaign.

Empowering small business

We support small businesses across Canada year-round. Our <u>Solutions for Small Business</u> program provides tools, resources, and insights through our <u>This Is Small Business</u> magazine, as well as discounts on shipping and marketing to give them a leg up and help them grow.

To celebrate Small Business Month in October, we offered our seventh annual <u>Free Shipping Tuesdays</u> promotion. Open to new and existing Solutions for Small Business customers, we offered two free shipping labels to ship parcels within Canada and the U.S. every Tuesday in October. **The promotion helped 82,000 small businesses ship items for free in 2022.**

With a presence in nearly every corner of Canada, we understand the unique challenges faced by businesses in rural and remote areas of the country. To better connect these businesses to the entire Canadian marketplace and support their success, we introduced a targeted program that offered a 20 per cent discount to 89,000 Solutions for Small Business members located in rural and remote communities.

For more information about how Canada Post supports Indigenous-owned businesses, please see the <u>Fostering</u> reconciliation with Indigenous Peoples section of this report.

2022 Tales of Triumph contest categories and winners



Doing GoodI AM LOVE Project



Marketing Magic Eco Securica Inc.



Rising Stars PRIZM Foods



Canada's ChoiceRaven Rising
Global Indigenous
Chocolates



Employees' Choice MPC Foundation





Strengthening Canadian communities

With our presence in thousands of communities across Canada, we're in a unique position to support underserved communities and underrepresented Canadians. Canada Post works directly with community members, businesses, and elected officials in rural, remote, and Indigenous communities to expand and enhance its services to meet their unique needs.

Community hubs

With nearly 5,900 retail post offices across the country, our physical presence is part of the fabric of Canada. At the same time, many of Canada's rural, northern and Indigenous communities are underserved when it comes to community services. Built on the success of our first community hub post office in High Prairie, Alberta, in 2021, we've opened additional community hub post offices that cater to the needs of each community.

Each of these community hubs were developed with our bargaining agents and input from local community groups, small businesses, residents, and elected officials. Through consultation, we've incorporated elements for each community hub that are important to the communities. Examples of features available at our community hubs (varies by location) include:

Supporting small businesses

- · Meeting rooms.
- Self-serve business services provided by Staples.
- · Interactive local business directory.

Accessibility best practices

- Accessible parking.
- Signage and wayfinding.
- · Widened entryways and automatic door opening.
- · Accessible washrooms.

Environmental sustainability

- Energy-efficient lighting.
- Electric vehicle charging infrastructure (to be complete in 2023).
- · Sustainably sourced furnishings.

Celebrating Indigenous culture

- · Local Indigenous languages on signage.
- · Locally made Indigenous artwork.





Community hubs opened in 2022

Membertou. Nova Scotia

Opening date: March 2022

11010112022

Bargaining agent partner: Canadian Union of Postal Workers (CUPW) **Little Current. Ontario**

Opening date:

December 2022

Bargaining agent partner:

Canadian Postmasters and Assistants Association (CPAA)

Fort Qu'Appelle, Saskatchewan

Opening date:

December 2022

Bargaining agent partner:

Canadian Postmasters and Assistants Association (CPAA)

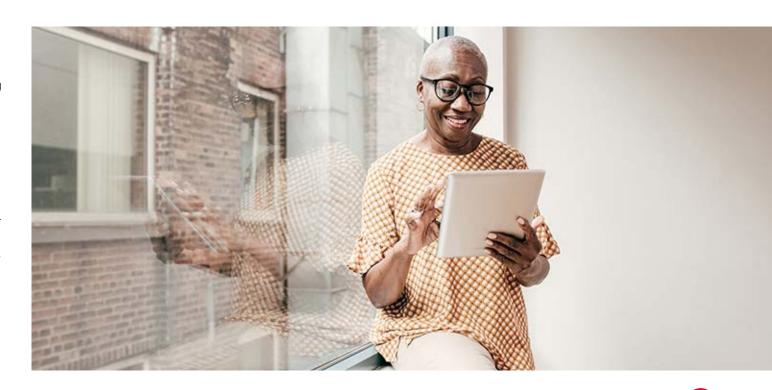
To learn more about how Canada Post is expanding and improving postal services in Indigenous communities, please see the Fostering reconciliation with Indigenous Peoples section of this report.

To learn more about how Canada Post is making retail stores, postal services, and digital products and services more accessible, please see the Accessibility at Canada Post section of this report.

Financial services

With the largest retail network in the country, Canada Post has an important role to play by offering financial services to Canadians, from coast to coast to coast.

Over the last two years, we have studied, tested and confirmed that there are financial needs across the country that Canada Post is uniquely positioned to fill. We are working on ways to expand Canada Post's financial services as part of our commitment to deliver more for Canadians. We'll continue to consider the financial literacy and financial inclusion needs of Canada's communities, in every corner of the country.







