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# About this report

### Scope

This report covers the activities and operations of Canada Post Corporation (Canada Post or the Corporation). 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 cover 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, 2023, to December 31, 2023, 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 double materiality assessment conducted in 2023 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, financial impacts and stakeholder priorities. We provided yearly comparative data when available either in this report or in the companion **ESG transparency supplement**. The Corporation believes the information in this report to be accurate. External assurance was conducted on selected data, including 100 per cent of our scope 1 and 2 greenhouse gas (GHG) emissions, 70 per cent 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 a basis of reference. It also integrates disclosure standards and indicators from the Sustainability Accounting Standards Board (SASB), air freight and logistics sector standards, and the former Task Force on Climate-related Financial Disclosures (TCFD), now managed by the International Financial Reporting Standards (IFRS) Foundation through the S2 standard for climate-related disclosures. In addition, consideration has been given to align with the IFRS S1 standard for sustainability-related disclosures, where possible. See the <u>ESG transparency supplement</u> for further details and our GRI and SASB indices.

Questions or comments related to this report may be directed to esg@canadapost.postescanada.ca.





# Message from the Chair of the Board

Customers, stakeholders and all Canadians expect more from their governments, companies and organizations. They're raising the bar when it comes to corporate performance on environmental, social and governance (ESG) goals.

Canada Post is responding. We remain committed to our ESG goals and the greener good - and we continue to make progress. We recognize the important responsibility to do our part for a more sustainable, inclusive and equitable future.

In 2023, we continued to take action to reduce emissions from our network. We added electric last-mile delivery vehicles to our fleet for real-world testing, and we cut emissions from our buildings and operations. This included shifting to more than 90 per cent renewable energy in Alberta, and in Saskatchewan in early 2024.

Steps like these will help the company meet its targets of cutting operational emissions by 50 per cent by 2030 and reaching net zero by 2050.

Our employees have told us how much they care about our environmental footprint. We're working hard to ensure they're proud of the leadership we're demonstrating in this area. In our 2023 employee survey, 52 per cent said they recognize the Corporation as an environmentally sustainable employer. While we see this result as very positive, it's also a clear reminder that we have more work to do.

At Canada Post, we're committed to doing right by our people they're at the heart of everything we do. With health and safety as our number one priority, we're on a journey to continuously make our workplaces healthier and safer.

We were pleased to again see improvements in our annual health and safety metrics. For the fifth consecutive year, Total Injury Frequency and Lost-Time Injury Frequency improved from the previous year.

In 2023, we introduced a mental health dashboard to better understand the impacts of mental health on employees and help us focus efforts where they're needed most. The company also implemented a new incident management platform to track all activities related to health and safety incidents - an important tool to improve incident prevention.

In 2023, the ESG Committee of the Board approved some important new corporate policies. These included a sustainability policy that reinforces the company's commitment to conduct operations safely, ethically, and in a socially and environmentally responsible way, and an accessibility policy that underlines our commitment to providing accessible programs and services for all Canadians.



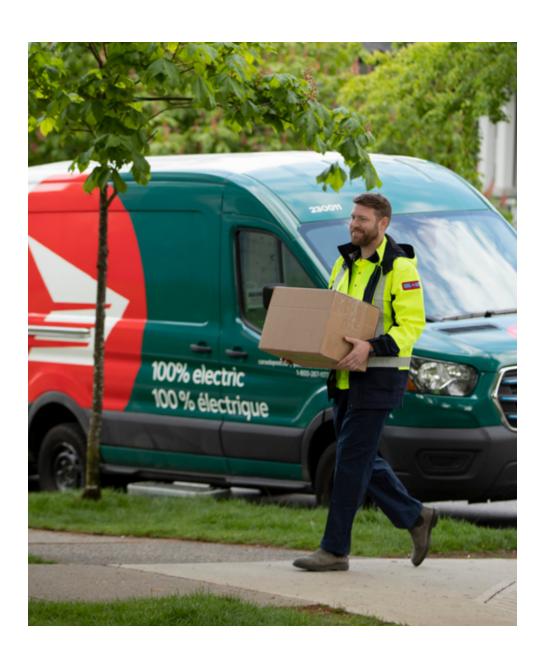
Suromitra Sanatani LL.B., ICD.D Chair of the Board of Directors



As we continue to make progress on ESG, it's always rewarding to receive recognition along the way. In 2023, Canada Post received the Rick Hansen Gold certification for the accessibility features included in our Albert Jackson Processing Centre, which officially opened last fall. The company's largest, greenest and fastest parcel sorting facility was its second building to receive this certification. The Rick Hansen Foundation also recognized Canada Post as a leader for its commitment to removing barriers in our buildings and properties.

Canada Post was just as honoured to be named one of Corporate Knights' Best 50 Corporate Citizens, for its commitment to a cleaner future for Canadians. The Corporation received top-quartile scores on carbon productivity, diversity on the leadership team and Board, and sustainable investment, among other key indicators.

In closing, it has been a tremendous honour to serve on the Board of Directors, especially the last four years as Chair. When I look at how far we've progressed on our journey to become a safer, greener and more inclusive organization, I can't help but feel a tremendous source of pride. These accomplishments also demonstrate the strong alignment that's been established between the Board and Senior Management. This will serve the organization well as it continues to evolve to reflect and serve the changing needs of the country. Thank you to the Government of Canada for this incredible opportunity.





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

Reflecting on 2023, Canada Post President and CEO Doug Ettinger and Carrie Chisholm, Vice-President, Environment, Social, Governance (ESG), took some questions about the company's achievements over the past year, and provided an update on the company's transformation. Their discussion is below.

One of the pillars of Canada Post's transformation is your commitment to environmental leadership. How is the transformation going and what progress was made on climate action in 2023?

**Doug:** Our transformation plan is critical to Canada Post's future. It includes investments in service and capacity to help position the company to compete in ecommerce delivery. It also invests in action on the environment and key initiatives on ESG.

In terms of climate progress in 2023, we continued to green our facilities, completing 15 greenhouse gas reduction projects. Work on electrifying our fleet is also ongoing. We now have six sites using electric vehicles, including two fully electric depots. And we continued to purchase electric vehicles to try them out in our network and learn, before a broader rollout.

Given some of the company's current financial challenges and the softening of the ecommerce market, we took the decision to slow some of our transformational investments. Our transformation is still going ahead, and we will see a continued reduction in our greenhouse gas emissions, just at a slower pace for some projects. I'll be the first to acknowledge we have a lot more work to do. We know that. But we remain committed to our ESG and environmental goals – and we'll continue to make progress this year. ESG is core to our transformation and our climate targets for 2030 and 2050 haven't changed. We're already cutting our emissions on the road to net zero. We'll keep working toward an all-electric last-mile fleet by 2040.

I also want to add that 2023 was another big year for health and safety – our number one priority. We again improved on our key metrics. For the fifth straight year, we improved total injury frequency and lost-time injury frequency rates. I'm so proud of our people – it takes all of us to achieve that.

**Carrie:** Transitioning to a low-carbon operating model is an important aspect of our environmental sustainability strategy. We're looking at cutting GHGs, waste, and our use of natural resources across the company.

In 2023 we continued to take steps in our shift to net-zero emissions by moving to over 90 per cent renewable electricity in Alberta, followed by Saskatchewan in early 2024. As Doug mentioned, we also moved forward with work on our buildings, replacing HVAC systems with more efficient electric systems and installing rooftop solar panels in Calgary, Halifax and Toronto.



Doug Ettinger
President and CEO,
Canada Post



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



As of early 2024, there are fewer than 10 companies globally in the transportation and logistics sector that have a net-zero target officially approved by the Science Based Targets initiative (SBTi). We're honoured to be one of them – and the only Canadian company among those 10.

Another important achievement was that we received an A- from CDP, an organization that scores companies on their environmental disclosure and performance. We earned this score for implementing best practices to manage climate-related issues.

# Carbon-neutral shipping was a big announcement for the company in 2023. How did this come about?

**Carrie:** Canadians look to us to help build a stronger, more sustainable future. We understand the urgency of reducing emissions and the need to move faster. In the short term, we can take steps to help Canadians and businesses make sustainable shipping choices.

Our carbon-neutral shipping service involves the purchase of high-quality, accredited carbon offsets in amounts equivalent to the emissions generated by our ground shipping services. We prioritize Canadian, nature-based offset projects that are Indigenous owned or led.

Canadians expect us to reach our climate targets, so the move is really a complement to our emissions-reduction initiatives. Day to day, week to week, we're working toward our science-based targets – cutting our operational emissions by 50 per cent by 2030 and achieving net-zero emissions by 2050.

We'll continue to make absolute emissions reductions across our operations and value chain, and as we do that, we can also provide carbon-neutral shipping.

**Doug:** That's exactly it. Canadians care about the environment and want to understand the carbon footprint associated with their deliveries. They want to support sustainable companies.

Our customers now have the comfort and confidence of knowing that all their ground deliveries with us are carbon neutral. From March 2023 through the end of the year, we made over 168 million carbon-neutral deliveries for our customers.

# Your zero-waste plan commits to divert 90 per cent of waste from landfill. Do you have an update?

**Doug:** This is another important commitment. As a national company with operations from coast to coast, we know our footprint is enormous. We have to do our part to cut waste wherever we can – that's what this commitment is all about.

**Carrie:** We've been investing in our largest facilities to drive waste reductions. In 2023, we launched our zero-waste program at the Léo-Blanchette facility in Quebec, and we'll roll out the program at 10 more plants and 70 depots in 2024. The zero-waste program includes new waste and recycling bins, improved signage, targeted communications and change management to support our waste-diversion and waste-reduction efforts.

We're also looking at sustainable packaging, sustainable equipment, and the reselling of used items from our operations. We want to encourage reuse and recycling wherever we can. In 2023, we also increased the amount of recycled content in our plastic bubble mailers, from 23 per cent to 50 per cent.

**Doug:** Overall, it's a great example of our commitment on the environment. We're committed to that leadership for Canadians, whether it's reducing waste or achieving net-zero emissions across our operations and supply chain. Canadians expect that of us, and so do our customers and employees. It's up to us to deliver on it.



## How we create sustainable value

We're committed to transforming our business in a sustainable way, by investing in our people, our operations, and the planet.

#### 2023 Inputs

### **Our business**

#### 2023 Outputs

#### Financial capital

**\$743M** invested in our network and operations

**\$4.9B** in wages and benefits

\$2.9B in goods and services purchased

#### Natural capital

714M kWh of energy used

50% of electricity used was renewable and 88% non-emitting

**\$305M** invested in renewable energy through the Canada Post Pension Fund

#### **Human capital**

**68,318** employees

927,500 hours of training delivered to employees **\$64.6M** in employer contributions to pension plans

#### Social capital

**\$15.0M** invested to improve accessibility for employees and customers

\$13.5M donated through our Community Foundation since 2012

**\$3.2M** invested to enhance and expand postal services for Indigenous and northern communities

#### **Purpose**

**A Stronger Canada** 

- Delivered



Values

Trust, Respect, **Deliver** 

#### What we do

Collect, Process, **Transport, Deliver** 



#### **Network statistics**

- 17.4M points of delivery
- **5,789** post offices
- 1.7M post office boxes
- **22.411** street letter boxes
- 219,579 community mailbox sites
- 14.800+ vehicles in our fleet

#### Responsible business practices

\$6.9B revenues

22% year-over-year growth with diverse suppliers

3.94 maturity score (on a scale of 1 to 5) for our cybersecurity program

45% reduction in human rights complaints

#### **Environmental stewardship**

Achieved 16.6% reduction in scope 1 and 2 emissions compared to 2019

27,902 tonnes of waste diverted from landfill 100 fully electric delivery vans added to our fleet

#### People and culture

**9.183** new hires

7% Employee and Family Assistance Program utilization

**5,600** Rural and Suburban Mail Carriers trained on collision avoidance

**58,910** participants in the Canada Post pension plans

#### Socio-economic impact

6.5 billion pieces of mail, parcels and messages delivered

**16,753** active delivery accommodations

**82,000** small businesses supported through Canada Post Solutions for Small Business™



# 2023 ESG highlights

#### **Responsible business practices**

#### **Corporate governance**



45% women, 9% visible minorities, 9% Indigenous people on the Board of Directors

#### Sustainable procurement

**4.0%** procurement spend with Indigenous suppliers, surpassing our 2023 target of 3.5%

#### Responsible investment



**\$305M** invested in renewable energy and energy storage through the Canada Post Pension Fund

#### **Public policy programs**

**671K** items delivered for people who are blind or partially sighted

**942K** shipments of materials benefited from reduced postage



**189K** parcels delivered to Canadian Armed Forces members deployed overseas during the holiday season since 2006

#### **Environmental stewardship**

#### **Emissions reduction and decarbonization**

**18.9%** decrease in scope 1 and 2 emissions intensity (kt CO<sub>2</sub>e/billion dollar revenue) compared to 2019

**16.6%** decrease in scope 1 and 2 emissions since 2019

10.4% decrease in scope 3 emissions since 2019

88% non-emitting electricity consumed



#### **People and culture**

#### **Health and safety**

15.3% reduction in lost-time injury rate



#### Equity, diversity and inclusion

Senior management<sup>1</sup> team includes

41.7% women, 20.8% people with disabilities,

13.9% visible minorities

#### **Talent management**

927,500 training hours delivered

1. Includes general managers and above; based on self-identification.

#### Sustainable products and services

168M carbon-neutral shipments in 2023

80% recycled content in prepaid envelopes and 74% recycled content in flat-rate and mailing boxes

#### Zero waste

67.1% of waste diverted from landfill







# 2023 ESG highlights (continued)

#### Socio-economic impact

**Investing in small business** 

**\$500K** in prizes given through Tales of Triumph program

**495K** packages shipped with lightweight shipping program

**82K** small businesses took advantage of our Free Shipping Tuesday initiative

#### **Indigenous communities**

\$3.2M invested to enhance and expand postal services in Indigenous and northern communities

\$4.4M street value of non-mailable matter intercepted from mail items destined for Indigenous and northern communities



#### **Accessibility**

92% digital accessibility across all active digital products, surpassing our target of 90.8%

Albert Jackson Processing Centre certified to Rick Hansen gold standard for accessibility





#### **Community Foundation**

\$1.2M donated to 84 initiatives nationwide in 2023

#### **Awards and recognition**



**Corporate Knights Best 50 Corporate Citizens** Canada Post was recognized for leadership in Canadian corporate performance on sustainability.

### ecovadis

#### **EcoVadis Gold**

Achieved gold rating in 2023, placing Canada Post in the 97<sup>th</sup> percentile of all companies evaluated.



**Employee Equity Achievement Awards** Received the Employment Equity Champion award, Outstanding Commitment to Employment Equity award, Innovation award and Sector Distinction award.



**Universal Postal Union** 

Achieved the UPU's Gold + Security Certification at Canada Post's Pacific Processing Centre.



### **Stamps**

Canada Post is proud to tell Canada's stories and celebrate Canadian culture through commemorative stamps and collectibles that reflect our unique history, wildlife and the diversity of Canadian communities.

#### **Quebec Feminists**

Montréal-born social activists Léa Roback (1903-2000), Madeleine Parent (1918-2012) and Simonne Monet-Chartrand (1919-93) were honoured in this stamp issue for their contributions to the country as lifelong advocates for workers' and women's rights and other causes. The stamps feature a photograph of each woman at the height of her activism, with a design evoking placards carried at protests and marches.







#### **Holidays**

One of the ways we celebrate Canada's rich cultural diversity is through annual stamps commemorating religious festivals.









#### **Animal Mothers and Babies**

Issued ahead of Mother's Day and during the week of Earth Day, the set celebrates motherly love while also encouraging Canadians to take action to protect the country's incredible wildlife.





#### **Trailblazing Canadians**

Chloe Cooley was a young Black woman whose brave protests against her enslavement added momentum to the abolitionist movement in Upper Canada in the late 1700s. Second World War resistance supporter Mona Louise Parsons (1901-76) – who was imprisoned by the Nazis – was also honoured with a stamp issued in advance of Remembrance Day. A stamp featuring Willie O'Ree, the first Black hockey player in the National Hockey League®, celebrated his legacy and achievements that made hockey more diverse and inclusive.









# **ESG Strategy**

### Stakeholder engagement

With a presence in thousands of communities, we recognize that our responsibility to Canadians and Canadian businesses extends beyond the services we provide. Perspectives and input from a wide range of stakeholders help us to continually evolve our products and services to meet the changing needs of Canadians, and to better integrate their key sustainability priorities into our ESG strategy. Examples of our stakeholder and community engagement activities are provided below.



