

1. Policy statement

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. We're committed to playing a leading role in delivering a stronger, more inclusive and greener Canada for our customers, communities and employees. Our approach to corporate sustainability enables us to deliver on this commitment.

It is our policy to conduct our operations in a safe, ethical, inclusive, transparent, and socially and environmentally responsible manner. We are taking a leadership role in the transition to a low-carbon economy, respecting human and Indigenous rights, and meaningfully engaging with our employees and the communities where we live and work.

2. Scope

The Sustainability Policy applies to all Canada Post employees as well as to activities undertaken on behalf of Canada Post by third parties or contract workers. Where we do not have operating control, we encourage our partners to demonstrate the commitments reflected in the Policy.

3. Definitions

Corporate sustainability is a business strategy for long-term growth that works in harmony with people, profit and the planet. It means following a responsible business model that considers the health of the planet as well as the social and economic well-being of people.

ESG refers to a framework of environmental, social and governance key performance indicators (KPIs) used to evaluate corporate sustainability. It is a framework by which companies can measure and report on their sustainability impacts through three lenses.

Governance refers to the oversight, structures, policies, rules and controls related to a company's ownership, leadership, processes and risk management.

Circularity involves reusing, repairing, refurbishing and recycling existing materials and products as long as possible to extend their life cycle.

Value chain covers every step that a company goes through – from the initial idea through delivery to the customer – to create a good or service. A business' value chain includes initial design, materials sourcing, manufacturing, marketing, sale, delivery and after-sale service.

Biodiversity is the collection of all the different types of life found in any one area. It includes the trees and grass that grow there, the animals that call them home and even the microorganisms, like bacteria, that live on the plants and animals. Biodiversity is all these things living together to create an ecosystem, which allows life to thrive.

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4. More about the Policy

We understand that integrating ESG considerations into our business strategy, risk assessment processes and operating standards is essential to maintaining the long-term sustainability of our business and creating value for all our stakeholders. The Sustainability Policy sets out the principles and values that underpin our commitment to sustainability and strong corporate citizenship.

The contents of the Policy are informed by the principles of the United Nations (UN) Global Compact, the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals.

4.1 Strong governance practices

We conduct our business in an open, transparent, and ethical manner, while maintaining high corporate governance standards that allow us to make sound business decisions and deliver sustainable value for all our stakeholders:

- We promote a culture aligned with our core values of Trust, Respect, and Deliver.
- · We comply with all relevant laws, regulations and codes.
- We conduct business in accordance with our <u>Code of Conduct</u> in our dealings with our customers, competitors, contractors and suppliers.
- We require suppliers to act in line with the expectations set forth in our <u>Supplier Code of Conduct</u>, as well as to take steps to prevent the risk of forced or child labour in our supply chain.

4.2 Leadership in social responsibility

At Canada Post, we put Canadians at the heart of everything we do. We're one of the country's largest employers with a presence in virtually every community, and Canadians expect us to view our responsibility beyond the services we provide. We are proud to take a leading role on key issues facing our nation, while setting an example for others to follow.

How we lead in health, safety and wellness:

- Prioritizing the safety and well-being of our employees, customers and the communities we serve, and promoting a culture of health and safety, including mental health.
- Recognizing and continually reinforcing company-wide efforts to achieve zero injuries and incidents in accordance with our Health and Safety Policy.
- Ensuring that all employees and contractors have the knowledge and ability to safely perform their duties, and expecting our suppliers to do the same for their employees in accordance with our Supplier Code of Conduct.

How we value our employees:

- Promoting equity, diversity and inclusion in our workforce, and providing employees with a
 work environment that is accessible, free from discrimination and harassment, and respects
 both official languages.
- Supporting and respecting the protection of internationally proclaimed human rights and treating everyone fairly and with dignity and respect, regardless of race, gender, disability, sexual orientation or cultural background.
- Upholding freedom of association and the right to collective bargaining for our workforce, as applicable.
- Providing employees with training to ensure they have the skills and knowledge they need to perform their jobs safely and effectively, as well as providing opportunities for coaching and development where possible.
- Fostering positive relationships with our bargaining agents.