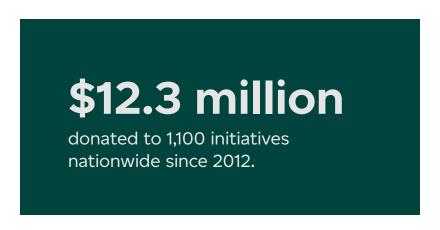
Community Foundation

The Canada Post Community Foundation's mission is to make a positive impact in the lives of children and youth in the communities we serve. The Foundation works to fulfil this mission by supporting registered charities, school programs, or local initiatives that benefit children and youth.

The Foundation is governed by an independent Board of trustees who are appointed to act and comply with the Foundation Deed of Trust. The Foundation's activities are also overseen by an advisor who is a senior officer of the Corporation. Decisions on grant recipients are supported by the Grant Advisory Committee composed of a volunteer group of current and retired Canada Post employees. The Foundation offers three categories of grants:

- Grants for community-based support projects that increase the capacity of an organization and create or expand services (e.g., purchasing new equipment or launching new programs). These grants can be up to \$25,000 each.
- Signature Grants for projects that contribute to the overall work and mission of national organizations that deliver programs or support for Canadian children and youth. Up to three signature grants, valued at \$50,000 each, can be awarded per year.
- The Indigenous Truth and Reconciliation Signature Grant is available to Indigenous regional or local organizations
 offering programming anchored in the principles of Indigenous truth and reconciliation and which support
 Indigenous children and youth. One Indigenous Truth and Reconciliation Grant of \$50,000 is awarded each year.

The Foundation raises money through customer donations in post offices, employee payroll deductions, and the sale of a special annual stamp. Every dollar raised by the Foundation goes to grants supporting community groups and charities in the provinces where the employees and customers made the donations.





2022 Community Foundation Stamp

The 2022 stamp for the Canada Post Community Foundation was designed by Joanna Todd of Chad Roberts Design. It conveyed the magic of treehouses: how they inspire imagination, offer a place for make-believe, play, and provide a setting in which to dream. Creating spaces for children – literal, virtual, and figurative – is vital. That's why the Canada Post Community Foundation exists. A donation of \$1 from the sale of each booklet of 10 stamps, and 10 cents from every official first-day cover, goes directly to Foundation funding for non-profit groups that make space for children and youth to flourish. The annual Foundation stamp design is chosen by Canada Post frontline retail employees.



2022 Indigenous Truth and Reconciliation Signature Grant

Canada Post is committed to fostering reconciliation with Indigenous Peoples. Our work in this area includes the funding of community programs that support Indigenous children and youth. Our first Indigenous Truth and Reconciliation Signature Grant was awarded in 2022 to the Northern Nishnawbe Education Council in Sioux Lookout, Ontario. This Grant was provided to support their goal of creating stronger bonds, relationships, and understanding between Indigenous and non-Indigenous Peoples across Northern Ontario.

Results - Community Foundation

- \$12.3 million donated to 1,100 initiatives nationwide since 2012.
- In 2022, the Foundation was the recipient of the Dr. David Green Award, Caring Corporate Partner, from the Muscular Dystrophy Association of Canada.

Category	2020	2021	2022
Donations (in millions)	\$1.3	\$1.2	\$1.3
Projects funded	118	100	101









Organization	Region	Initiative
Cerebral Palsy Association in Alberta	Alberta	Funding for an aqua therapy program for children with cerebral palsy.
Goat Mountain Kids Society	British Columbia	Supporting early childhood development, including development of gross and fine motor skills, cultural exploration, neurodevelopment, and more.
Child Nutrition Council of Manitoba, Inc.	Manitoba	Supporting the increased cost of food for school meal and snack programs that are hardest hit by the increased cost of food.
Elementary Literacy Inc.	New Brunswick	Offering evidence-based literacy programming to anglophone and francophone elementary students across New Brunswick.
Menihek High School	Newfoundland and Labrador	Purchase of functional and comfortable seating that allows for independent and group work in the learning commons area.
One Plane Away Donations	North	Teaching young Inuit mothers how to sew Inuit clothing for their children.
Soaring Eagle Friendship Centre	North	Host community youth nights every Saturday evening.
Coastarts Association	Nova Scotia	Launching a new series of programs aimed at school children in the community who face inclusion barriers.
Northern Nishnawbe Education Council	Ontario	Wake The Giant - A movement that helps connect Indigenous and non-Indigenous youth together through strong relationships and understanding.
Shalem Mental Health Network	Ontario	Providing subsidized counselling to families and children.
Parkdale Elementary School	Prince Edward Island	Upgrading and renovating various parts of the school to celebrate their diverse community.
Phelps Helps	Quebec	Improving school perseverance in vulnerable children and young people.
Yellow Quill First Nation	Saskatchewan	Monthly sexual health seminars for at-risk youth and children.