How we engaged with various stakeholder groups in 2023

Stakeholder group	How we engaged in 2023
Employees	<ul> <li>Annual employee engagement survey</li> <li>Employee Recognition Program</li> <li>Regular communications on important topics, including newsletters on sustainability, accessibility, health and safety, and diversity</li> <li>Employee Resource Groups focused on anti-racism, Indigenous Peoples, people with disabilities and 2SLGBTQIA+ pride, among others</li> <li>Annual mandatory trainings</li> <li>Materiality assessment survey</li> </ul>
Customers	<ul> <li>Direct engagement via meetings with our sales team</li> <li>Customer surveys</li> <li>Materiality assessment survey</li> </ul>
Suppliers	<ul> <li>Annual supplier survey</li> <li>Direct engagement through meetings with our procurement team on various topics, including ESG</li> <li>Materiality assessment survey</li> </ul>



Stakeholder group	How we engaged in 2023
Communities	<ul> <li>Canada Post Community Foundation</li> <li>Sponsorships</li> <li>Materiality assessment survey</li> </ul>
Indigenous Peoples	<ul> <li>Outreach and awareness sessions with leaders from Indigenous communities</li> <li>Community hubs that offer a wide range of services to underserved Indigenous, northern and rural communities</li> <li>Direct engagement with Indigenous suppliers to encourage participation in Canada Post's requests for proposals (RFPs)</li> </ul>
Bargaining agents	<ul> <li>Regular committee meetings with union representatives</li> <li>Joint committees on priority topics such as environmental responsibility and equity, diversity and inclusion</li> <li>Collaboration on initiatives to improve customer service</li> <li>Materiality assessment survey</li> </ul>
Board of Directors	<ul> <li>Direct engagement on priority topics, including ESG</li> <li>Review and approval of ESG-related policies, strategies, targets and reporting</li> <li>Materiality assessment survey</li> </ul>
Government	<ul> <li>Canada Post orientation presentations to members of Parliament including information on ESG initiatives and goals</li> <li>Participation in municipal conferences to inform municipalities about Canada Post activities and projects, including ESG initiatives and goals</li> <li>Partnerships with federal and provincial departments to establish power purchase agreements</li> <li>Collaboration and consultation with municipal governments on ESG initiatives</li> </ul>
Postal peers	<ul> <li>Engagement through industry associations</li> <li>Engagement and sharing of best practices through international postal group memberships, like the Universal Postal Union and the International Post Corporation</li> </ul>
Subsidiaries	<ul> <li>Direct engagement on priority topics, including ESG</li> <li>Materiality assessment survey</li> </ul>



### Material environmental, social and governance topics

Canada Post engages stakeholders on their sustainability priorities through the company's materiality assessment process. This assessment is conducted every two years to ensure we continue to address our stakeholders' top priorities. The results are used to inform the focus areas of our ESG strategy, reporting and disclosures.

In 2023, Canada Post undertook a refresh of its materiality assessment, incorporating the concept of double materiality for the first time. Double materiality looks at materiality using two lenses:

- Outward impact: How significantly could Canada Post's business operations impact the environment and society?
- Inward impact: How significantly could sustainability-related issues affect Canada Post's financial performance?



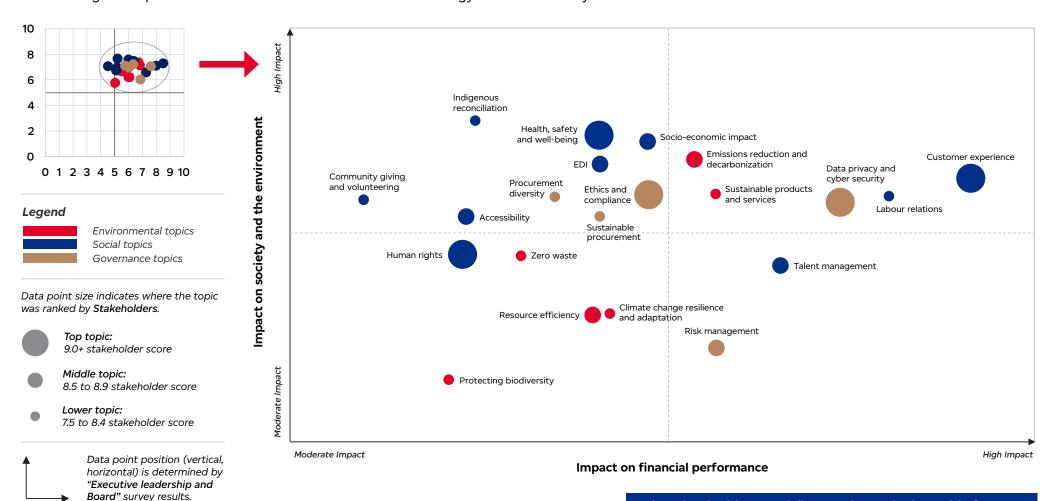
A list of ESG topics relevant to Canada Post was developed through a review of peer sustainability reports, industry-specific reporting standards and key topics from previous Canada Post materiality assessments. We conducted a stakeholder engagement exercise to prioritize these topics in two phases. The first phase surveyed internal and external stakeholders for their rankings of ESG topics where Canada Post could have the greatest impact on the environment and society (outward impacts). The second phase surveyed Board members and senior executives to provide input on the ESG topics where Canada Post could have the greatest outward impacts (environmental and social) as well as potential inward impacts (financial). A workshop was then held with senior leadership to validate the results of the double materiality assessment.

Stakeholders that engaged in the materiality assessment included employees, bargaining agents, senior executives, Board of Directors, commercial customers, consumers, communities, suppliers, industry associations and subsidiaries. Input was received from over 4,500 internal and external stakeholders.



#### **Double materiality matrix**

Canada Post's double materiality matrix provides a visual ranking of the shortlisted topics and their scores based on the results of our stakeholder engagement exercise. The x-axis represents the potential impact of each topic on Canada Post's financial performance, and the y-axis represents Canada Post's potential impacts on society and the environment based on Board member and senior executive scoring. The size of the circle for each topic represents the scoring of other stakeholders, based on an importance scale of 1 (not at all important) to 10 (extremely important). For the 21 topics scored, the largest circles represent topics with the highest scores, medium circles represent middle scores, and small circles represent lower scores, with no topic scoring lower than 7.9 out of 10. Of note is that almost all topics ranked in the top right-hand quadrant of the final matrix, underscoring the importance of their consideration in our ESG strategy and sustainability disclosures.



View the double materiality matrix results in a table format.



### Our approach to ESG

As part of our purpose, A Stronger Canada – Delivered, we're committed to playing a leading role delivering a stronger, more inclusive, and greener Canada – for our customers, communities and employees. Our transformation plan is anchored by three pillars: providing a service all Canadians can count on, social and environmental leadership, and doing right by our people. Canada Post's approach to corporate sustainability and ESG guides the company's actions to deliver on these pillars.

After analyzing the results of our materiality assessment, we grouped the ESG topics into four main priority areas, as outlined below. This Sustainability Report provides details on how these topics inform our ESG strategy as well as actions we are taking to address these key topics.

Links to the report section with further details on each topic are provided below.



#### **Responsible business 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.

- · Ethics and compliance
- Data privacy and cyber security
- Sustainable procurement/ Procurement diversity
- Risk management
- Human rights



#### **Environmental stewardship:**

We are committed to reducing the environmental impact of our operations, including reducing greenhouse gas emissions, protecting biodiversity, reducing waste and promoting circular economics, and moving toward sustainable transport operations.

- Emissions reduction and decarbonization
- Sustainable products and services
- Resource efficiency
- Zero waste
- <u>Climate change resilience</u> and adaptation
- Protecting biodiversity



#### People and culture:

We aim to be an employer of choice. We work to do right by our people and promote a culture that enhances collaboration, innovation and adaptability.

- · Health, safety and well-being
- · Talent management
- Equity, diversity and inclusion
- Labour relations



#### Socio-economic impact:

We aim to create positive social and economic value for all Canadians through our practices, products and services, and community engagement.

- Socio-economic impact
- Customer experience
- Indigenous reconciliation
- Accessibility
- Community giving and volunteering



#### Contributing to the global sustainability agenda

Our approach considers how we can directly and indirectly support the global sustainability agenda to 2030 as outlined by the United Nation's Sustainable Development Goals (SDGs). We have identified five SDGs where we believe our actions are aligned with specific SDG targets.

Our ambition and our progress toward five of the UN's Sustainable Development Goals

Priority area	SDG	SDG Target	SDG Indicator	Our ambition	Our progress
Responsible business practices	10 REDUCED INEQUALITIES	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	10.3.1 Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law	Canada Post opposes all forms of discrimination and violence and is committed to creating safe and inclusive workspaces.	Human rights
Environmental stewardship	7 AFFORDARIE AND CLEAN ENERGY	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1 Renewable energy share in the total final energy consumption	90 per cent electricity consumption from non-emitting sources by 2030.	Investing in renewable energy
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.5.1 National recycling rate, tons of material recycled	Divert at least 90% (by weight) of non-hazardous operational waste and 90% of all construction and demolition waste by 2030.	Zero waste
		12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities	12.7.1 Number of countries implementing sustainable public procurement policies and action plans	Canada Post is committed to a fair sourcing strategy that ensures we are delivering responsibly for our customers and promoting inclusive economic growth for everyone.	Sustainable procurement



Responsible Business Practices Environmental Stewardship People and Culture



Priority area	SDG	SDG Target	SDG Indicator	Our ambition	Our progress
Environmental stewardship	13 ACTION	13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	50% reduction in operational (scope 1 and scope 2) emissions by 2030 and net-zero emissions across our value chain by 2050.	Emissions reduction and decarbonization
Socio- economic impact	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	9.4.1 CO <sub>2</sub> emission per unit of value added	We are integrating environmental sustainability as a key principle in the design and development of our products and services.	Emissions reduction progress Sustainable products and services



### Sustainability-related risks and opportunities

Canada Post has a comprehensive enterprise risk management (ERM) framework that considers risks and opportunities at all levels of decision-making and provides a structured approach to understanding and managing the most significant risks to the business. As part of our risk management process, we review principal enterprise risks (including sustainability-related risks) that could have a material impact on the Corporation's financial position, operations or reputation. Strategies are then put in place to mitigate these risks. Details on our ERM framework are available in the Risks and Risk Management section of our 2023 Annual Report.

In 2023, our materiality assessment exercise incorporated a double materiality lens, linking the consideration of financial impacts to ESG topics more directly. As we evolve our risk management processes, these results will better inform how we identify, assess, prioritize and monitor sustainability-related risks and opportunities. Some examples of sustainability-related risks and opportunities that could have impacts on the Corporation's financial performance include:



#### Sustainability-related risks and opportunities associated with key ESG areas

Risk area	Potential risks	Potential opportunities
Emissions reduction and decarbonization	Failure to reduce GHG emissions could result in increased operating costs as carbon pricing frameworks lead to elevated fuel prices.	Leadership in reducing emissions could lead to lower fuel consumption and therefore costs, as well as potential revenue gains through increased market share of customers seeking low-carbon shipping options.
Data privacy and cyber security	Data breach or cyber attack resulting in the loss of customer or employee data could lead to regulatory scrutiny, legal action and loss of customer trust.	Leveraging new technology to enhance security controls and incident response plans could build customer confidence through the provision of reliable and secure services, resulting in positive brand impacts and contributing to increased customer retention.
Health, safety and well-being	Failure to provide employees with a work environment that supports their physical and mental well-being, could result in work stoppages, increased costs from medical expenses, as well as higher employee turnover.	Establishing a culture of safety in the workplace and continuous training can lead to increased employee satisfaction and productivity, which could also contribute to a better customer experience.



Risk area	Potential risks	Potential opportunities
Customer experience	Lack of innovation to meet changing customer expectations and demands, complex or confusing products and services, uncompetitive speed of service or lack of support for business customers could lead to loss of customers and revenue.	Providing products and services with a positive experience tailored to customers could result in increased revenues through stronger customer retention as well as the attraction of new customers.
Ethics and compliance	Unethical behaviour or non-compliance with laws and regulations could expose the Corporation to regulatory intervention, legal action and loss of customer trust.	Strong governance practices and policies such as the Code of Conduct can enhance Canada Post's brand and reputation and increase customer trust and retention, as well as provide a better employee experience.
Accessibility	Failure to provide Canadians with access to Canada Post's services or non-compliance with accessibility legislation could lead to regulatory scrutiny and negative brand perception.	Providing our customers and employees with safe, accessible services and workspaces could lead to increased customer and employee satisfaction, potentially resulting in positive impacts on revenues and productivity.

The above is a sample of potential risks and opportunities associated with some of Canada Post's priority ESG topics identified through our materiality assessment and is not meant to be an exhaustive list. A more detailed analysis of our <u>Climate-related risks and opportunities</u> can be found later in this report. We are planning further analysis of other sustainability-related risks and opportunities over the course of 2024, including consideration of alignment with the International Financial Reporting Standards (IFRS) Foundation sustainability disclosure standards, where possible.

Details on strategies to manage the risks and opportunities associated with our priority ESG topics are provided in the corresponding sections of this report.



# Commitments, awards and recognition

In 2023, Canada Post continued to receive awards and recognition for its actions on ESG and sustainability issues.

#### **Commitments to ESG leadership**

#### **Science Based Targets initiative**

Canada Post is currently one of less than 10 companies globally (and the only Canadian company) in the transportation and logistics sector with a net-zero target officially approved by the Science Based Targets initiative (SBTi).



#### **Net-Zero Challenge**

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.



#### **United Nations Global Compact**

In 2023, Canada Post submitted its first Communication on Progress, after becoming a signatory to the UN Global Compact, reaffirming its commitment to respecting and promoting universal human rights, implementing decent work practices, reducing environmental impacts and maintaining strong anticorruption mechanisms.



#### **Environmental and social leadership awards and recognition**

#### **Canada's Best Corporate Citizens 2023**

Canada Post was named one of Corporate Knights' Best Corporate Citizens in 2023. The Corporation received topquartile scores on carbon productivity, diversity on the executive team and the Board of Directors, sustainable investment and air pollution, among other key indicators.



#### **CDP**

Canada Post received a score of A- for its 2023 climate change submission, up from a score of B in 2022, recognizing the Corporation's leadership in action on managing climate-related issues. We also achieved an A score for leadership in supplier engagement on climate action, up from our previous score of A-.





#### **Environmental and social leadership awards and recognition (continued)**

#### **EcoVadis**

Canada Post earned a gold rating from EcoVadis, placing the company in the 97<sup>th</sup> percentile across all companies evaluated (up from the 84<sup>th</sup> percentile in 2022). EcoVadis scores companies' sustainability performance across four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

### ecovadis

#### **Indeed's Better Work Award**

Canada Post was recognized as one of the top companies in Canada for work well-being. Indeed's 2023 Better Work Awards recognize the companies that are building toward a future of better work, focusing on creating a workplace that promotes opportunity, transparency and well-being.



#### Rick Hansen Gold certification at Albert Jackson Processing Centre

Canada Post received the Rick Hansen Gold certification in 2023 for the accessibility features included in the design and construction of the Albert Jackson Processing Centre, the company's largest, greenest and fastest parcel sorting facility. This is our second building to receive this certification.



#### **Canadian Council for Aboriginal Business Aboriginal Procurement Champion**

Canada Post was named as an Aboriginal Procurement Champion by the Canadian Council for Aboriginal Business.



#### **Employee Equity Achievement Awards**

In 2023, Canada Post won four awards at the Employee Equity Achievement Awards. Canada Post received the Employment Equity Champion award, Outstanding Commitment to Employment Equity award, Innovation award and Sector Distinction award.