How we support our communities:

- Creating positive value for our business, customers, small businesses and communities through our practices, products and services, and community engagement.
- Fostering trusted relationships and opportunities to listen to and collaborate with our people, customers, suppliers and the communities in which we operate.
- Taking action to renew our relationship with Indigenous and northern communities and playing a meaningful role in reconciliation.

4.3 Leadership in environmental responsibility

Canada Post is committed to the reduction of the environmental impact of its operations, including reducing greenhouse gas emissions, reducing waste and promoting circularity, and moving toward sustainable transport operations. We are integrating the protection and promotion of biodiversity into our strategy, and defining the principles of conduct for the development of a business model that aims to follow a nature positive approach, enhancing the resilience of our planet and our societies.

How we reduce our environmental impacts:

- Operating in a manner that minimizes the environmental impacts of our business activities and complies with all environmental laws and regulations.
- Supporting the transition to a low-carbon future through significant greenhouse gas emissions reductions across our operations and our value chain.
- Promoting the efficient and responsible use of natural resources, including, but not limited to, energy resources, water, minerals and forests.
- Adhering to the waste hierarchy of waste reduction, reuse of materials, and recycling, where feasible, to minimize waste across our operations.
- Developing products and services that integrate environmental sustainability as a key design principle.

How we protect and promote biodiversity:

- · Identifying and assessing risks to biodiversity from existing and planned activities.
- Striving to prevent, manage and remediate any damage to natural habitats resulting from our activities.
- Developing and implementing biodiversity management plans with clear targets and action plans, to support the conservation of species, habitats and ecosystems in our areas of operation.

4.4 Transparency

We are committed to transparency regarding the actions we take, the goals we set and the progress we make toward our corporate sustainability and ESG commitments. Here's how we provide our stakeholders with this transparency:

- Reporting on our sustainability and ESG performance through our annual Sustainability Report and associated ESG disclosures.
- Engaging with our stakeholders on how we can continuously improve our sustainability performance.

5. Roles and responsibilities

Senior executives

- Integrate sustainability principles and values into their business and decision-making processes.
- Provide sufficient resources and support to ensure that sustainability principles and values can be implemented.
- Enforce the Sustainability Policy and monitor progress and results.
- Set the example for the rest of the organization by ensuring that their personal actions reflect sustainability principles and values.

Corporate Sustainability and ESG team

- Maintain the content of the Sustainability Policy and promote its awareness.
- Collaborate with all impacted stakeholders to maintain practices, systems, and processes in support of the Policy.
- Measure and report on company performance against the requirements of the Policy, monitor trends and develop responses to address them.
- Provide guidance and support to senior executives, team leaders and employees in the fulfilment of their responsibilities related to the Policy.

Team leaders

- Promote and ensure employee awareness of the Sustainability Policy.
- Communicate openly, honestly, respectfully and often with employees regarding the sustainability principles and values.
- Encourage integration of sustainability principles and values into employees' daily work.

Employees

- Ensure they have read and understood the Sustainability Policy.
- Conduct themselves in a safe, ethical, inclusive, transparent, and socially and environmentally responsible manner in compliance with the Policy.

6. Non-compliance

All Canada Post employees and contractors as well as third parties who conduct business on behalf of Canada Post are responsible for complying with the Sustainability Policy.

For employees, failure to comply with the Policy may result in disciplinary action up to and including dismissal from Canada Post.

For contractors and third parties, failure to comply with the Policy may result in the termination of their relationship with Canada Post.

7. Additional information

Canada Post codes of conduct:

- Code of Conduct
- Supplier Code of Conduct

Related policies and practices:

- Accessibility
- Anti-Fraud
- Customer Privacy
- Conflict of Interest
- Disclosure of Wrongdoings
- Duty to Accommodate
- Employee Privacy
- Enterprise Risk Management
- Environment
- Equality in Employment
- Fair Competition
- Health and Safety
- Official Languages
- Policy and Framework for Internal Control Over Financial Reporting (ICFR)
- Proceeds of Crime (Money Laundering) and Terrorist Financing Act Non-Compliance Practice
- Protection of Mail
- Records and Information Management Policy
- Workplace Harassment and Violence Prevention Policy

Sustainability Policy owner: Vice-President, Environmental, Social, Governance (ESG)

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