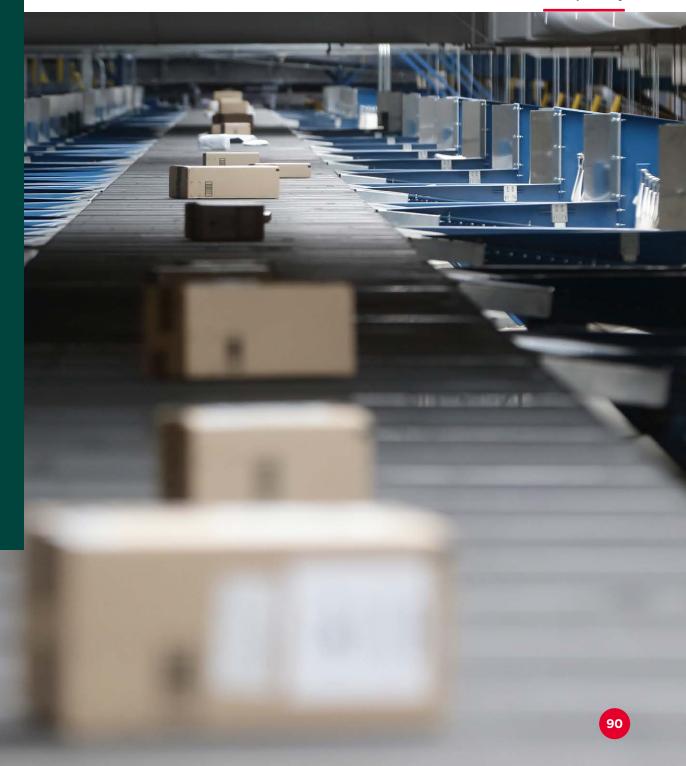
Transparency

In this section:

About this report Global Reporting Initiative (GRI) index

Sustainability Accounting Standards Board (SASB) index

Environmental Action Plan (EAP) progress





About this report

Scope

This report covers the activities and operations of Canada Post Corporation (Canada Post). Canada Post is a federal Crown corporation, reporting to Parliament through the Minister of Public Services and Procurement, and has a single shareholder, the Government of Canada. Canada Post's headquarters are located in Ottawa, Ontario, with operations serving every address in Canada. Information and data provided in this report covers only the Canada Post segment of the Canada Post Group of Companies. Canada Post publishes its Sustainability Report on an annual basis. Unless otherwise stated, this report covers the period from January 1, 2022, to December 31, 2022, in alignment with our financial reporting.

All amounts reported are in Canadian dollars and data calculations are based on the Global Reporting Initiative (GRI) protocols, where possible.

Content and external assurance

Decisions regarding the content of this report were based on a full materiality assessment conducted in 2021 to identify the topics most material to the Corporation. This assessment has helped inform where we should focus environmental, social and governance (ESG) strategy and reporting based on our business impacts and stakeholder priorities. We provided yearly comparative data when available either in this report or in the companion ESG data supplement. The Corporation believes the information in this report to be accurate. External assurance was conducted on selected data, including 100% of our scope 1 and 2 greenhouse gas (GHG) emissions, 60% of our scope 3 emissions, and our health and safety key performance indicators (KPIs) (total injury frequency rate, lost time injury frequency rate, total injury severity, motor vehicle collision rate, slips, trips and falls, and manual material handling incidents). Going forward, we will be expanding the scope of external assurance to include additional ESG KPIs.

ESG reporting frameworks

This report was prepared using the GRI as of basis of reference. Information on specific indicators is outlined in the <u>GRI index</u> section. This report also integrates disclosure standards and indicators from the Sustainability Accounting Standards Board (SASB) and Air freight and logistics sector standard that are relevant to Canada Post as outlined in the SASB index section of this report.

Questions or comments related to this report may be directed to $\underline{esg@canadapost.postescanada.ca}$.





Global Reporting Initiative (GRI) index

This report has been prepared using the Global Reporting Initiative (GRI) Standard. The index below lists where you can find information related to each GRI criterion – either within this 2022 Sustainability Report, the ESG data supplement, or through links to other sources as required. For some indicators, we provide a short statement within the index with comments or further information.

For a summary of ESG key performance indicators over the last 3 years, please refer to our ESG data supplement.