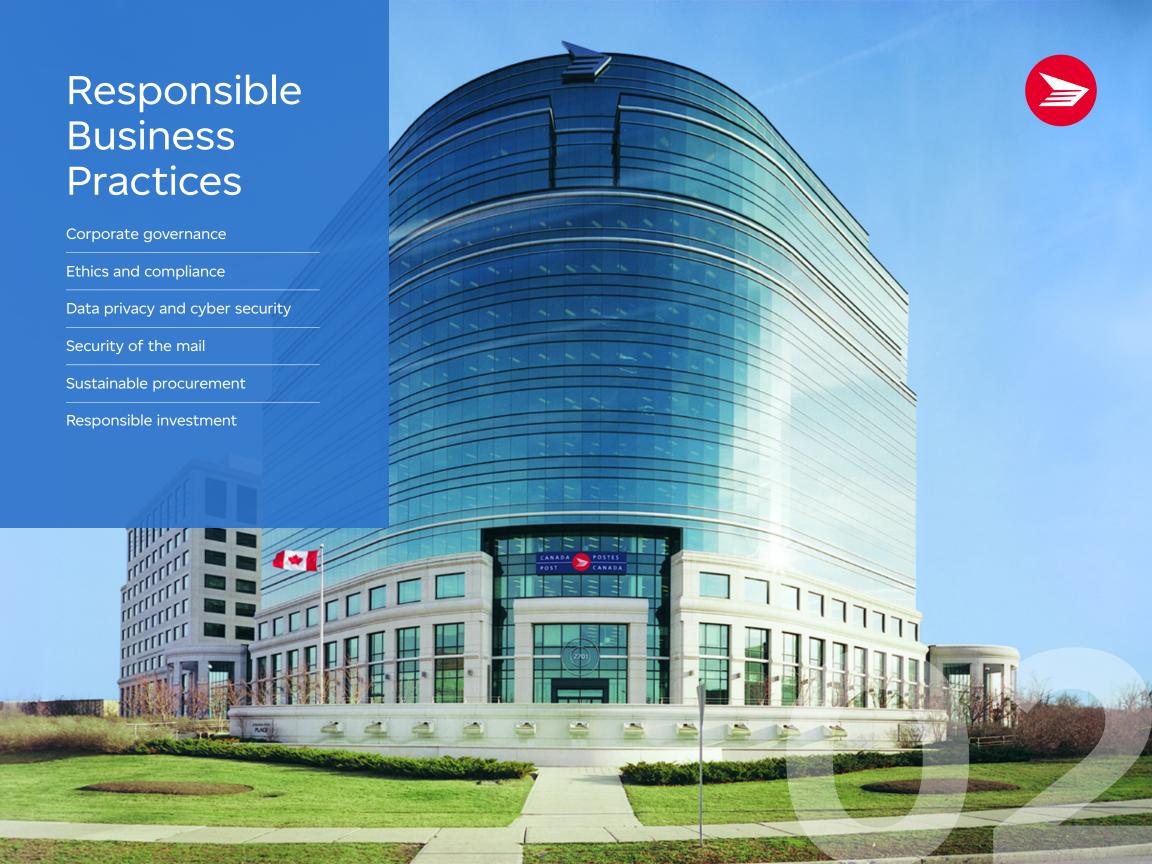


#### **Universal Postal Union**

Canada Post's Pacific Processing Centre achieved the Universal Postal Union's (UPU) Gold + Security Certification. The company has now received this certification for all three of its international exchange offices (its two other offices achieved this certification in 2022).



Canada Post's Tales of Triumph program received the TradePost Award from the Universal Postal Union, recognizing the program's impact on small businesses.



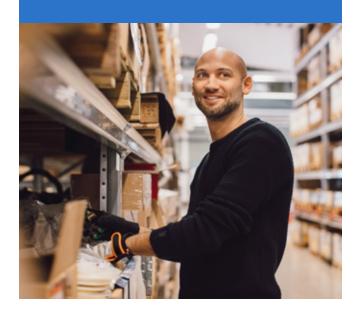


# Our goals

Foster a culture that reflects Canadians' shared values: Trust, respect and deliver

Embed ESG best practices in our business processes and strategy

By 2025, achieve 5% procurement spend with Indigenous businesses and 10% annual growth in spend with diverse suppliers and SMEs



# Key actions in 2023





Established an executive-level Sustainability Forum to provide further oversight over our ESG strategy and drive innovation



The Board of Directors approved the policy statements for our new Sustainability and Accessibility policies

Updated our Supplier Code of Conduct to require that all suppliers respect human rights and ensure no forced or child labour is used in their supply chain



# Corporate governance

### **Canada Post as a Crown Corporation**

Canada Post is a federally regulated Crown corporation. It is required to follow the Treasury Board of Canada Secretariat's Guiding Principles for the Management of Crown corporations, which ensure the company can serve the public interest, maintain autonomy, and operate on a level playing field in a commercial manner. As Canada Post continues its transformation to better serve Canadians in a competitive parcel delivery market, we will continue to strive to balance these important principles.

The Canada Post Corporation Act also obliges Canada Post to provide high-quality postal services that meet the needs of Canadians, to operate safely and securely, and have regard to the need to conduct operations on a self-sustaining financial basis. Our services are regularly audited to ensure we meet our statutory obligations and uphold our commitments to Canadians.



We are proud to support Canadians with our public policy programs. On behalf of the federal government, Canada Post operates the government mail program, which provides free-of-postage services for mail sent between Canadians and Parliament, including to and from members of Parliament, senators and the Governor General. This important service helps Canadians to connect with their representatives in Ottawa.

We continue to maintain our program providing free mailing of materials for people who are blind or partially sighted. In 2023, we delivered nearly 671,000 items for people who are blind or partially sighted.



Canada Post also offers free delivery of letters for military families and, during the holiday season, expands this service to regular parcels sent to members of the Canadian Armed Forces deployed overseas. Since 2006, we have delivered over 189,000 parcels through this program.

Supporting communities is core to our commitment to social and environmental leadership. We offer reduced postage rates for eligible library materials circulated between libraries and their patrons. In 2023, more than 942,000 shipments of library material benefitted from reduced postal rates. Canada Post receives no appropriation or compensation from the government for these lower rates.



#### **About the Board**

Canada Post is a federal Crown corporation, reporting to Parliament through the Minister of Public Services and Procurement. The Corporation's single shareholder is the Government of Canada. As the provider of a core public service, Canada Post is committed to maintaining high corporate governance standards and ensuring that we can deliver on our mandate while creating lasting value for Canadians and 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 rules and regulations defined by the Canada Post Corporation Act and the Canadian Postal Service Charter. The Board is also governed by our Code of Conduct, Standards of Conduct for Directors, the Statement of Board Values and Board Charter, By-Law No. 1 and By-Law No. 2 to ensure that Board members embody the Corporation's values and behaviours.

Board directors are subject to the Conflict of Interest Act and 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 directors are expected to recuse themselves from any discussion that could create a conflict of interest or the perception of one.

#### **Appointment**

Members of the Canada Post Board of Directors are appointed by the Governor in Council, or the Governor General acting on the advice of the King's Privy Council for Canada as represented by the federal Cabinet. 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 composition as of December 31, 2023

Represented group <sup>1</sup>	Number of Board members	Proportion (of 11 total Board members)
Independent	10	91%
Women	5	45%
Visible minorities	1	9%
Indigenous people	1	9%

1. Based on self-identification.





#### **Committees**

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.

Number of members and responsibilities of the Board's committees as of December 31, 2023<sup>1</sup>

Committee	Number of members	Duties and responsibilities
Board of Directors	11 10 out of 11 members are independent <sup>2</sup>	<ul> <li>Provides oversight and guidance on behalf of the shareholder on the strategies, business plans and related affairs at Canada Post</li> <li>Holds management accountable for its business performance and strategic objectives</li> <li>Exercises due diligence over strategic sustainability initiatives</li> <li>Consults regularly with stakeholders</li> <li>Reviews management reports on matters relating to health and safety, accessibility, sustainability and equity, diversity and inclusion (EDI)</li> </ul>
Pension Committee	5	<ul> <li>Provides oversight and guidance on Canada Post Pension Plan strategies, including the responsible investment strategy</li> <li>Upholds corporate responsibilities as pension plan sponsor</li> <li>Oversees the Corporation's fiduciary responsibilities as pension plan administrator</li> <li>Provides oversight of investment decisions and external investment managers</li> </ul>
Human Resources and Compensation Committee <sup>3</sup>	6	<ul> <li>Reviews, reports, and approves or provides recommendations to the Board regarding human resources and compensation</li> <li>Provides oversight of matters including (but 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</li> <li>Provides additional oversight and guidance to the Board on relevant aspects of ESG, such as EDI and culture</li> <li>Provides additional oversight and guidance on collective agreement negotiations and related matters</li> </ul>

<sup>1.</sup> For additional information on the Board's structure and composition, please refer to our website: Corporate governance and Board of Directors biographies.

<sup>2.</sup> All committee members are independent. Doug Ettinger, President and CEO, is not an independent member of the Board of Directors and may attend any committee meeting.

<sup>3.</sup> The Labour Relations Committee was dissolved in 2023, and all relevant duties and responsibilities were absorbed in the Human Resources and Compensation Committee.



Committee	Number of members	Duties and responsibilities		
Environmental, Social and Governance Committee	6	<ul> <li>Reviews ESG issues, plans and strategies, and makes recommendations to the Board on specific ESG topics and on overall integration across the Corporation</li> <li>Provides focus on corporate governance and facilitates the Board's effectiveness</li> <li>Oversees policies, programs, practices, procedures and performance with respect to corporate sustainability</li> <li>Approves the Sustainability Report and ESG targets as required, including the Corporation's science-based emissions reduction target</li> </ul>		
Audit Committee	6 (at least one member is a financial expert)	<ul> <li>Oversees financial information and reporting, systems of corporate controls and the audit process</li> <li>Reviews the Corporation's risk management framework and privacy and cyber security controls</li> <li>Provides oversight of the Corporation's financial performance against its corporate plan</li> <li>Oversees alignment of proposed investments or procurement within the ESG strategy</li> </ul>		

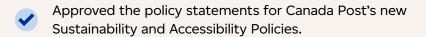




### **ESG** governance

At Canada Post, we recognize that strong ESG governance is central to operating a successful business. The Corporation's Board of Directors has oversight of the company's environmental, social and governance (ESG) strategy through the Board's ESG Committee. The ESG Committee plays a key role overseeing the Corporation's ESG strategy, ESG integration and the alignment of sustainability efforts with Canada Post's purpose and transformation plan.

#### **Key ESG-related activities of the Board in 2023**



- Approved the first annual Accessibility Plan Progress Report.
- Approved the 2022 Sustainability Report and TCFD Report.
- Reviewed the Corporation's interim scope 3 strategy.
- Reviewed the quarterly ESG and Indigenous Reconciliation Scorecard.
- Participated in Canada Post's 2023 double materiality assessment exercise.
- Participated in a cyber security table top exercise, as well as in education sessions throughout the year, including a session on labour relations at Canada Post.

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-related risks and opportunities. The Corporation has processes in place to assess and manage sustainability-related risk, opportunities, programs and investments.

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 acts as a trusted advisory group of subject matter experts to various key internal stakeholders, with the goal of enabling the 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.

For specific details on governance of climate-related matters at Canada Post, please see the **Climate-related risks and opportunities** section of this report.







#### **Sustainability Forum**

In 2023, we established an executive-level Sustainability Forum to provide further oversight on our ESG strategy and drive continued innovation. The Sustainability Forum is chaired by the VP, ESG and members include senior executives from key functions across the company including Operations, Human Resources, Information Technology, Customer Experience, Finance, Communications and Health and Safety. The Sustainability Forum meets quarterly to identify strategic ESG opportunities and innovations, review progress and performance of ESG initiatives, and collaborate on solutions to meet the greatest challenges when it comes to ESG.

#### **New ESG-related policies**

In 2023 Canada Post created two new policies to further embed ESG best practices in the business. Both policy statements were approved by the Board of Directors in November and apply to all Canada Post employees. They are available publicly as of the end of the first quarter of 2024.

- The Sustainability Policy provides a commitment to incorporating strong ESG practices into our business model and is a complement to the many ESG-related policies already in place.
- The Accessibility Policy reinforces our commitment to proactively identify, remove and prevent barriers to accessibility through a consistent, corporate-wide approach.



#### Oversight of key sustainability topics

The table below provides a summary of oversight on Canada Post's material sustainability topics, grouped by category. To further embed ESG into our business practices, key ESG metrics are linked to executive scorecards and compensation. In 2023, these ESG metrics included: Canada Post's 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 20 per cent of the scorecards of the CEO, vice-presidents and senior vice-presidents.

#### Summary of oversight on Canada Post's material sustainability topics, by category

Category	Sub-category	Board oversight of the topic	Frequency of review by the Board	Highest managerial responsibility	Link to executive pay	Main policies and documents
Environmental stewardship	N/A		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)	•	<ul> <li>2023 Sustainability Report</li> <li>Sustainability Policy</li> </ul>
Socio-economic impact Indigenous reconciliation; accessibility  Customer experience	reconciliation;	•	Quarterly at Board; every ESG Committee meeting (3x per year)	CEO (President's report at Board)	•	<ul><li>Indigenous and Northern Reconciliation Strategy</li><li>Accessibility Plan</li><li>Accessibility Policy</li></ul>
		•	Quarterly	CEO (President's report at Board); Chief Customer and Marketing Officer	<b>V</b>	Customer Service Policy



Category	Sub-category	Board oversight of the topic	Frequency of review by the Board	Highest managerial responsibility	Link to executive pay	Main policies and documents
People and culture			Quarterly at Board; every Human Resources and Compensation Committee meeting (3x per year)	CEO (President's report at Board); Chief People and Safety Officer (at Human Resources and Compensation Committee)		<ul> <li>Anti-Racism and Anti-Discrimination Charter</li> <li>Accessibility Plan</li> <li>Accessibility Policy</li> <li>Equality in Employment Policy</li> <li>Duty to Accommodate Policy</li> <li>Health and Safety Policy</li> <li>Workplace Harassment and Violence Prevention Policy</li> <li>Employee Privacy Policy</li> </ul>
Responsible business practices	Ethics and compliance		Quarterly	Senior Vice- President, General Counsel and Sustainability		<ul> <li>Code of Conduct</li> <li>Anti-fraud Policy</li> <li>Conflict of Interest Policy</li> <li>Disclosure of Wrongdoings Policy</li> <li>Fair Competition Policy</li> </ul>
	Sustainable procurement	~	Annually at the Audit Committee	Chief Financial Officer		<ul><li>Procurement Policy</li><li>Supplier Code of Conduct</li></ul>
	Data privacy and cyber security	•	Quarterly at the Audit Committee	CEO; Senior Vice- President, General Counsel and Sustainability		<ul><li>Customer Privacy Policy</li><li>Employee Privacy Policy</li><li>Information Security Policy</li><li>Protection of Mail Policy</li></ul>



# Ethics and compliance

As part of Canada Post's transformation, the Corporation continues to better align its policies, practices and behaviours with its purpose, A Stronger Canada – Delivered. Part of that work involves strengthening our responsible business practices and educating our people about what is expected of them when it comes to our ethical, legal and commercial obligations. We strive to foster a culture that reflects Canadians' shared values: Trust, respect and deliver.



#### **Ethics**

In April 2023, we launched our refreshed <u>Code of Conduct</u>. The changes to the Code of Conduct were implemented as Canada Post continues to undergo an important transformation. The updated Code incorporates Canada Post's new values (Trust, Respect, Deliver) and signature behaviours (Make the call, Know the destination, Deliver for others, Ignite our pride) and includes examples to help employees translate these into clear behaviours and decision-making. The new Code also builds on our commitment to ethical business practices and further guides employees with a newly introduced ethical decision-making model that employees can consult when faced with a complex decision or when they are not sure how to proceed.

To ensure awareness of the new Code of Conduct, in 2023 we developed an e-learning module that was assigned to all newly hired Canada Post employees starting in February 2024. We also developed and piloted an ethics workshop to help integrate the principles of the Code into our culture. Informational meetings with various functions across Canada Post were held to promote the benefits of ethics workshops.

In 2024, ethics workshops are scheduled focusing on the Code of Conduct and our values. The goal is to educate employees and team leaders about the Code and our duty to act in an ethical and sustainable manner as we

work to meet the expectations of the people we serve. We will continue to build and enhance our employees' awareness about the importance of making ethical decisions.

#### **Disclosure of wrongdoing**

Our Code of Conduct is supported by the Disclosure of Wrongdoings Policy and procedures. These outline what constitutes reportable conduct and the mechanisms for reporting unethical actions. We expect employees who know of or suspect serious violations of the Code of Conduct to report them immediately. The Policy encourages all employees to report serious wrongdoings using Canada Post's confidential disclosure process. Reports are reviewed and categorized to align with the conduct defined in the Policy. If a report is received that does not meet the definition of wrongdoing, it is redirected to the appropriate internal function for review.

As of May 2023, employees could report wrongdoing through an updated online portal, a new toll-free number or by mail. Regardless of the approach, reports can be submitted confidentially and anonymously. Our process offers assurance that any reports of wrongdoing can be done without fear of reprisal, and employees who report serious wrongdoing are also protected by the *Public Service Disclosure Protection Act*. In 2023, a total of 130 disclosure of wrongdoing cases were reviewed and addressed as required.



#### **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.

#### Adhering to laws and regulations

Canada Post is committed to high ethical standards and compliance with laws and regulation. We work to ensure that we operate responsibly and with integrity, reflecting our unique position as a Crown corporation in a competitive market. In 2023, Canada Post did not have 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.



### Access to information (ATI)

Canada Post is committed to fulfilling its obligations under the Access to Information Act. We respect the Act's principles of transparency, openness and accountability for government institutions. We fulfill our duty under the Act while respecting customer relationships and maintaining the trust of Canadians. Requesters have an important right to access government records, which we balance with the protection of commercially sensitive corporate and third-party information.

In 2023, changes were made to the Act's supporting legislative instruments, including the federal Policy on Access to Information and the Directive on Access to Information Requests. To align our processes with these changes, we analyzed Canada Post's Access to Information (ATI) program to identify areas of opportunity. To increase awareness of our ATI program internally, the Canada Post ATI Directorate continues to meet regularly with teams from all areas of our business to discuss their roles and responsibilities, the ATI process, and to address any questions or concerns.

Canadians should not face any barriers to submitting an access to information request. In 2023, we conducted an internal audit to identify any potential issues in our process. With the broader goal of increasing knowledge of the program and its requirements within the company, we continue to develop our tools and internal guidance documents to ensure that Canadians have access to timely information.

Results - Access to information requests and complaints, 2020-2023

Metric	2020	2021	2022	2023	2023/2022 change
Total number of requests for access to information	79	97	71	83	+17%
Total number of ATI complaints received	12	16	12	7	-42%
Total number of substantiated ATI complaints received	2	4	0	0	-



### Official languages

Canada Post is proud to serve all Canadians. Upholding the country's laws and principles on official languages is essential to providing a service all Canadians can count on. We are committed to fulfilling our obligations under the Official Languages Act to ensure we provide high-quality communications and services in both official languages.

We are always working to improve and standardize our policies, processes and guidelines to ensure both official languages are integrated throughout the Corporation and to support the language diversity of our workforce. Our goal is to reduce the number of complaints received and improve service in both official languages.

#### **Key initiatives in 2023**



We enhanced our "Find a Post Office" tool to provide greater visibility on the language designation of our post offices.



We reviewed our stamp selection process to include additional official language criteria. Our national stamp program reflects our country's rich diversity. We work to balance regional, linguistic, gender and cultural considerations when selecting subjects and designs.



We included an official language question in our 2023 employee engagement survey to garner feedback from employees as we continue to increase awareness and better embed both official languages in our operations.



We continued to prepare for the Official Languages Regulations Reapplication Exercise, a review conducted every 10 years to update the linguistic obligations of federal offices.

Among employee engagement survey respondents, 92% felt they can communicate with others at Canada Post in their official language of choice.



#### Results - Official language complaints, 2020-2023

Year	Number of complaints
2020	22
2021	44
2022	41
2023	28
2023/2022 change	-32%



# **Human rights**

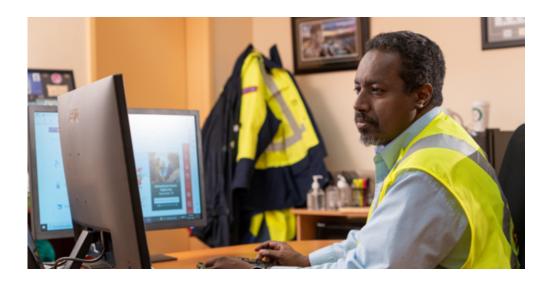
Canada Post opposes all forms of discrimination and violence and is committed to creating safe and inclusive workspaces. We monitor and respond to complaints related to discrimination and harassment according to the standards set out the Canadian *Human Rights Act*, which covers complaints based on sex, race, national and ethnic origin, and disability.

The human rights team at Canada Post ensures that appropriate measures are taken to prevent discrimination and harassment. This includes training, coaching, mediation for employees and team leaders, and reviewing complex accommodation requests. Canada Post investigates and resolves complaints related to discrimination and harassment thoroughly, promptly and confidentially.

Employees can file a human rights complaint internally with Canada Post or directly with the Canadian Human Rights Commission. If they are a member of a bargaining group, they can also file a grievance. Human rights complaints and complex accommodation requests are logged and monitored through a case management system.

Under the Canadian Human Rights Act and Employment Equity Act, Canada Post ensures that individuals have equal opportunities. The Corporation must accommodate employees (up to the point of undue hardship) so that programs, practices and services are not discriminatory based on race, national or ethnic origin, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, genetic characteristics, disability, or conviction for an offence that has been pardoned.

Canada Post's human rights team meets with our bargaining agents (per the provisions contained in the collective agreements) regularly for discussions on human rights complaints, training topics, human rights reporting, duty to accommodate, accommodation practices, employment equity reporting, process improvements, and to share best practices. Canada Post has several policies and practices in place to ensure employees can request accommodations and that the work environment is free of discrimination and harassment.



Results - Human rights complaints, 2020-2023

Type of complaints	2020	2021	2022	2023	2023/2022 change
Formal human rights complaints	23	26	34	24	-29%
Internal human rights complaints	155	85	47	29	-38%
Pre-emptive human rights complaints	40	82	2691	138	-49%
Total	218	193	350	191	-45%

Pre-emptive human rights complaints rose in 2022 as a result of the Mandatory COVID-19 Vaccination Practice.



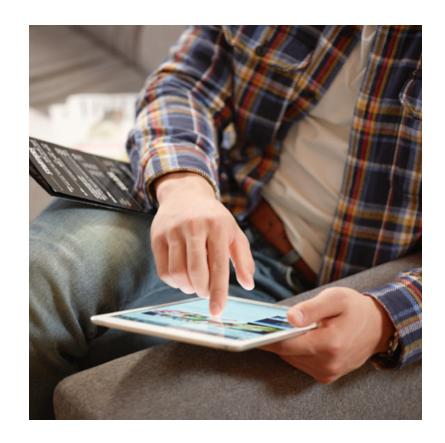
# Data privacy and cyber security

# **Privacy**

Canada Post takes a proactive approach to protecting the privacy of customers and employees. We are trusted to handle Canadians' personal information every day, and there is nothing more important to us than maintaining that trust with Canadians.

As required by Canada's Privacy Act, Canada Post embeds the principles of data minimization, respect for individuals' privacy rights, data governance and accountability, and the proactive identification of privacy risks into the development of its products, services and programs. Our commitment to privacy is critical to achieving our business objectives while maintaining the high level of trust that Canadians have in the protection of their personal information.

To strengthen our approach to privacy protection, we've created the Canada Post Privacy Office to oversee matters of privacy, data protection and anti-spam. We also continue to train and engage our employees to ensure they understand that everyone in the organization has a role to play in protecting the privacy of Canadians and their colleagues.



Results - Number of data privacy complaints and identified incidents, 2020-2023

Type of complaint or incident	2020	2021	2022	2023	2023/2022 change
Total number of substantiated complaints received concerning breaches of customer privacy from outside parties	11	6	0	7	_
Total number of substantiated complaints received concerning breaches of customer privacy from regulatory bodies	1	0	0	1	-
Total number of identified leaks, thefts or losses of customer data	10	5	6	3	-50%



### **Key privacy initiatives in 2023**



We are almost through the first phase of a comprehensive review of the Privacy Impact Assessment process. These regular reviews are important to managing and minimizing privacy risk. The first phase involved a review of all personal information in scope for various corporate programs and business processes, and mapping them out against the *Privacy Act* and its policies and regulations. This important first step will help us conduct a privacy analysis and identify any areas that require further attention and steps toward mitigation.



In 2023, we implemented a mandatory, recurring privacy training course for executives, managers and other officers in the company, and delivered privacy awareness and education sessions to high-risk groups within the Corporation, including Human Resource employees and post office clerks.



The Canada Post Privacy Office, along with other key internal stakeholders, participated in the work of the Corporation's ethics assessment panel which was established to review key corporate initiatives that involve data, including customer and employee personal information. In 2023, the panel reviewed initiatives designed to: 1) reinforce best practices and Canada Post's efforts to identify and prevent fraud; and 2) improve the company's delivery methods to enhance the experience of both the delivery agent and the customer.



We updated our standard contractual requirements for vendors that manage Canada Post data, including the personal information of employees and Canadians. The new provisions reinforce responsible and secure data management practices and the strict data privacy and security obligations we require our vendors to adhere to.



We continued to collaborate with relevant areas of the company to develop and implement project components to improve the customer experience and empower Canadians to express their preferences in the handling of their personal information. In 2023, work focused on updating the Corporation's cookie policy available through Canada Post's online privacy centre and deploying a solution on <u>canadapost.ca</u> that allows visitors to set their cookie and tracking preferences.





# Cyber security

Canada Post is responsible for ensuring the security of Canadians' mail and protecting the data in its custody. Cyberattacks and data breaches are rising threats globally - an issue we take very seriously. By safeguarding our systems and protecting personal information, we maintain the trust of our customers, employees, suppliers and partners.

### Our approach

In accordance with the Treasury Board of Canada Secretariat's risk management framework, Canada Post's senior management, process owners, and information technology, security and privacy personnel ensure a consistent and integrated approach to managing information security risk. We do this using technical security controls, operational processes and security risk management principles.



Our cyber security program achieved a maturity rating of 3.94 on a scale of 1 to 5.

Canada Post has established security controls and incident response plans aligned with top industry standards to reduce the threat of cyberattacks and ensure remediation of known and unknown threats. Our approach is aligned with the Cybersecurity Framework of the National Institute of Standards and Technology (NIST). This framework is built around five pillars: identify, protect, detect, respond and recover.



Physical and electronic security measures are in place to protect mail, information and data; breach and incident management protocols are established to manage data breaches; and regular monitoring and reporting ensure only authorized users access our data. Our approach also includes advanced endpoint protection and network segmentation, and tiers of network and system protection.

To reduce cyber security risks in our supply chain, we use a vendor management service to ensure our vendors and contractors have adequate security controls in place. This service supports the vendor relationship and includes continuous monitoring.

To increase awareness of cyber security threats and employee responsibility in safeguarding data, employees receive security awareness training, data management and privacy training, and we host a campaign during cyber security month. Employees are required to complete IT security training every two years. In 2023, we achieved a 99.5-per-cent completion rate. In addition, Canada Post has an email security system designed to protect corporate email from spam and malicious content. The system filters out nefarious emails, such as phishing and/or malicious software, and quarantines them for review before reaching our inboxes. To raise awareness of phishing and how to recognize the signs, we perform regular phishing simulations to see how our employees respond. In 2023, we sent almost 80,000 simulated phishing emails to Canada Post employees and had an average click rate of 4.7 per cent.

Results - Phishing tests: Average click rate from phishing email simulations, 2020-2023

Category	2020	2021	2022	2023	2023/2022 change (percentage points)
Average click rate	12.72%	9.26%	1.45%	4.68%	+ 3.23



# Security of the mail

Canada Post is always working to maintain the trust that Canadians place in their postal system. We understand customers' concerns about security of the mail - it's an issue we take very seriously.

Our postal inspectors work in constant collaboration with police services throughout the country to ensure the security of the mail, and we are always looking at ways to improve our security measures. Canada Post remains committed to upholding robust policies and practices to safeguard the security of Canadians' mail while ensuring compliance with our legislative obligations.

In 2023, Canada Post achieved the Universal Postal Union's (UPU) Gold + Security Certification at its Pacific Processing Plant, completing this certification for all three of its international exchange offices. The company's other two international exchange offices achieved this certification in 2022. Canada Post was the first postal administration in the world to achieve this recognition, the highest standard for security excellence in all aspects of international mail.

The International Association of Financial Crimes Investigators (IAFCI) has also recognized Canada Post's Ontario postal inspectors for their leadership, commitment and support on a number of significant mail theft investigations, through their nomination for the IAFCI's 2023 Investigative Partnership of the Year Award for Central Canada.

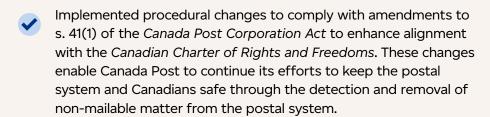


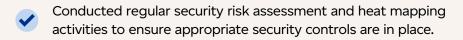
Results - Security of the mail interventions (number of inspections, awareness sessions and items intercepted), 2020-2023

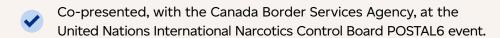
Type of intervention	2020	2021	2022	2023	2023 target
Number of postal facility inspections	270	165	277	153	150
Number of security of the mail awareness sessions for front-line employees, contractors and the general public	888	900	1,118	1,070	900
Number of security of the mail awareness sessions with Indigenous community leaders, law enforcement, and/or local postal officials	N/A	100	120	125	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	N/A	2,218	3,574	3,191	3,050



### Key security of the mail initiatives in 2023







- Removed non-mailable matter from the postal system with an estimated street value of \$4.4 million inbound to Indigenous and northern communities. See the Renewing relationships with Indigenous Peoples section for further details.
- Developed security design and deployment strategies for front-line delivery equipment such as street letter boxes, community mailboxes and lock box assemblies. Projects include street letter box improvement kits and a 10-year deployment strategy of module replacements.
- Assisted more than 7,800 Canadian fraud victims by intercepting parcel shipments, preventing fraudulent mail forward requests and disrupting fraudulent returns.
- Regularly held security awareness sessions to review security of the mail protocols with front-line employees, contractors and the public. We held 1,070 sessions in 2023.
- Held over 130 tabletop exercises for the Security and Investigation Services team and throughout the organization that focused on responding, recovering and resuming services following security incidents. These exercises help increase security education and resilience throughout the organization.
- Launched a cross-functional steering committee to enhance oversight of integrated security controls across the organization. This important oversight enables the Corporation to better identify and mitigate vulnerabilities affecting the security and safety of employees, mail, information or assets.

- Inspected 153 postal facilities to ensure security of the mail protocols are understood by front-line employees.
- Leveraged high-security locks, cameras, electronic access controls, intrusion detection systems and radar technology to protect the security of the mail and our plants, depots and retail outlets.
- Worked with our third-party contractors to ensure they have adequate security controls in their systems and processes.



# Sustainable procurement

Canada Post's suppliers are vital to its business. With approximately \$3 billion in annual procurement spending, Canada Post is committed to a fair sourcing strategy that ensures we are delivering responsibly for our customers and promoting inclusive economic opportunities for marginalized people.



# Our approach

Our approach to procurement aims to maximize the sustainability of our purchases in three areas: the specifications of the goods and services ("What" we buy); the environmental and social impacts of our suppliers, including diversity considerations ("Who" we buy from); and the accessibility and ESG impacts of our procurement processes ("How" we buy).

We include environmental and social criteria in the screening of new suppliers. Some of these criteria include:

#### Social criteria

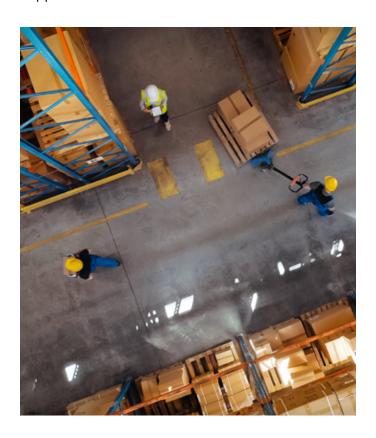
- Is the supplier majority Indigenous-owned (minimum 51% ownership); and if not will the supplier be willing to commit to spending a percentage of the contract value with Indigenous-owned suppliers or subcontractors (preferably at least 5%)?
- Does the supplier have a strategy to support Indigenous inclusion in their workforce and supply chain, and any time-bound goals related to Indigenous reconciliation?
- How does the supplier's board of directors, executive leadership team and Canadian employee base represent women, Indigenous Peoples, people with disabilities and visible minorities, and does the organization have any time-bound goals related to inclusion and diversity?

### **Environmental criteria**

- Does the supplier have a target to reduce greenhouse gas emissions, approved by the Science-Based Targets initiative? If not, is the supplier willing to commit to achieving this by 18 months after the go-live date?
- A description of any other time-bound targets to reduce greenhouse gas emissions.
- The supplier's policy on climate change, waste management and procurement of forest-based products.
- Any efforts the supplier makes to promote improved environmental outcomes from its supply chain, including supplier selection policies and compulsory requirements for its own suppliers.
- A copy of the most recent public report on the supplier's assessment of its environmental impact, including any reporting in line with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations.



We continue to enhance our procurement strategy to reduce supply chain risk. In 2023, we updated our Supplier Code of Conduct to require that all suppliers respect human rights and ensure no forced labour or child labour is used anywhere in their supply chain. We also revised our contracts so that they require suppliers to annually confirm compliance with the Code of Conduct. In addition, we are also reviewing new approaches to evaluate supplier sustainability performance and launched a pilot project to increase our understanding of supply chain risk according to the terms of our Supplier Code of Conduct.