General disclosures

Disclosure Number	Requirements	Response				
Organizatio	Organizational profile					
2-1	Organizational details	See About this report.				
2-2	Entities included in the organization's sustainability reporting	See About this report.				
2-3	Reporting period, frequency and contact point	See About this report.				
2-4	Restatements of information	Restatements were made to our 2019, 2020 and 2021 GHG Inventories as a result of methodology updates to increase the accuracy of our GHG emissions reporting. See <u>Climate action</u> .				
2-5	External assurance	See About this report.				
2-6	Activities, value chain, and other business relationships	See <u>Our business</u> . There have been no significant changes to our activities, value chain and other business relationships in the reporting year.				
2-7	Employees	See <u>Our people</u> , and <u>Equity, diversity, and inclusion</u> . Data provided reflects headcount as of December 31, 2022.				
2-8	Workers who are not employees	Our contracted employees are included in our total number of full-time employees. Canada Post contracted employees provide on-call support to support our operational demands.				
		See Our people. Data provided reflects headcount as of December 31, 2022.				
2-9	Governance structure and composition	See Corporate governance.				
		See also: Board tenure and responsibility details: Canada Post website: Role of the Board.				
		Board gender and diversity details: Canada Post website: Board of Directors biographies, Board diversity				



Disclosure Number	Requirements	Response
2-10	Nomination and selection of the highest governance body	See Corporate governance.
2-11	Chair of the highest governance body	See Corporate governance.
2-12	Role of the highest governance body in overseeing the management of impacts	See <u>Corporate governance</u> .
2-13	Delegation of responsibility for managing impacts	See Corporate governance.
2-14	Role of the highest governance body in sustainability reporting	See <u>Corporate governance</u> .
2-15	Conflicts of interest	See Corporate governance.
2-16	Communication of critical concerns	Canada Post handles critical concerns from stakeholders, citizens and customers through corporate correspondence, escalating critical issues to senior management. Canada Post also handles concerns from municipal, provincial and federal governments through established government and community affairs channels, escalating critical issues to senior management who in turn communicate critical issues to the Board of Directors. See Corporate governance.
2-17	Collective knowledge of the highest governance body	See Corporate governance.
2-18	Evaluation of the performance of the highest governance body	See <u>Corporate governance</u> . See also: Canada Post website: <u>Corporate governance</u> and <u>Role of the Board</u> .
2-19	Remuneration policies	See Corporate governance. See Government of Canada website: Performance Management Program for Chief Executive Officers of Crown Corporations. See Government of Canada website: Salary ranges and maximum performance pay for Governor in Council appointees.
2-20	Process to determine remuneration	See Government of Canada website: Performance Management Program for Chief Executive Officers of Crown Corporations. See Government of Canada website: Salary ranges and maximum performance pay for Governor in Council appointees.
2-21	Annual total compensation ratio	See ESG data supplement.



Disclosure Number	Requirements	Response
2-22	Statement on sustainable development strategy	See Message from the Chair of the Board.
2-23	Policy commitments	See Ethics and Canada Post.
2-24	Embedding policy commitments	See Ethics and Canada Post, Responsible investment and Responsible procurement.
		Corporate policies outline Canada Post's commitments or expectations on issues of importance to its business operations and reputation.
		 are intended to guide decisions, actions, conduct and practices and are necessarily broad to enable the Corporation to address issues consistently across its entire operation.
		 apply to every employee. define the parameters (standards/expectations) within which present and future management decisions should be made, as well as guide actions and conduct within Canada Post and outsiders. Policies address internal needs (e.g., conflict of interest), external trends (e.g., contributions, marketing and competitive practices) and legislated requirements (e.g., official languages, access to information, privacy).
		Policies provide a foundation for internal operational and administrative decisions. They are consistent with the direction of the <u>Code of Conduct</u> and provide information for a specific area of business.
		Business practices standardize the way Canada Post operates and applies policies, rules and relevant decisions. By describing how something should be done, business practices allow for consistent operation across the entire Corporation. Business practices are directed to specific groups of employees. For example, the hiring practice is directed to team leaders.
2-25	Processes to remediate negative impacts	See Fostering reconciliation with Indigenous Peoples, Ethics and Canada Post, Climate action, Zero waste, Sustainable delivery, Equity, diversity, and inclusion, and Labour relations.
2-26	Mechanisms for seeking advice and raising concerns	See Ethics and Canada Post and Labour relations.
2-27	Compliance with laws and regulations	See Ethics and Canada Post.
2-28	Membership associations	Canada Post's memberships include: PAC Global, the Canada Green Building Council, Climate Engagement Canada, Climate Action 100+, Canadian Council for Aboriginal Business, Canadian Aboriginal and Minority Supplier Council, Women Business Enterprises Canada Council, Sustainable Mail Group, Urban Delivery Solutions Initiative (USDI) and the Rick Hansen Foundation, among others.
2-29	Approach to stakeholder engagement	See Stakeholder engagement and materiality.
2-30	Collective bargaining agreements	See <u>Our People</u> and <u>Labour relations</u> .