# Key focus areas

### Our goals:

5% of eligible procurement spend with Indigenous-owned suppliers directly and indirectly by December 31, 2025

Achieve 10% annual growth in spend with diverse suppliers and small and medium businesses from 2022-2025

Ensure that a minimum of 67% of suppliers, by spend, adopt a science-based target or equivalent by December 31, 2025

Increase spend with suppliers owned by people with disabilities by 10% per year, from 2022 to 2025

### **Indigenous procurement**

A key element of our efforts to support Indigenous communities is to increase the representation of Indigenous-owned businesses in our supply chain. To meet our target of five per cent of procurement spend with Indigenous Peoples or Indigenous-owned businesses, we continued to include bonus points for Indigenous ownership in our RFPs and encouraged our non-Indigenous suppliers to use Indigenous-owned subcontractors and suppliers.

In 2023, we exceeded our target of 3.5% of our procurement spend being directed to Indigenous Peoples or Indigenous-owned businesses, and remain on track to achieve our goal of 5% by 2025.

Results – Percentage of eligible procurement spend with Indigenous suppliers, 2020-2023, and targets for 2023 and 2025

Category	2020	2021	2022	2023	2023 target	2025 target
% of eligible procurement spend with Indigenous suppliers	1.9%	2.1%	3.1%	4.0%	3.5%	5.0%



# Supplier diversity and supporting small and medium businesses<sup>1</sup>

To increase the percentage of procurement spend with diverse suppliers and small and medium-sized businesses (SMEs), we adopted a new target to achieve a 10 per cent increase in annual growth in spending with these suppliers. In our first year of this initiative, we increased procurement spend with diverse suppliers and SMEs by 22.2 per cent and 10.2 per cent, respectively, from the previous year. In 2023, we also asked for respondents to our RFPs to disclose their policies related to equity, diversity and inclusion.

### Reducing emissions in our supply chain

Canada Post has a robust science-based climate target that includes reducing our operational emissions (scopes 1 and 2) by 50 per cent by 2030 and achieving net-zero emissions by 2050. To manage climate risk within our supply chain, we have adopted a target to ensure a minimum of 67 per cent of our suppliers, by spend, establish an approved science-based climate target by 2025. We continue to include climate criteria in our procurement screening and engage our suppliers to implement science-based targets if they have not already done so.

Results – Percentage of eligible procurement spend with SME and diverse suppliers, 2020-2023, and targets for 2023 and 2025

Type of supplier spend	Baseline (2021)	2022	2023	2023 Target	2025 Target
% of eligible spend with small or medium businesses and registered B corporations	30.4%	33.5%	35.5%	36.7%	40.0%
% of eligible spend with diverse suppliers <sup>1</sup>	6.3%	7.7%	14.2%	8.5%	10.3%

Results – Percentage by spend of suppliers with a science-based target (commitment or approved target), 2020-2023

Approved target or target commitment	2020	2021	2022	2023	2023 Target
Suppliers with an approved science- based target (% by spend)	8.7%	10.9%	13.0%	21.3%	37.0%
Suppliers with a science-based target commitment (% by spend)	20.7%	20.4	45.1%	44.9%	30.0%
Total	29.4%	31.3%	58.1%	66.2%	67.0%

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





### **Accessibility**

In alignment with our goal to support the creation of a barrier-free Canada by 2040, we began reviewing all Canada Post RFPs to ensure accessibility standards are included. Our RFP templates and annual supplier survey now include questions about equity, diversity and inclusion policies and the use of diverse subcontractors and businesses owned and operated by people with disabilities. In 2023, we sponsored and served as a site for a study by the Inclusive Workplace and Supply Council of Canada (IWSCC) and Adaptability Canada. The study aimed to identify ways to make procurement more accessible to people with disabilities. Recognizing that accessible procurement tends to focus on physical and sensory disabilities, we have expanded our scope to better understand how we can be accessible to people experiencing mental health conditions and intellectual disabilities.

Based on the results of these initiatives, we are revising our procurement processes, templates and documentation to improve accessibility.

Results – Percentage of increase in spend with suppliers owned by people with disabilities, 2022-2023, and target for 2022-2025

Category	2022	2023	Target
% increase in spend with suppliers owned by people with disabilities	14.4%	29.9%	10% increase per year from 2022-2025

For further details on our approach to accessibility, please see the  $\underline{\text{Accessibility}}$  section of this report.



# Responsible investment

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



## Our position and expectations related to the Pension Plan's key ESG strategic priorities

### **Climate change**

Canada Post recognizes the uncertainty associated with climate change and the material risk it poses to the global economy and our business. We incorporate climate considerations, with respect to physical and transition risk, in our investment strategy, engagement activities and voting practices.

In 2023, the Plan completed an exercise to baseline (2019) its carbon footprint across the majority of assets under management. Asset classes included in this initial exercise were public equities, corporate fixed income, private equities, infrastructure and real estate. We will continue to expand our data coverage to move toward setting asset-class-specific interim emissions reduction targets in line with our commitment to achieve net-zero emissions by 2050. We expect to publish our official Climate Action Plan in 2024.

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 on robust methodologies, such as the Science Based Targets initiative (SBTi) framework.

### **Equity, diversity and inclusion (EDI)**

Equity, diversity and inclusion is a key priority area of Canada Post's transformation plan. We believe that integrating EDI into our business and investment portfolio is not only the right thing to do, but that we can improve returns for our stakeholders and create long-term value.

We expect the public companies we invest in 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 external investment managers to promote EDI within their internal operations and disclose any relevant diversity policies, strategies and targets, and progress towards these targets.

The Pension Plan is a member of REALPAC Diversity, Equity & Inclusion Committee and the 30% Club Investor Group, a global campaign working to increase gender diversity at the board and executive-committee levels. In 2023, we joined the ILPA Diversity in Action initiative, which brings together limited partners and general partners who share a commitment to advancing diversity, equity and inclusion in the private equity industry.



# The four pillars of our responsible investment strategy

## **Integration**

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

#### **Key initiatives in 2023**

- Conducted ESG due diligence on every new fund allocation made in 2023, with the findings included in the investment recommendation memo to the Investment Advisory Committee and/or the Pension Committee.
- Updated our ESG provisions for side letters for all new infrastructure and private equity fund mandates.
- Assessed 22 of our infrastructure and private equity managers on ESG performance, including across our key areas of climate change and equity, diversity and inclusion (EDI).

### **Engagement**

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

### **Key initiatives in 2023**

- Engaged with portfolio companies for more ambitious climate strategies through collaborative investor initiatives (such as Climate Action 100+ and Climate Engagement Canada).
- Engaged with all our real estate managers on ESG performance.

### **Advocacy**

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

### **Key initiatives in 2023**

• Continued to engage actively in industry working groups including: REAL ESG Committee, RIA ESG Working Group, Ceres Private Equity and Infrastructure Working Groups.

### Investment

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

### **Key initiatives in 2023**

At the end of 2023, the defined benefit (DB) component of the Pension Plan had:

- \$1.1 billion invested in buildings with environmental assessment or sustainable building certification programs for real estate (e.g., Leadership in Energy and Environmental Design [LEED]).
- \$305 million invested in renewable energy and energy storage.
- \$318 million invested in green and sustainability-linked bonds.

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





# Our goals

Reduce operational emissions by 50% by 2030 and reach net-zero emissions across our value chain by 2050

Obtain 90% of electricity consumption from non-emitting sources by 2030

Electrify 100% of our last-mile fleet by 2040

Divert 90% of non-hazardous operational waste and 90% of all construction waste by 2030



# Key actions in 2023



Implemented a new power purchase agreement in Alberta, converting over 95% of our electricity consumption in that province to renewable electricity

Completed seven fuel switching projects, replacing fossil fuel heating systems with efficient electric systems



Announced that we will no longer accept
Neighbourhood Mail™
items wrapped in plastic starting in mid-2025

Completed the installation of two rooftop solar projects in Ontario and Alberta and one ground-mounted solar project in Nova Scotia



Completed the installation of electric charging infrastructure at six facilities across Canada



# Emissions reduction and decarbonization

The climate science is clear. Collectively, we must strive to limit global temperature rise to less than 1.5 degrees Celsius compared to pre-industrial levels if we are to avoid the increasingly damaging and severe impacts of climate change. Canada Post is taking steps to make sure we do our part while continuing to deliver for Canadians.

## Climate action

Our ambition is to reach net-zero emissions across our value chain by 2050. Reaching net-zero emissions means we will make absolute reductions of 90 per cent on our scope 1, 2 and 3 emissions by 2050 (from a 2019 baseline). We have set interim targets to support the 2050 goal. These include reducing our operational emissions (scopes 1 and 2) by 50 per cent by 2030 and engaging with our suppliers and subsidiaries to set science-based emissions reduction targets by 2025. Our targets are science-based and validated by the Science Based Targets initiative (SBTi). Canada Post is one of the first 10 transportation and logistics companies in the world with a net-zero target approved by the SBTi.

### **Strategy and roadmap**

In the near term, our strategy to reduce operational emissions includes:

- Investing in renewable energy
- Decarbonizing our buildings
- Decarbonizing our last-mile fleet

We continue to develop our long-term strategy to determine the levers and initiatives we will need to implement to cut our scope 3 emissions and reach net zero by 2050. In 2023, we conducted a detailed review of initiatives already under way to drive reductions in our scope 3 emissions. We identified gaps and areas for further analysis and we continue to work with external experts to build a strategy that will address these emissions and provide options to achieve our net-zero goal.



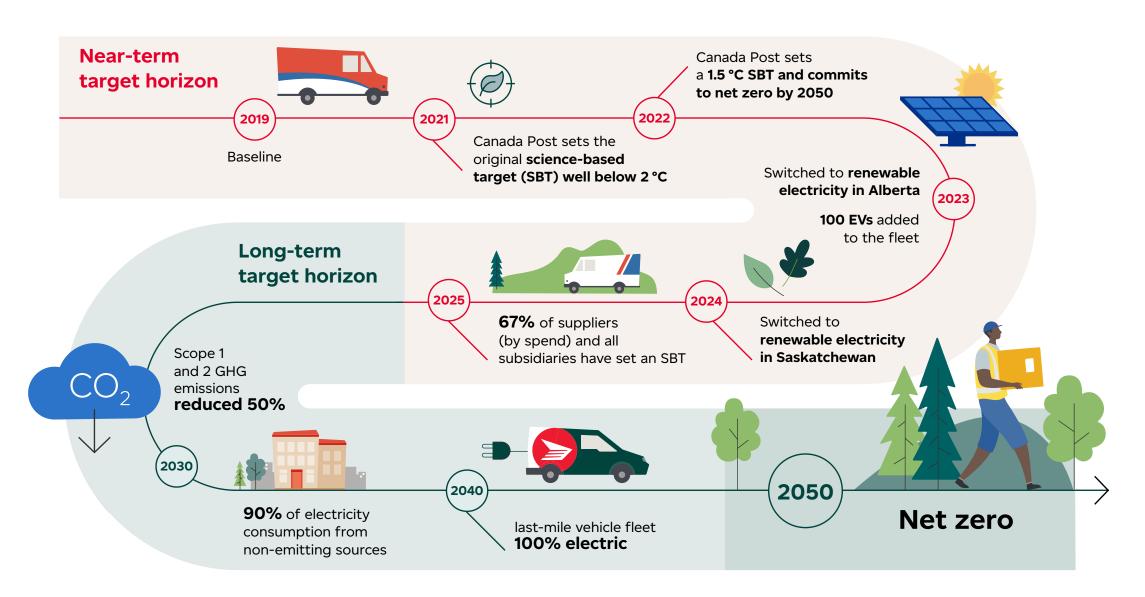
### Our goal:

Reach net-zero emissions across our value chain by 2050





# Canada Post's net-zero roadmap







#### 2023 GHG emissions results

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) include upstream transportation and distribution, investments (ownership in subsidiaries) and purchased goods and services. In 2023, Canada Post generated a total of 1,089.9 kt CO<sub>2</sub>e, with scope 3 emissions accounting for 90 per cent of that total.

### **Methodology updates**

As part of our ongoing efforts to enhance our GHG emissions reporting, in 2023 we made the following updates to our calculations:

- Revised the emission factors used to estimate upstream emissions from fuel and energy-related activities.
- Improved the accuracy of our employee commuting emissions calculations, using specific geographic information systems (GIS) data on the distance employees travel to work.
- Improved the accuracy of our calculations for purchased goods and services and capital goods emissions by incorporating actual emissions data from 85 suppliers representing 63 per cent of our procurement spending. These data were obtained through participation in the CDP Supply Chain program.



#### Results - 2023 Scope 1 GHG emissions (kt CO<sub>2</sub>e)

Scope 1 emissions source	2023
Facilities	32.6
Fleet	66.4
Total scope 1	98.9

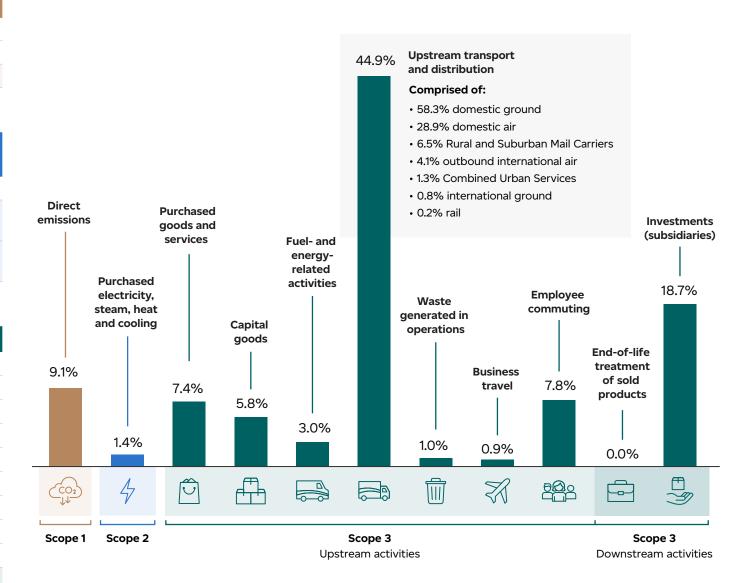
### Results - 2023 Scope 2 GHG emissions (kt CO<sub>2</sub>e)

Scope 2 emissions source (market-based)	2023
Electricity	15.3
Total scope 1 and scope 2 (market-based)	114.2
Scope 1 and 2 intensity (kt CO <sub>2</sub> e/billion \$ revenue)	16.5

### Results - 2023 Scope 3 GHG emissions (kt CO<sub>2</sub>e)

Scope 3 emissions source	2023
Purchased goods and services	81.1
Capital goods	62.8
Fuel- and energy-related activities	32.7
Upstream transportation and distribution	488.9
Waste generated in operations	10.7
Business travel	10.2
Employee commuting	84.7
End-of-life treatment of sold products	0.5
Investments	204.2
Total scope 3	975.7
Total scopes 1, 2 and 3	1089.9

#### Results - 2023 GHG emissions by source

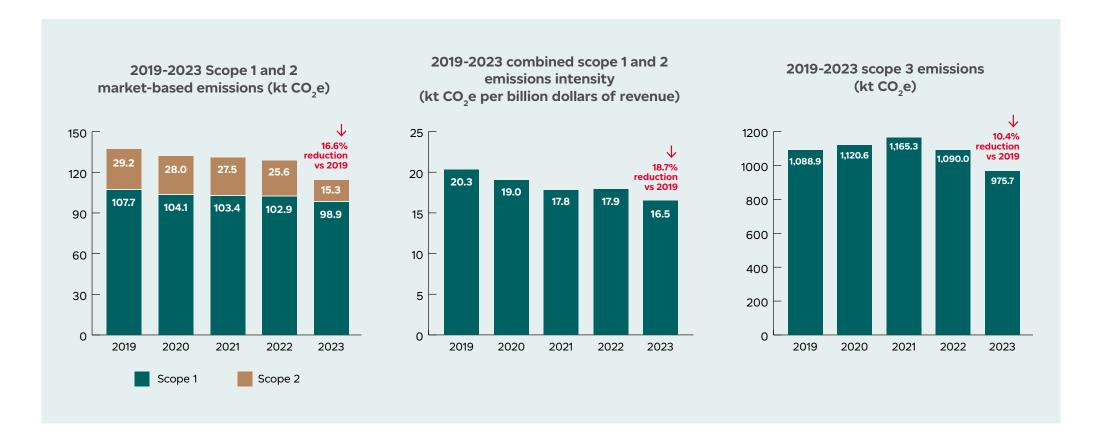




## **Emissions reduction progress**

In 2023, we achieved an 11 per cent reduction in scope 1 and 2 emissions from 2022 emission levels, and a 16.6 per cent reduction from 2019 emission levels (our target base year). This reduction was mainly due to the switch to renewable electricity in Alberta and lower-than-expected consumption of natural gas and heating oil because of milder winter conditions. Our 2023 emission intensity results (scope 1 and 2 kt CO<sub>2</sub>e per billion dollars of revenue), decreased by 7.8 per cent compared to 2022 and 18.7 per cent compared to 2019.