Disclosure Number	Requirements	Response
Material to	pics	
3-1	Process to determine material topics	See Stakeholder engagement and materiality.
3-2	List of material topics	See Stakeholder engagement and materiality.
3-3	Management of material topics	See <u>Stakeholder engagement and materiality</u> for a high-level overview of how we manage our material topics.
		Details on the management of each material topic are reported in the relevant section of this report.
Economic p	performance	
201-1	Direct economic value generated and distributed	See Our business.
		Also see: ESG data supplement
		2022 Canada Post Annual Report, Executive Summary, p. 2
201-2	Financial implications and other risks and opportunities due to climate change	See <u>Climate action</u> and our <u>2022 TCFD Report</u> .
201-3	Defined benefit plan obligations and other retirement plans	See Talent acquisition and retention.
201-4	Financial assistance received from government	No financial assistance was received from the government during the reporting period.
203-1	Infrastructure investments and services supported	See Our business.
203-2	Significant indirect economic impacts	See Our business.
Procureme	nt practices	
204-1	Proportion of spending on local suppliers	In 2022, 94% of addressable spend was with local suppliers within Canada.



Disclosure Number	Requirements	Response			
Anti-corruption .					
205-1	Operations assessed for risks related to corruption	Security and Investigation Services (S&IS) is responsible for oversight and interpretation of Canada Post's Anti-Fraud Policy and is accountable for maintenance. S&IS will conduct investigations in accordance with established investigative processes and procedures consistent with regulatory and legislative requirements. In addition, S&IS will investigate other categories of fraud that have failed to be captured by the legislative requirements, such as cyber-fraud, data breach, suspicious money laundering activities, insider threat, mail forward fraud, etc., to ensure that all emerging categories of fraud continue to be monitored or prevented. Investigation results will not be disclosed or discussed other than with those persons who have a legitimate right and need to know. Canada Post will seek restitution for any losses incurred from an act of fraud against Canada Post.			
205-2	Communication and training about anti-corruption policies and procedures	Canada Post has an internal policy in place for Anti-Fraud. Employees are required to adhere to these policies as laid out in our Code of Conduct. For more details see Canada Post Code of Conduct.			
205-3	Confirmed incidents of corruption and actions taken	See Ethics and Canada Post.			
Anti-compe	etitive behaviour				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	See Ethics and Canada Post.			
Materials					
301-1	Materials used by weight or volume	Not yet reported.			
301-2	Recycled input materials used	See <u>Sustainable delivery</u> .			
301-3	Reclaimed products and their packaging materials	See <u>Sustainable delivery</u> .			
Energy					
302-1	Energy consumption within the organization	See Climate action.			
302-3	Energy intensity	See ESG data supplement.			
302-4	Reduction of energy consumption	See Climate action.			



Disclosure Number	Requirements	Response		
Emissions				
305-1	Direct (Scope 1) GHG emissions	See Climate action.		
305-2	Energy indirect (Scope 2) GHG emissions	See Climate action.		
305-3	Other indirect (Scope 3) GHG emissions	See Climate action.		
304-4	GHG emissions intensity	See Climate action.		
305-5	Reduction of GHG emissions	See Climate action.		
305-6	Emissions of ozone-depleting substances (ODS)	Canada Post does not currently have any ODS emissions through the operations of its business.		
305-7	Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	See ESG data supplement.		
Waste				
306-1	Waste generation and significant waste-related impacts	See Zero waste.		
306-2	Waste by type and disposal method	See Zero waste.		
306-3	Waste generated	See Zero waste.		
306-4	Waste diverted from disposal	See Zero waste.		
306-5	Waste directed to disposal	See Zero waste.		
Employmen	nt			
401-1	New employee hires and employee turnover	See Talent acquisition and retention.		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	See Talent acquisition and retention.		
401-3	Parental leave	See Talent acquisition and retention.		
Labour/mar	nagement relations			
402-1	Minimum notice periods regarding operational changes	Our collective agreements include provisions for notification of changes, such as technical or technological changes (normally 120 days) and reorganization or restructuring (normally 30-90 days). The status of those collective bargaining agreements is reflected on page 74 of this report.		