Our 2023 scope 3 emissions declined by 10.5 per cent from 2022 and 10.4 per cent compared to 2019. This was mainly due to the use of supplierspecific emissions data for purchased goods and services and capital goods, where available, which led to more accurate emissions reporting for these categories in 2023.



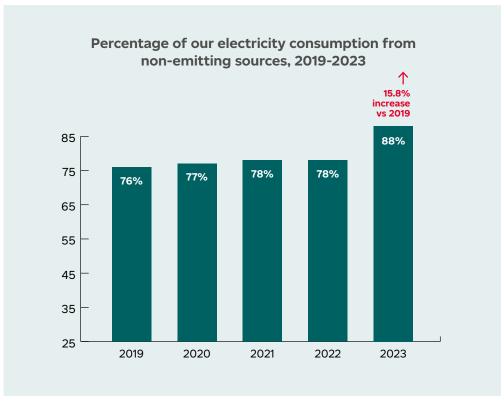


# Investing in renewable energy

In 2023, we established a new target for consumption of non-emitting electricity. Non-emitting electricity means the power is generated without directly releasing any GHG emissions. This includes generation from renewable energy sources as well as zero-emission sources such as nuclear. To achieve this goal, we are working closely with the Government of Canada and provincial utility providers to negotiate purchases of renewable electricity that support renewable energy generation in provinces with high-emitting electrical grids. Canada Post is also investing in its own renewable energy generation through projects such as on-site solar power. This important goal for non-emitting electricity supports our science-based emissions reduction targets.

In 2023, our consumption of non-emitting electricity increased by 12.6 per cent compared to 2022 and 15.1 per cent compared to 2019, mainly due to a switch to over 95 per cent renewable electricity in Alberta through a new power purchase agreement (PPA). In 2023 we also completed the installation of two rooftop solar power projects on Canada Post facilities in Ontario and Alberta, and one ground-mounted solar power system in Nova Scotia. We conducted three feasibility studies for other roof-mounted solar power projects in Ontario, with a plan to implement these projects in the next few years. In early 2024, we also implemented a switch to over 90 per cent renewable electricity in Saskatchewan through a Renewable Subscription Service agreement with SaskPower.







# Decarbonizing our buildings

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 emissions reduction plan that takes various measures to make our facilities low-emitting, more energy efficient, and that improves the working environment for our employees. These measures include:

- Fuel switching (e.g., converting fossil fuel heating systems to electric)
- Retro-commissioning (analyzing buildings and taking specific actions to reduce their energy use)
- · LED lighting retrofits
- Solar panels (roof and ground-mounted systems)
- Building automation system upgrades (automated centralized control of heating, cooling, lighting)

The rollout of this plan continued in 2023, with the completion of some larger emissions reduction projects and the launch of a new phase. Key initiatives in 2023 included:

- Completed seven fuel switching projects in the provinces of Newfoundland and Labrador, Quebec, Nova Scotia and Saskatchewan, with another four to be completed in early 2024. These projects are forecast to reduce annual GHG emissions by an estimated 370 tonnes. Most of the projects are expected to result in a 90 per cent reduction in scope 1 emissions at the facility, through the replacement of existing fossil fuel heating systems with efficient electric systems such as heat pumps. Two projects followed a hybrid approach, using electric heating systems as a primary source and a fossil-fuel system as back-up heating, and are expected to result in a 60 to 70 per cent reduction in fossil fuel use at these facilities.
- Implementation of retro-commissioning projects in three high-energy usage buildings in Ontario, Manitoba and Nova Scotia. Measures implemented include upgrading controls, adjusting damper positions, alignment of schedules based on occupancy, relocation of thermostats, weatherstripping and others. Studies were completed for another seven buildings with retro-commissioning measures to be implemented in 2024. The GHG reduction for these projects is estimated at 245 tonnes.
- Completion of 25 LED retrofit projects in 2023 with another 15 projects on track to be completed in early 2024. GHG reductions from these projects are estimated at 300 tonnes.





### **Albert Jackson Processing Centre**

In 2023, Canada Post officially 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. Bolstering Canada's largest delivery network, this facility is Canada Post's largest, fastest and greenest parcel sorting facility. The facility's innovative sustainability features include:

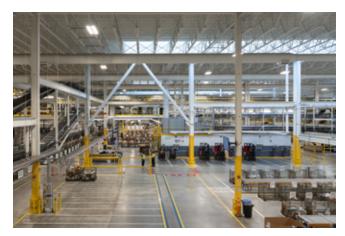
- · Rooftop solar panels that generate clean, renewable energy on site.
- · An efficient HVAC system and sensor-controlled lighting, based on occupancy and daylight.
- Ten electric vehicle charging stations for use by employees.
- Infrastructure that will support the future electrification of Canada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

An official launch event was held in September of 2023.











# Decarbonizing our last-mile fleet

As part of our climate targets, we must decarbonize our fleet. We are committed to converting our fleet of over 14,000 delivery vehicles to zero-emission vehicles.

In 2023, we launched our Accelerated 100 initiative, with the goal of adding 100 electric vehicles (EVs) to our delivery fleet by the end of the year. As a result of the Accelerated 100 initiative, six facilities across Canada have been upgraded with charging infrastructure to support the deployment of the 100 EVs, with another site under way in Ontario. These important EV deployments allow us to test EV infrastructure and the use of all-electric vehicles in real-world scenarios in our operations.

In 2024, we will be gathering data on the initial 100 EVs to learn and refine our plans on how to deploy them in the future. The first winter with the EVs on the road will provide us with a better understanding of any cold-weather challenges and any other considerations impacting future rollouts. When selecting sites, we prioritized locations with clean electricity grids and with delivery routes under 70 kilometres.



### Our goal:

Electrify **100%** of our last-mile fleet by 2040.





We are one of the first fleets in Canada to have **100 EVs in service.** 



# Sustainable products and services

A core element of our transformation plan is our commitment to environmental leadership. To support our ambitions, we continue to integrate environmental sustainability into our products and services, and into how we deliver mail and parcels to Canadians.



### Mail

Canada Post has an obligation to deliver mail to all Canadian residents and businesses. It's a responsibility we're proud to deliver on. We fulfill our legislative obligations and meet the needs of our customers while balancing commercial, social and environmental considerations. While Canadians expect their postal service to deliver, they also expect us to help create a more sustainable future.

### Reducing plastic in the mail stream

As an advocate for sustainable mail options, Canada Post continues to work with industry stakeholders to reduce waste in the mail. This means looking for innovations in the marketplace, reducing single-use plastics and communicating best practices. The Canada Post Neighbourhood Mail™ service allows businesses to distribute marketing materials to specific areas across the country. The use of plastic wrapping for these materials has been a large contributor to plastic in the mail stream. As part of our efforts to reduce this use of plastic, in 2023, we announced that in mid-year 2025 we will no longer accept Neighbourhood Mail™ products wrapped or packaged in plastic. We estimate this important change will reduce plastic waste by 744 metric tonnes per year.

### **Industry guidance and support**

Canada Post also engages with the **Sustainable Mail Group**, an organization that drives industry collaboration and progress on solutions. In 2023, we worked with the Sustainable Mail Group and Toronto Metropolitan University on a partnership to publish a new resource, the Sustainable Direct Mail Guidelines. These resources are intended to educate large volume mailers and direct marketers about key environmental considerations and alternatives when it comes to using paper, ink and plastic. They also provide information about data hygiene, to ensure data records support accurate monitoring and reporting.



### **Parcels**

Canada Post delivers nearly 300 million parcels every year, from coast to coast to coast. We continue to look at ways to deliver more sustainably, particularly as it relates to parcel deliveries and packaging. For example, we published guidance and support to provide customers with options to help them protect merchandise while reducing the environmental impacts of packaging. We also offer carbon emissions reporting to customers to help them understand the climate impacts of their parcel shipments (with carbon-neutral shipping options available to them).

### **Carbon-neutral shipping**

As we continue to reduce emissions on the road to net zero by 2050, we're taking steps to help Canadians and Canadian businesses make sustainable shipping choices in the short term. In March 2023, Canada Post launched its carbon-neutral shipping services. For every tonne of greenhouse gas emissions (CO<sub>2</sub>e) generated by domestic Regular Parcel™ and Expedited Parcel<sup>™</sup> deliveries, we support the removal of one tonne of CO<sub>2</sub>e from the atmosphere by purchasing high-quality, verified and accredited carbon offsets.

Carbon offsets are generated by projects that reduce or capture emissions from the atmosphere. Canada Post prioritizes Indigenous-owned or led, Canadian nature-based offset projects. Carbon offsets for carbon-neutral shipping do not count toward our emissions reduction targets.



As of March 2023, all flat-rate boxes, domestic Regular Parcel and **Expedited Parcel deliveries started** being shipped as carbon neutral.

#### Results - Carbon-neutral shipping, 2023

Metrics	2023
Total number of parcels shipped as carbon neutral	168 million
Total emissions offset (metric tonnes)	42,372

In 2023, Canada Post's carbon offset purchases supported the Great Bear Forest Carbon Project, which is wholly owned by a unique alliance of First Nations. The project protects forests that were previously available for logging. It conserves and grows existing carbon stocks and reduces emissions caused by harvesting, road building and other forestry operations.

For more information on our carbon-neutral shipping program, please see the Sustainable delivery page on our website.

### **Supporting our business customers**

Most commercial customers source their own packaging and shipping materials; however, we aim to help them make responsible choices by providing guidance on the most sustainable solutions. Some commercial customers receive a variety of packaging solutions from Canada Post, including Flexipack™ pouches, prepaid envelopes and labels. We prioritize recycled content and recyclability when selecting our product offering recommendations. The Flexipack pouch offered to commercial customers is made in Canada from at least 75 per cent recycled materials.

Leveraging our best-in-class emissions calculation methodology, we have strengthened the quality of the reporting we provide to our business customers about the emissions generated by their shipping. In 2023, we provided over 100 GHG emission reports to our commercial business partners. These important reports support their own emissions reporting and climate-related goals.



### Retail

We're focusing on three areas to improve the sustainability of the products we sell at our retail locations:

#### Eliminating plastic 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 layer. This collaborative approach has led to the removal of plastic from products such as packing tape, shipping boxes and prepaid Xpresspost™ envelopes. These initiatives have eliminated approximately 98 tonnes from our operations since 2020.



Almost **90%** of the packaging and shipping supplies we sell in post offices contain recycled materials.

#### **Providing plastic-free alternatives**

Many customers and small businesses are seeking ways to reduce the amount of plastic they use. We have introduced two paper-based alternatives to our plastic bubble mailer. Made with recycled materials, the mailers are recyclable while still providing protection for items inside.

# Increasing use of recycled content in our shipping supplies

We continue to increase the amount of recycled materials used in our packaging.

#### Highlights include:

- Prepaid envelopes: 80 per cent recycled materials
- Flat-rate and mailing boxes: 74 per cent total recycled materials
- Plastic bubble mailer: Increased from 23 per cent to 50 per cent recycled materials in 2023

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To make the interior design of our post offices more sustainable, we're moving to modular counters, shelving and other fixtures that are more easily repaired. They allow for the replacement of individual components as opposed to a complete refit. This important change reduces waste and the cost of replacing and disposing of fixtures when they are damaged or reach the end of their life cycle.



# Zero waste

Canada Post is committed to reducing waste within its operations and increasing waste diversion through reuse and recycling. We are taking steps to ensure accurate measurement and tracking of waste, and piloting innovative solutions in our facilities to divert waste from landfills.

# **Zero-waste strategy**

Our zero-waste strategy is made up of five key pillars:











Waste prevention

Waste diversion Performance analysis

Employee engagement

Corporate and community leadership



### Our goal:

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



To support the development of our zero-waste strategy, we conducted a series of waste audits at 16 facilities across our real estate portfolio. These audits evaluated the composition and disposal methods of waste generated at different facility types to help us better understand the variations in waste in plants, depots and post offices. The results of the audits confirmed that over 97 per cent of our waste generation is related to operational activities, with employee and administrative waste accounting for less than three per cent of overall waste in our facilities. These results will allow us to address priority areas and develop targeted solutions by facility type.

In 2023, our waste generated increased by 2.8 per cent compared to 2022, and waste recycled increased by 3.6 per cent.

Results - Waste generation by disposal method (tonnes), 2022-2023

Disposal method	2022	2023	2023/2022 change
Recycled	26,925	27,902	+3.6%
Landfill	13,530	13,682	+1.1%
Total	40,454	41,584	+2.8%



# Government of Canada's GCSurplus program

In 2023, we launched a partnership with the GCSurplus program. GCSurplus is a federal government program designed to increase the lifecycle of surplus and forfeited goods for the benefit of the environment, Canadians and our communities. This program allows Canada Post to transfer, sell or donate used items and fixtures that we no longer have a use for, but are still in good condition. These items are auctioned within Canada and contribute to the circular economy.

Through GCSurplus, Canada Post has been able to give new life to items such as filing cabinets, office furniture and fixtures, and even elastic bands. In total, our participation in GCSurplus led to almost 3.2 metric tonnes of waste diverted from landfills in 2023.



### Other zero-waste initiatives completed in 2023



Through the Sustainability Action Fund, we supported more than 15 employee-led projects related to waste reduction, recycling and reuse. Some of the projects supported were the installation of new recycling bins, used battery collection, reusable dishes and cutlery and zero-plastic initiatives.



We piloted metal carabiners as an alternative to single-use plastic ties that are used to attach routing cards to shipping containers.



For the first time, we included requirements for construction waste in our standard project specifications.







# Climate-related risks and opportunities

Canada Post recognizes the seriousness of the need for action on climate change.

Integrating the consideration of climate impacts in strategy development and resiliency planning is critical for the long-term sustainability of the Corporation. This means managing our top climate-related risks and opportunities through:

- strong governance structures
- inclusion of potential climate impacts in the development of business strategy and financial planning, including the use of climate-scenario analysis
- robust risk-management processes
- quantification of the potential financial impacts of climate-related risks and opportunities
- ambitious emissions reduction targets and performance monitoring through regular tracking of and reporting on climate-related metrics



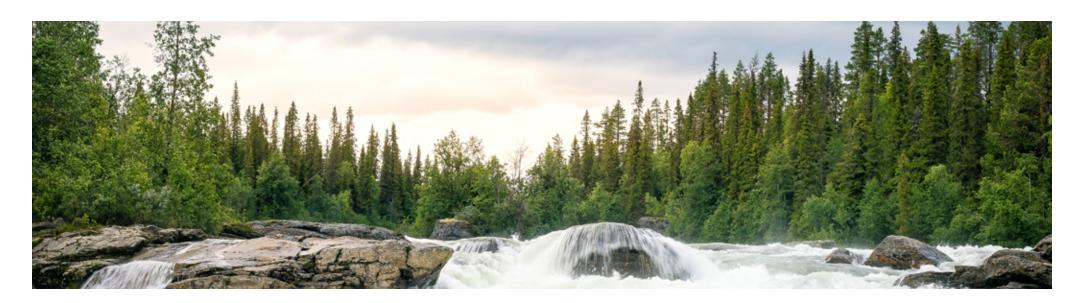
### Governance

At Canada Post, governance of climate-related risks and opportunities falls within the corporate ESG governance framework, with the highest level of oversight residing at the Board level. Details on our ESG governance structure can be found in the ESG governance section of this report. Updates on key ESG issues and performance on targets, including those related to climate, are provided to the Board quarterly.

## Strategy

Climate-related risks and opportunities are integrated into Canada Post's strategic planning and decision-making processes, with consideration given to their impacts on our own operations as well as on our value chain. We have been evolving our business model to support the shift to a low-carbon economy, transitioning our fleet away from fossil fuels to clean electricity and investing in renewable energy. We have also been engaging with our suppliers to encourage the setting of science-based emissions reduction targets and the implementation of business practices that support the reduction of their climate impacts. Further details on our strategies to decarbonize our operations and influence suppliers are available in the Emissions reduction and decarbonization and Sustainable procurement sections of this report. In addition, our financial planning includes the allocation of capital to support our transition to a low-carbon operating model, and we are working on the development of an internal carbon price to further integrate climate considerations into our investment decision-making processes.





Canada Post recognizes that climate change causes both physical and transitional risks for the company, in addition to new opportunities. In 2023 and early 2024, we deepened our analysis of climate-related risks and opportunities, expanding on the initial climate scenario analysis work conducted in 2022. Scenario analysis allows the exploration of possible futures using different socio-economic development pathways to inform business strategy. Canada Post conducted quantitative scenario analysis using three scenarios:

- The baseline (RCP8.5 SSP2 or SSP5), where country policies and global emissions are in line with a business-as-usual pathway with no new climate policy interventions and the continued or increased use of fossil fuels.
- The **low-warming scenario** (RCP2.6 SSP1 or SSP2), where country policies and global emissions are in line with capping global warming at 2 °C.
- The **middle-ground scenario** (RCP4.5 SSP2), where the global decarbonization trajectory is in line with global warming reaching between 2 °C and 3 °C.

Detailed site-specific analysis was undertaken to assess potential physical risks to the Corporation, including wildfires, extreme heat, wind events, flooding from extreme precipitation, riverine flooding and coastal flooding. We identified assets and operations at the greatest physical risk due to climate change and estimated associated potential financial impacts. We then conducted a comprehensive review of potential transitional risks across the following categories: policy and legal, technology, market and reputation.

In collaboration with key stakeholder groups across the company, Canada Post's exposure to these risks was assessed and estimated potential financial impacts were developed. Finally, a review and assessment of potential climate-related opportunities were conducted, with consideration given to the following categories: resource efficiency, products and services, markets and resilience. Financial impacts for climate-related risks and opportunities were assessed over the short, medium and long term.

Summaries of our top climate-related risks and opportunities are presented on the following page.



#### Climate-related risks for Canada Post<sup>1</sup>



Increase in wildfire risk due to changes in temperature and precipitation.

Risk type: Acute physical

Potential financial impact(s):

Increased costs to repair or rebuild damaged assets; decreased revenues

due to service disruptions



Extreme precipitation events leading to rapid accumulation of surface water and flooding.

Risk type: Acute physical

Potential financial impact(s):

Increased costs to repair or rebuild damaged assets; decreased revenues

due to service disruptions



Policy actions resulting in additional fees imposed on carbon-intensive energy sources.

Risk type: Transition

Potential financial impact(s): Increased fuel and energy costs

## **Climate-related opportunities for Canada Post<sup>1</sup>**



Offering low-carbon shipping options to meet growing customer demand.

**Opportunity type:** Products and services

Potential financial impact(s): Increased revenues





Growing market share by taking a leadership position on climate change, enhancing Canada Post's reputation with customers.

**Opportunity type:** Market

Potential financial impact(s):

Increased revenues





Switching to low-carbon-energy sources to power our fleet.

**Opportunity type:** Resource efficiency

Potential financial impact(s): Decreased fleet operating costs

- 1. Financial impact estimates for climate-related risks and opportunities are in the process of being finalized and will be disclosed publicly later in the year.
- 67 Canada Post Corporation 2023 Sustainability Report



### **Risk and opportunity management**

The management of climate-related risks and opportunities is incorporated into our overall enterprise risk management (ERM) framework as outlined in the Risks and Risk Management section of our 2023 Annual Report. At a functional level, climate-related risks and opportunities are managed by multiple areas across the business using various tools, processes and practices to plan for and respond to these risks over the short, medium and long term. The table below provides an overview of roles and responsibilities of some of these key functions.

### **Metrics and targets**

Canada Post is committed to transparency on ESG-related matters, including action on climate change. We report publicly on key climate-related metrics and targets through our annual Sustainability Report, as well as through our ESG Transparency Supplement.

#### Risk and opportunity management roles and responsibilities

#### **National Control Centre**

Monitors events that could cause operational disruptions including wildfires and flooding and manages the launch of the Critical Incident Response Team (CIRT). Identifies and executes strategies to mitigate risks, exploit opportunities and further embed a climate lens across the organization.

### **Business Continuity**

Manages and hosts scenario management and training opportunities for operational and strategic risk managers throughout the organization. Plans for any scenario that could cause loss of head office, loss of significant workforce and data/technology failure to ensure essential functions at Canada Post can still operate.

#### **Insurance**

Manages Canada Post's primary property insurance and negotiates sub limits that are being imposed due to increasing climate risk in Canada. Shares information on the Corporation's sustainability practices to negotiate insurance premiums.

#### **Real Estate**

Manages the repair and improvement of buildings impacted by weather-related events. Implements proactive improvements to facilities that will enhance resilience to weather-related events. Identifies and implements energy efficiency projects and fuel-switching projects to decrease corporate GHG emissions.

#### **Finance**

Creates separate budget reporting categories when a major climate event occurs to track recovery spending. Tracks carbon pricing impacts and incorporates consideration of these into budget planning.

### Sales and Marketing

Supports the development of products to meet customer demands for sustainable delivery options. Collaborates with the Corporate Sustainability and ESG teams to increase customers' awareness of Canada Post's commitment to leadership on climate action.

### **Corporate Sustainability**

Assesses climate risks and opportunities at Canada Post and the current state of climate risk management. Educates and engages stakeholders. Identifies and executes strategies to mitigate risks, maximize opportunities and further embed a climate lens across the organization.



# Protecting biodiversity

The Taskforce on Nature-related Financial Disclosures (TNFD) notes that "the prosperity and resilience of our societies and economies depend on the health and resilience of nature and its biodiversity."

As Canada's postal service provider delivering to nearly 17.4 million addresses across the country, we have a vast network and footprint. We recognize the importance of preserving living species where we operate and are committed to better integrating the protection and promotion of biodiversity into our environmental strategy.

To minimize and mitigate our impacts on nature, we are conducting environmental assessments at existing sites and sites proposed for new builds on federal lands. Our environmental site assessments consider a variety of potential impacts, including the evaluation of soil and ground water for contaminants, as well as monitoring impacts on migratory birds, species at risk and habitats. If we become aware of a species at risk at one of our sites, our facilities management team will document the species so we can consult experts and take steps to protect them during any future work on our buildings.

Over the coming year, we will undertake a review of our business processes and activities to identify areas where there may be material nature-related dependencies and impacts. This review will be a first step in the development of a more robust strategy to assess and manage nature-related issues.



### **Brown bats in Balcarres, Saskatchewan**

Little brown bats are endangered in Canada, largely due to an invasive fungus that causes white-nose syndrome. This fungus infects the exposed skin of the muzzle and wings of hibernating bats. Other threats to this species include habitat loss, pollution, climate change and pesticides.

Little brown bats typically roost in buildings, trees and caves. However, throughout the summer months, females often raise offspring in attics, abandoned buildings, barns and tree cavities. This was the case at one of our rural post offices in Balcarres, Saskatchewan, where a colony of little brown bats was discovered in the attic of the building. For health and safety reasons, the building needed to be replaced. As a solution, Canada Post installed bat houses on poles outside of the building to provide alternative housing for bat species while they roost.





# Our goals

Achieve best-in-class safety results

Create an inclusive workplace where everyone is welcome, heard and has an equal opportunity

Achieve 80%, at a minimum, of the representation levels of the Canadian labour market availability for women, Indigenous Peoples, people with disabilities and visible minorities



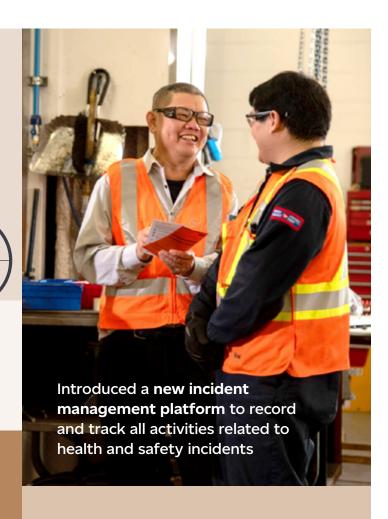
# Key actions in 2023

Increased our representation of Indigenous Peoples, people with disabilities and visible minorities within the 9,183 new employees hired

Decreased our lost-time injury frequency rate by over 15% compared to 2022

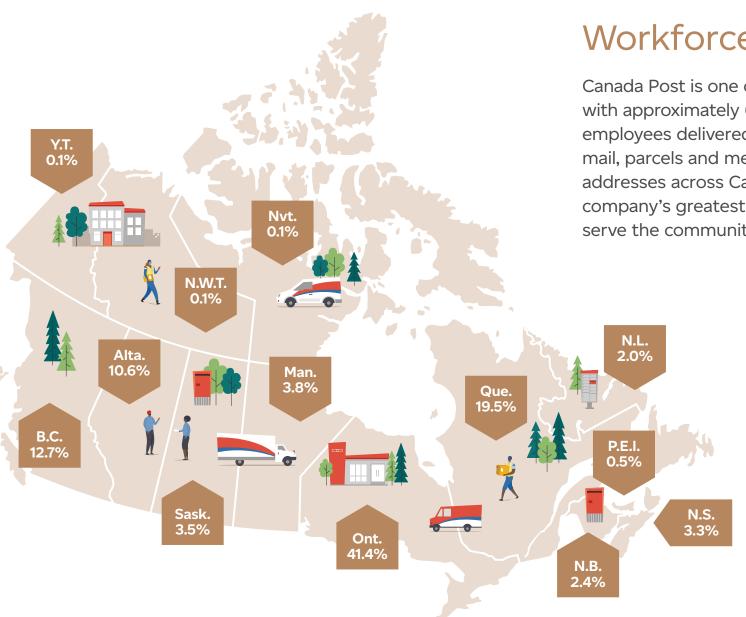


Delivered **927,500 training hours** to employees



Increased our Global Diversity, Equity and Inclusion Benchmark score from 3.67 to 3.78





# Workforce overview

Canada Post is one of Canada's largest employers with approximately 68,300 employees.¹ During 2023, employees delivered almost 6.5 billion pieces of mail, parcels and messages to nearly 17.4 million addresses across Canada. Our employees are the company's greatest ambassadors and proud to serve the communities where they live and work.

### **Employee overview**

76.2% permanent<sup>2</sup>

66.3% full-time<sup>2</sup>

47.4% female3

8.6% with disabilities<sup>3</sup>

**26.4%** visible minorities<sup>3</sup>

3.4% Indigenous<sup>3</sup>

**96%** covered by collective bargaining agreements<sup>4</sup>

- 1. Full- and part-time, including temporary, casual and term employees.
- 2. Includes permanent and temporary employees as well as employees on unpaid leave.
- 3. Based on self-identification in Canada Post's equity census.
- 4. Includes those on unpaid leave.



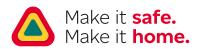
# Health, safety and well-being

Canada Post's ambition is zero harm. We remain committed to proactively identifying, preventing and controlling hazards and risks that affect employees, contractors, visitors, customers and members of the public. Our approach focuses on changing our mindset toward safety, improving collaboration with our bargaining agents reducing occupational injuries and illnesses, minimizing incidents of workplace harassment and violence, remodelling road safety and prioritizing the mental health of our people.



### Health and safety strategy

In 2021, we launched our 10-year health and safety strategy. Now in the third year of the strategy, we conducted a scan of progress to date. As part of this process, we consulted with all union presidents, National Joint Health and Safety Committee union co-chairs, health and safety team members, team leaders, executives and employees at our facilities in Ottawa and Montréal. Based on recommendations from these stakeholders, we strengthened our health and safety governance by establishing three councils to accelerate our strategy: the Psychological Council, the Life Safety Council and the Executive Safety Council.





#### Mental health

To support our five-year mental health plan, we introduced a mental health dashboard to help identify areas for improvement. One of those areas was the utilization rate of our Employee and Family Assistance Program (EFAP), a free, confidential counselling and wellness resource for employees and their family members. We will aim our efforts at maximizing awareness of the service and work to remove barriers that limit access. At the end of 2023, Canada Post recorded a seven-per-cent utilization rate of EFAP tools and services. Our goal in 2024 is to double that rate and progressively increase utilization through awareness campaigns.

In 2023, we launched seven new micro-learning videos related to work-life balance, following our prior focus on psychological support. We also piloted a new training for Local Joint Health and Safety Committee (LJHSC) members that participated in our psychological risk assessment pilot initiated in 2022. A total of 317 LJHSC members from various union groups were trained over 23 sessions which aimed to educate our safety committee members about their important role in promoting and supporting psychological safety.



### **Positive safety interactions**

Positive safety interactions (PSIs) are short conversations that address behaviours in the workplace that may be unsafe. They are a critical part of our efforts to increase safe behaviours, and reduce shortcuts and unsafe actions. In 2023, our target was to train 50 per cent of all team leaders in Operations (approximately 1,600) and 50 per cent of directors in non-field Operations. By the end of the year, we had held over 155 PSI training sessions across the country for both Operation leaders and directors in non-field Operations. More than 1,600 leaders were trained - achieving our 2023 national target. To ensure sustained awareness of the importance of PSIs and how to engage in them, monthly calls are held by each director of Operations.



### **Driver safety**

Driving at Canada Post remains the highest-risk activity we perform each day. Reducing collisions, especially collisions with injuries, and ensuring our employees apply the highest level of professionalism behind the wheel is critical. In 2023, we launched SMITH collision avoidance training online for all 10,600 Rural and Suburban Mail Carriers (RSMCs), focused on crash-avoidance and safe driving behaviours. Since the launch of the training in May, over 5,600 employees have completed the online collision avoidance training. In addition, we have continued to roll out one-day in-class sessions to employees as preventative and remedial training, training 370 employees.

Continuing on the success of Driver Safety
Month, team leaders were provided with toolkits
containing quizzes and presentations to share
with their team on driver safety rules, safe driving
behaviours (intersections, distractions and
fatigue), and winter driving tips. The national
team also delivered on-site safety talks and
demos during targeted driver safety weeks in
Northern Ontario and the Prairies. These
presentations focused on key topics like blind
spots and pre-trip checks in an effort to increase
awareness and reduce collisions.

# Health and safety management systems (HSMS)

In 2023, we introduced a new incident management platform to record and track all activities related to health and safety incidents. Over 3,000 people leaders were trained on the new incident management system through various dynamic training tools, including more than 50 orientation sessions to help leaders embrace the new system with a safety mindset.

We also updated our emergency management plans and templates to reflect our climate-related risks, including wildfires and flooding. The review involved close collaboration with Canada Post's accessibility team, and our plans now include a standardized approach for employees who require assistance during an evacuation.

As part of our ongoing review of our HSMS and our focus on injury prevention, we hosted more than 90 musculoskeletal injury reduction sessions to equip team leaders with coaching tips, knowledge and skills on safe lifting practices. In our most remote areas, where a team leader may not be present on the work floor at all times, three micro-learning videos for RSMCs were launched in collaboration with our union stakeholders.



### Results – Health, safety and wellness: Injury rates and number of incidents, 2021-2023, and target for 2023

Type of injury rate or incident	2021	2022	2023	2023/2022 change	2023 Target
Total injury frequency rate	6.58	5.89	5.42	-8.0%	5.25
Lost-time injury frequency rate	3.15	2.68	2.27	-15.3%	2.35
Total injury severity rate	309	287	260	-9.4%	262
Motor vehicle collision rate	11.1%	10.9%	9.6%	-11.9%	10.3%
Slips, trips and falls	1,223	1,166	925	-20.7%	N/A
Manual material handling incidents	1,141	949	659	-30.6%	N/A
Workplace harassment and violence incidents	886	553	886	+60.2%	N/A

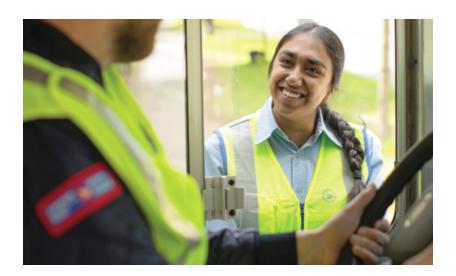




# Culture and employee engagement

A culture that makes us stronger together helps us fulfill our purpose: A Stronger Canada – Delivered. Our shared values and signature behaviours form the foundation of that culture. They serve as a framework to guide us and promote a sense of purpose and belonging.

Canada Post recognizes that a strong corporate culture enhances collaboration, innovation and agility. It helps us attract and retain top talent, foster a positive work environment, increase organizational resilience and create the conditions for success.



Our values

Trust

Respect

Deliver

### 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, demonstrating care for others, and supporting and encouraging 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**

Doing right by our people and becoming an employer of choice is a strategic priority for the organization. Our Employee Engagement Survey is one of our key instruments to solicit feedback from our people about what is and isn't working. Since 2019, we have conducted this survey annually to develop our understanding of how we can improve the employee experience.

To ensure that we create the conditions for open and honest feedback, our Employee Engagement Survey is conducted anonymously by an independent third party. In 2023, our participation rate was 46 per cent, representing a slight decrease from 2022. Our Engagement Index remains relatively stable, with a single percentage point decrease since our last survey. We value the feedback employees provide and take the time to review every comment received through the survey. In 2023 we received 43,500 comments.

A priority area in the "Doing right by our people" pillar of our transformation is to create a fair and respectful workplace. Our goal is to create an inclusive workplace where everyone is welcome, heard and has an equal opportunity. In 2023, we were proud to see top favourable scores across the survey indicating that employees can communicate in the official language they're comfortable with (92 per cent favourability), and that Canada Post has created a work environment where people of diverse backgrounds can succeed (80 per cent favourability).