Disclosure Number	Requirements	Response
Occupation	al health and safety	
403-1	Occupational health and safety management system	See Health, safety, and wellness.
403-2	Hazard identification, risk assessment and incident investigation	See <u>Health</u> , safety, and wellness.
403-3	Occupational health services	See <u>Health</u> , safety, and wellness.
403-4	Worker participation, consultation, and communication on occupational health and safety	See <u>Health</u> , safety, and wellness.
403-5	Worker training on occupational health and safety	See <u>Health</u> , safety, and wellness.
403-6	Promotion of worker health	See <u>Health</u> , safety, and wellness.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See <u>Health</u> , safety, and wellness.
403-8	Workers covered by an occupational health and safety management system	See <u>Health</u> , safety, and wellness.
403-9	Work-related injuries	See Health, safety, and wellness.
403-10	Work-related ill health	See Health, safety, and wellness.
Training an	d education	
404-1	Average hours of training per year per employee.	See Employee engagement.
404-2	Programs for upgrading employee skills and transition assistance programs	See Employee engagement.
404-3	Percentage of employees receiving regular performance and career development reviews	See Employee engagement.
Diversity ar	nd equal opportunity	
405-1	Diversity of governance bodies and employees	See Corporate governance, Our people, and Equity, diversity, and inclusion.
405-2	Ratio of basic salary and remuneration of women to men	See Equity, diversity, and inclusion.



Disclosure		
Number	Requirements	Response
Non-discrir	nination	
406-1	Incidents of discrimination and corrective actions taken	See Equity, diversity, and inclusion.
Freedom of	f association and collective bargaining	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See <u>Labour relations</u> .
Child labou	r	
408-1	Operations and suppliers at significant risk for incidents of child labour	Canada Post operations are conducted solely within Canada and the Corporation deems that there is no significant risk for incidents of child labour. No supplier was identified as having significant risk for incidents of child labour.
		Canada Post has issued guidelines that require suppliers to comply with and uphold all applicable international standards and domestic laws related to human and labour rights. During an RFP process, due diligence is carried out through rated requirements, customer references and site visits to evaluate supplier experience and expertise for all contracts that warrant it. For projects where a subcontractor performs the majority of the work, CPC's contractors are required to perform the same due diligence, and are held responsible for the quality and punctuality of the work performed.
		See Canada Post's Supplier Code of Conduct.
Forced or c	ompulsory labour	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Canada Post operations are conducted solely within Canada and the Corporation deems that there is no significant risk for incidents of forced or compulsory labour. No supplier was identified as having significant risk for incidents of forced or compulsory labour.
		Canada Post has issued guidelines that require suppliers to comply with and uphold all applicable international standards and domestic laws related to human and labour rights. During an RFP process, due diligence is carried out through rated requirements, customer references and site visits to evaluate supplier experience and expertise for all contracts that warrant it. For projects where a subcontractor performs the majority of the work, CPC's contractors are required to perform the same due diligence, and are held responsible for the quality and punctuality of the work performed.
		See Canada Post's Supplier Code of Conduct.



Disclosure					
Number	Requirements	Response			
Rights of Ir	ndigenous Peoples				
411-1	Incidents of violations involving rights of Indigenous Peoples	In 2022, Canada Post did not have any legal action or complaint registered against it involving the rights of Indigenous Peoples.			
		See <u>Fostering reconciliation with Indigenous Peoples</u> for details on our Indigenous and Northern Reconciliation Strategy.			
Local comn	nunities				
413-1	Operations with local community engagement, impact assessments, and development programs	See Our business, Accessibility at Canada Post, Fostering reconciliation with Indigenous Peoples and Community Foundation.			
Public polic	:y				
415-1	Political contributions	Canada Post is a federal Crown corporation and does not make financial or in-kind contributions to political parties or politicians.			
Marketing a	and labelling				
417-2	Incidents of non-compliance concerning product and service information and labelling	In 2022, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.			
417-3	Incidents of non-compliance concerning marketing communications	In 2022, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.			
Customer privacy					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See <u>Privacy</u> .			



Sustainability Accounting Standards Board (SASB) index

This report also contains information in line with the recommendations of the Sustainability Accounting Standards Board (SASB) – Air Freight and Logistics industry classification. The index below lists where you can find information related to each SASB accounting metric – either within this 2022 Sustainability Report, the ESG data supplement, or through links to other sources as required. For some indicators, we provide a short statement within the index with comments or further information.

For a summary of key ESG KPIs over the last 3 years, please refer to our ESG data supplement.

SASB disclosure						
code	Accounting metric	Response				
Greenhouse Ga	as Emissions					
TR-AF-110a.1	Gross global Scope 1 emissions	See Climate action.				
TR-AF-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See <u>Climate action</u> and our <u>2022 TCFD Report</u> .				
TR-AF-110a.3	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	See Climate action.				
Air Quality						
TR-AF-120a.1	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x , and (3) particulate matter (PM10)	See ESG data supplement.				
Labour Practice	es					
TR-AF-310a.1	Percentage of drivers classified as independent contractors	N/A				
TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	N/A				
Employee Heal	Employee Health and Safety					
TR-AF-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	See <u>Our people</u> and <u>Health, safety, and wellness</u> .				



SASB disclosure		
code	Accounting metric	Response
Supply Chain M	lanagement	
TR-AF-430a.1	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	N/A
TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	See ESG data supplement.
Accident and S	afety Management	
TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	See Health, safety, and wellness.
TR-AF-540a.2	Number of aviation accidents	N/A
TR-AF-540a.3	Number of road accidents and incidents	See Health, safety, and wellness.
TR-AF-540a.4	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	N/A
Activity Metric	s	
TR-AF-000.A	Revenue ton kilometers (RTK) for: (1) road transport and (2) air transport	N/A
TR-AF-000.B	Load factor for: (1) road transport and (2) air transport	N/A
TR-AF-000.C	Number of employees, number of truck drivers	See Our people



Environmental Action Plan (EAP) progress

In October 2021, we published our Environmental Action Plan, establishing short-term priority actions under four pillars: Climate action, Zero waste, Sustainable delivery and Employee engagement. We committed to disclosing our progress annually in our Sustainability Report. Here's a view of what has been accomplished as of December 31, 2022.

Climate a	action	Status		
Target	Near term: Reduce scope 1 and scope 2 GHG emissions by 50% by 2030 (from a 2019 base year).			
	Long term: Reach net-zero GHG emissions across the Canada Post value chain by 2050 (from a 2019 base year). This means reducing scope 1, 2 and 3 emissions by 90% by 2050.			
1	Develop a climate strategy and signature target in line with our long-term vision of net-zero emissi	ons by 205	50.	
1.1	Establish GHG reduction targets for scopes 1, 2 and 3 transportation and building emissions.	\odot	See <u>Climate action</u> .	
2	Prioritize alternative propulsion vehicles as we progressively renew and grow our fleet.			
2.1	Pilot new models of zero-emission delivery vehicles.	\odot	See <u>Decarbonizing our fleet</u> .	
2.2	Continue deploying alternative propulsion vehicles.	\odot		
3	Design and build new buildings to be net zero carbon-ready.			
3.1	Pilot on-site renewable energy generation, net zero carbon-ready concepts and certifications for new plants and depots.	\odot	See <u>Decarbonizing our buildings</u> .	
3.2	Pilot on-site renewable energy generation and zero-carbon building features for a new rural corporate post office concept.	\odot		
4	Establish a long-term plan to reduce GHG emissions from buildings across the real estate portfolio.			
4.1	Establish key energy-conservation tasks that reduce GHGs in plants and depots.	Ŀ	As part of 4.2, behaviour change modules will be introduced to teams in plants and depots.	
4.2	Develop and implement a retrofit strategy for existing buildings in the real estate portfolio.	⊘	See Decarbonizing our buildings.	
4.3	Implement a renewable energy procurement and management strategy working with partners in government.	⊘		
	⊘ Complete (On tra	ck L To be completed X Incomplete	

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Climate	action	Status		
5	5 Implement initiatives to reduce emissions from scope 3 subcontracted transportation, rural fleet, employee conveyance, and business travel.			
5.1	Engage key transport vendors with highest contribution to Canada Post's carbon emissions.	(See Responsible procurement.	
5.2	Update business travel policy to encourage low-carbon transportation options such as rail, public transit, teleconferencing, and video conferencing.	<u>(L)</u>	Business travel practice to be delivered in 2023. Also working on updating booking tools to identify environmentally preferable options.	
5.3	Develop a program that incentivizes Rural and Suburban Mail Carriers to reduce their vehicle GHG emissions.	(

Zero wa	ste	Status		
Target	Divert at least 90% by weight of non-hazardous operational waste by 2030 and 90% of all construction and demolition waste by 2030.			
	Eliminate the unnecessary use of single-use plastics in Head Office, corporate events and meetings by 2020 and Canada Post operations by 2022.			
6	Conduct waste audits at key facilities.			
6.1	Review waste audit results and work with local sites to identify and implement opportunities for improvement.	(See Zero waste.	
7	Establish waste diversion targets for key facilities and track performance.			
7.1	Work with key sites to understand current diversion performance and set 2022 improvement goals.	\bigoplus	See <u>Zero waste</u> .	
7.2	Optimize existing composting services and extend to key facilities where municipal services exist.	(
8	Track and log materials diverted from landfill.			
8.1	Implement an ongoing tracking process at key sites to capture all materials diverted from landfills through reuse, recycling, or donation practices.	(See <u>Zero waste</u> .	











Zero wa	ste	Status		
9	Pilot reuse strategies in operations.			
9.1	Develop and implement reusable equipment management strategies that reduce the need for disposable options.	Ŀ		
9.2	Refurbish mechanical parts for plant equipment and machines.	Ŀ	While no formal plan is in place, parts are refurbished routinely as part of maintenance.	
9.3	Collect and aggregate smaller materials for reuse or recycling.	(
10	Phase out unnecessary single-use disposable plastic from all Canada Post activities, events, and ope	erations.		
10.1	Establish and communicate a policy to discourage the use and procurement of unnecessary single-use disposable plastics.	⊘	Single-Use Plastics Practice document published in 2021.	
10.2	Phase out single-use plastics and bottled water from all Canada Post and bargaining agent meetings and events.	⊘	See Zero waste.	
10.3	Test and implement solutions that reduce, reuse or recycle single-use plastics used in Canada Post daily operations.	×		
10.4	Work with vendors to find solutions to eliminate or replace unnecessary single-use disposable plastics in on-site cafeterias, vending machines, catered events and the Corporate Pride catalogue.	⊘	See Zero waste.	
11	Work with major vendors on disclosure of environmental performance.			
11.1	Establish zero-waste policy and contract specifications to reduce construction waste.	(Waste Management Practice published in 2021. See Zero waste for update on construction waste.	
11.2	Engage third-party cleaning and waste management services to ensure alignment with zero-waste policy and goals.	(See Zero waste.	













Sustaina	ble delivery	Status		
Target	let Implement and promote sustainable solutions for parcels and mail (material selection, packaging and shipping) by 2022.			
12	Reduce the environmental footprint of our retail and ecommerce packaging by sourcing more sustainable materials and phasing out plastic film.			
12.1	Replace virgin plastic packaging with recycled content and explore the use of compostable and fibre-based materials.	(See <u>Sustainable delivery</u> .	
12.2	Discontinue packaging bundles merchandized in retail with single-use plastics.	\odot		
12.3	Improve consumer facing Canada Post packaging communication to increase recycling awareness.	\odot		
13	Engage customers and industry on environmental and sustainable best practices for parcels and ma	ail through	thought leadership.	
13.1	Recognize and celebrate e-commerce and mail industry success in sustainable environmental practices at the Canada Post E-commerce Innovation Awards and Expert Partner Conference.	(See <u>Sustainable delivery</u> .	
13.2	Work with the mail industry to create and promote best practices for the creation of sustainable mail.			
14	Test and act on market interest for carbon neutral shipping, low-carbon shipping, and circular econo	my solutio	ns.	
14.1	Launch a smart carbon shipping option.	igorphi	See <u>Sustainable delivery</u> .	
14.2	Launch a reusable packaging model that leverages the postal network.	(A reusable package was piloted in 2021 but did not meet Canada Post's needs. Further research is underway.	
15	Develop partnerships to reduce plastic packaging waste and plastic in the mail stream, ease urban congestion, and support sustainable cities.			
15.1	Support the sustainable cities agenda by testing future delivery models.	\bigoplus		
15.2	Map the volume of plastic in the mail stream.	Ŀ	Will be done in 2023.	
15.3	Work with industry and subject-matter experts on innovations to reduce plastic in the mail stream.	(See <u>Sustainable delivery</u> .	



 \bigcirc Complete \bigcirc On track \bigcirc To be completed \bigcirc Incomplete







Engage our workers		Status	
Target	Canada Post is recognized as an environmentally sustainable employer by 60% of its workers by the end of 2022.		
16	Engage our workers on taking climate action.		
16.1	Promote sustainable modes of commuting such as carpooling, public transit and active transportation.	\odot	
16.2	Pilot electric vehicle charging stations for our workers and host an electric vehicle day with purchase incentives.	\odot	
17	Empower our workers with the tools and training to make responsible decisions that reduce Canada Post's environmental footprint.		
17.1	Develop and implement general and job-specific environmental training, guidelines, job aids, and peer-to-peer training with input from bargaining agents.	\otimes	
17.2	Establish national funding and approval mechanism called the Sustainability Action Fund that allows our workers to tap into resources to launch local environmental initiatives.	\odot	See Engaging our employees.
18	Build pride and culture through participation in local environmental initiatives and collective activities.		
18.1	Share success stories and best practices to engage our workers to participate in local environmental initiatives.	\odot	See Engaging our employees.
18.2	Host marquee events to encourage environmental action in the community such as tree planting and shoreline clean-ups.	\odot	See Engaging our employees.
19	Communicate our progress regularly to our workers to increase awareness.		
19.1	Develop and implement a plan for joint internal communications on environmental goals, initiatives and progress.	(In September 2022, we published our first Sustainability newsletter communicating environmental goals and providing highlights of selected initiatives to all employees. We will continue to publish this on a quarterly basis.







For more information visit: canadapost.ca/sustainability

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