We also recognize how much our employees care about the environment and are working to increase awareness on our commitment to leadership in environmental sustainability. In 2023, 52 per cent of respondents said they agreed Canada Post is an environmentally responsible company – representing an increase

of three percentage points from the 2022 results. We will continue to engage our employees in reducing our environmental impacts to drive further improvements in this score.

Since launching the survey in 2019, results have been stable. We now have a significant amount of data showing where we are succeeding and where there is opportunity to improve. As we look to the future, we are evaluating how to continue to solicit regular feedback from employees while avoiding survey fatigue and providing us with enough time to turn feedback into meaningful progress.

Results - Employee Engagement Survey, 2020-2023

Metric	2020	2021	2022	2023	2023/2022 change (percentage points)
Participation rate in engagement survey	25%	51%	53%	46%	-7
Engagement Index	72	73	71	70	-1





### Talent management

#### **Talent acquisition**

To attract and retain talent in a competitive labour market, we must continue to innovate and place the employee experience at the centre of everything we do, from recruitment to retirement. We want Canada Post to be a place for people to grow, develop their skills and feel pride in the work they do for Canadians.

Attracting and retaining talent is a key priority for Canada Post. To ensure we hire and retain the workforce of tomorrow, we are updating our processes to reflect our new culture and values and investing in technology to streamline the hiring and onboarding process. We're also equipping recruiters with new tools to take on labour market challenges. These tools will help them leverage new streams for candidates, automate open role advertising and deliver a fair and consistent recruitment experience nationally.

Results – Number of new hires per year and proportion of designated group members, 2020-2023

Category	2020	2021	2022	2023	2023/2022 change (percentage point excluding total new hires)
Total new hires	11,994	11,633	12,678	9,183	-3,495
% Women	44.7%	46.4%	47.5%	46.1%	-1.4
% Indigenous Peoples	3.0%	3.6%	4.5%	4.9%	+0.4
% People with disabilities	5.6%	7.8%	9.3%	10.5%	+1.2
% Visible minorities	31.0%	31.9%	33.5%	33.6%	+0.1

1. Based on self-identification.



Attracting the talent of tomorrow means investing in the talent of tomorrow. In 2023, we expanded the Canada Post Summer Student Work Opportunity program, providing more opportunities for students to get practical experience inside of one of Canada's largest organizations. This year we partnered with the National Educational Association of Disabled Students (NEADS) to remove barriers in employment for students with disabilities and to promote the summer student program within their network. As a result, we hired more students with disabilities, with more than 10 per cent of our summer student hires self-identifying as a person with a disability.



#### **Talent retention**

We're leveraging data and analytics to help leaders across the organization identify risks and opportunities in our workforce, enhance the employee experience, improve retention and increase their agility when it comes to responding to day-to-day workforce challenges.

It is important that we engage with our employees to get a better understanding of their needs. We use listening sessions, surveys and performance reviews to do this. We also conduct new-hire and exit interviews to gather more feedback about how we can improve our approach to talent management and better align our offerings with what is important to our people and potential candidates.

Results - Employee turnover rate, 2020-2023

Category	2020	2021	2022	2023	2023/2022 change (percentage points)
Employee turnover rate	5.1%	6.5%	7.4%	6.2%	-1.2

To retain top talent, we must recognize top talent. Recognizing employee achievements is part of our effort to build a rewarding culture where employees feel appreciated. Employee recognition is not only the right thing to do; it is also a proven motivator for employees whose efforts are celebrated and for their colleagues who join in the celebration.

Our Employee Recognition Program is designed to:

- Champion our evolving culture as part of our transformation journey and reinforce our corporate values and behaviours.
- Support the employee experience by offering choice and flexibility, various ways to recognize and a simple ordering process.
- Show employees they are valued by recognizing their contributions, celebrating special events in their lives and encouraging their engagement. It's just one way we're doing right by our people a key pillar of our purpose, A Stronger Canada Delivered.









Our recognition platform sources environmentally friendly, Indigenous and Canadian-made products. Since launching:

- 5,117 environmentally friendly items have been purchased.
- **733 trees have been planted** in partnership with Tree Canada to honour the passing of an employee's loved one.
- 74 employees chose to donate to the Community
   Foundation in lieu of choosing a recognition reward.



### **Compensation and benefits**

Doing right by our people is a strategic pillar in Canada Post's transformation. We recognize that the work our employees do every day contributes to our purpose and is essential to meeting the needs of 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 the employee group. In addition, all employees are eligible to apply for parental leave.

#### **Pension Plan**

Canada Post offers a pension plan for 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 the Plan is mandatory for eligible employees and enrollment is automatic when they meet the eligibility criteria. For more information on the Plan and eligibility, visit cpcpension.com.

#### Results - Number of employees who took parental leave, 2020-2023

Category	2020	2021	2022	2023	2023/2022 change
Number of employees who took parental leave	1,553	1,761	1,853	1,530	-17.4%

#### **Results - Pension plans**

Defined contribution component – Number of participants and total contributions by Canada Post and members, 2020-2023

Metric	2020	2021	2022	2023
Number of active participants	4,180	5,103	6,060	6,839
Canada Post contributions	\$15.5M	\$17.1M	\$22.7M	\$27.6M
Member contributions	\$9.2M	\$10.2M	\$13.6M	\$16.5M

Defined benefit component – Number of participants, projected benefit obligation, estimated value of assets and total contributions by Canada Post and members, 2020-2023

Metric	2020	2021	2022	2023
Number of active participants	53,132	53,397	52,584	52,071
Projected benefit obligation	\$34,741M	\$34,905M	\$27,167M	\$28,773M
Estimated value of assets	\$29,616M	\$32,357M	\$29,520M	\$30,837M
Canada Post current service contributions	\$301M	\$326M	\$318M	\$37M
Member contributions	\$281M	\$279M	\$296M	\$251M



### Performance management and talent development

For our people to succeed, we have developed a robust performance management process. It is designed to foster fair and open conversations and employee understanding of the purpose, direction and objectives of their work as they relate to the organization's goals.

As part of the performance management process, employees receive evaluation and feedback on their performance through quarterly check-ins and ongoing discussions between leaders and employees. These discussions review progress, celebrate wins, discuss challenges and offer opportunities for coaching and development. At the beginning of the year, employees are encouraged to create one or more development plans that align their aspirations with corporate priorities to create a pathway for career growth and development.

Quarterly growth conversations are encouraged for team leaders and employees to identify development opportunities and monitor goals. The mid-year growth discussion is an essential step for team leaders to prepare for talent segmentation. This activity takes place once a year, when team leaders, supported by their human resource business partner, discuss employee potential and readiness to take on aspirational roles and for succession planning.



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). As of March 2023, APOCrepresented superintendents have access to the talent profile of their APOCrepresented direct reports. This newly added visibility supports the quality of growth discussions between team leader and employees, and helps to further develop and strengthen superintendents' leadership skills.

In 2023, we continued to reinforce our new culture and updated our performance management documentation to reflect our new values and signature behaviours. Our human resource business partners (HRBPs) have also spent time with team leaders to ensure they are evaluating performance based on results as well as how those results were achieved.

To further guide team leaders, we have developed a new leader's guide on how to approach difficult conversations. Having these tough conversations with employees is one of the most challenging tasks a team leader will face. Our new guide will help them prepare for their meeting with the employee, identify the cause of the problem and find the best possible solution to address the issue.

Results – Performance and career development reviews in 2023

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



### Learning and development

Canada Post is committed to providing all employees with opportunities to develop and expand their skills at various points in their career. Our focus is ensuring that we have the right people in the right roles, equipped with the skills and knowledge to complete their work properly and safely. In addition to mandatory training, we offer various courses to support employee development. We also offer tuition reimbursement for external courses and certifications (with approval), to support the employee's development objectives.





### Supporting growth and development of our diverse workforce

In collaboration with the Equity, Diversity and Inclusion (EDI) team, two virtual career events were organized, in 2023, for employees who have identified as being Indigenous, visible minorities, people with disabilities, 2SLGBTQIA+ or women. The events held in May and September empowered employees with information about different Canada Post departments. They heard about the career journeys and lived experiences of Canada Post leaders, and tips on how to build a resume and how to prepare for an interview. Between 400 and 800 employees (non-management to middle management level) attended each of the virtual events.

#### **Corporate talent practices**

All new hires and newly promoted team leaders are exposed to our corporate talent practices, employee/team leader talent responsibilities and corporate resources. We provide awareness through the "Drive your Growth" component of our manager fundamentals workshops. The "Drive your Growth" presentation is also shared with different organizational structures on an ad-hoc basis to raise awareness and/or refresh employee knowledge on career development.

Results - Number of hours of training delivered and average hours per employee, 2020-2023

Metric	2020	2021	2022	2023	2023/2022 change
Hours of training delivered	680,000	787,000	829,000	927,500	+11.9%
Average hours of training per employee	10	11	12	14	+16.7%



# Equity, diversity and inclusion

Canada Post is committed to doing its part to make the country stronger and more inclusive.

We believe that an inclusive workforce, representing diverse perspectives and experiences, supports better decision-making, encourages innovation and allows us to better understand the needs of the people we serve. With a workforce of approximately 68,300 people and a presence in communities nationwide, Canada Post has a duty to represent the entire country. We strive to provide a welcoming workplace that embraces and celebrates everyone and provides equal opportunity to succeed.

In 2023, we continued to make progress with our five-year Equity and Diversity Strategy launched in 2021 with our bargaining agents. This third-party validated strategy includes specific steps the company will take to advance equity, diversity and inclusion (EDI). The initiatives will help us fulfill our vision by integrating EDI goals into our strategic planning, improving talent attraction and retention, better serving Canadians and demonstrating leadership on the issues that matter to them. While taking this on, we'll monitor, assess and report on our progress.

We continue to engage our leaders to further embed our equity objectives into our processes. We're working toward our goal of achieving 80 per cent employee representation of the Canadian labour market availability (CLMA) levels, at minimum. We plan to meet these levels over five years for Indigenous Peoples and ten years for people with disabilities.

Our 2023-2024 action plan outlines steps we take to foster a diversity-safe, welcoming workplace for everyone.

### Some of the key actions taken in 2023 included:



We rolled out Anti-Racism and Anti-Discrimination Charter pamphlets for retail employees and customers in December.



We approved the adoption of the UN Women's Empowerment Principles.



We increased our Global Diversity, Equity and Inclusion Benchmark score from 3.67 to 3.78.



We supported events to further Canada Post's understanding of truth and reconciliation, including a Red Dress event at Head Office to commemorate missing and murdered Indigenous women and girls and an art installation for Orange Shirt Day.



We launched community calls to provide an opportunity for employees who belong to diverse groups (Anti-Racism, Indigenous Peoples, People with disabilities) to connect with others with similar lived experiences to create safe spaces for conversations and foster a sense of community in the workplace.



We formally participated in five Pride parades across the country as well as a variety of outreach activities, including at Mayfest and the Na-Me-Res Pow Wow and Indigenous Arts Festivals. Opportunities like this are important to developing relationships, identifying barriers, and fostering deeper collaboration with underrepresented people.





Results – Representation of designated groups within our overall workforce based on the Workforce analysis operational report, 2021-2023, shown against CLMA levels

Designated group within overall workforce <sup>2</sup>	2021	2022	2023	2023/2022 change (percentage points)	CLMA <sup>3</sup>
Women	47.9%	47.4%	47.4%	0.0	49.3%
Indigenous Peoples	2.9%	3.1%	3.3%	+0.2	4.0%
People with disabilities	6.8%	7.9%	8.5%	+0.6	11.5%
Visible minorities	23.4%	24.9%	26.1%	+1.2	19.8%

Results – Representation of designated groups within our senior management based on the Workforce analysis operational report, 2021-2023, shown against CLMA levels

Designated group within senior management <sup>2</sup>	2021	2022	2023	2023/2022 change (percentage points)	CLMA <sup>3</sup>
Women	44.9%	43.5%	41.7%	-1.8	27.6%
Indigenous Peoples	0.0%	0.0%	0.0%	0.0	3.2%
People with disabilities	11.6%	22.6%	20.8%	-1.8	5.0%
Visible minorities	14.5%	14.5%	13.9%	-0.6	11.5%

<sup>1.</sup> Workforce analysis report includes employees who have worked less than 12 weeks in a calendar year. Total workforce base: 71,518 employees.

<sup>2.</sup> Based on self-identification.

<sup>3.</sup> 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.





Results – Representation of designated groups within our overall workforce based on the Workplace equity information management system, Government of Canada, 2021-2023, shown against CLMA levels

Designated group within overall workforce <sup>2</sup>	2021	2022	2023	2023/2022 change (percentage points)	CLMA <sup>3</sup>
Women	46.9%	47.0%	46.9%	-0.1	49.3%
Indigenous Peoples	2.7%	3.1%	3.2%	+0.1	4.0%
People with disabilities	6.7%	7.7%	8.2%	+0.5	11.5%
Visible minorities	23.3%	24.7%	25.5%	+0.8	19.8%

Results – Representation of designated groups within our senior management based on the Workplace equity information management system, Government of Canada, 2021-2023, shown against CLMA levels

Designated group within senior management <sup>2</sup>	2021	2022	2023	2023/2022 change (percentage points)	CLMA <sup>3</sup>
Women	44.9%	42.6%	39.2%	-3.4	27.6%
Indigenous Peoples	0.0%	0.0%	0.0%	0.0	3.2%
People with disabilities	10.7%	11.6%	13.0%	+1.4	5.0%
Visible minorities	14.5%	14.7%	14.9%	+0.2	11.5%

<sup>1.</sup> Workplace equity information management system, Government of Canada. Excludes employees who have worked less than 12 weeks. Total workforce base: 67,698 employees.

<sup>2.</sup> Based on self-identification.

<sup>3.</sup> 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 address any gender wage gap and ensure equal pay for work of equal value is maintained. In accordance with this legislation, the Corporation established a Pay Equity Committee comprised of Canada Post, its bargaining agents and management/exempt employee representatives. The Committee is committed to working collaboratively toward the development of a pay equity plan. To ensure pay equity, the Committee will take the following actions:

- Identify job classes in the workplace.
- Determine which job classes are predominantly female and which ones are predominantly male.
- · Value the work being done in each job class.
- Calculate the total compensation for each job class.
- Compare compensation to determine whether there are differences in compensation between job classes of equal value.
- Establish the contents of the pay equity plan.

The Corporation recognizes that pay equity is a basic human right and any disparity in pay due to gender must be corrected. We are working closely with our bargaining agents and non-unionized employee representatives to make progress on this important requirement.

#### Results - Pay ratio women/men

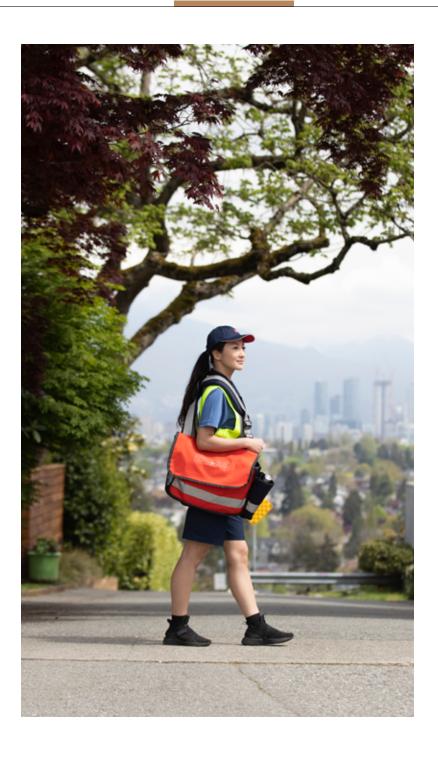
Level <sup>1</sup>	2023
Senior management	100.3%
Middle management	97.3%
Non-management	96.3 %

#### 1. Levels defined as follows:

Senior management: Vice-president level to the CEO

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

Non-management: All other employee levels





# Labour relations

Canadians count on Canada Post to work collaboratively with its bargaining agents for the benefit of its employees, customers and communities served. We are committed to cultivating positive relationships with our bargaining agents and working together to build a stronger postal service for Canadians. With a solid foundation and ongoing collaboration, we will continue to support our people and work to meet the changing needs and expectations of Canadians.

Our work with our bargaining agents on joint committees is central to promoting open dialogue. The committees serve as a forum for discussing critical issues, providing business updates and general engagement to improve our relationships. Alongside these committees, we have a robust consultation and communication process, as outlined in our collective agreements, which ensures our employees and bargaining agents receive timely notice of any relevant announcements or important issues.

We also engaged and collaborated with our bargaining agents on several initiatives, including but not limited to:

- The successful opening of the Albert Jackson Processing Centre in northeast Toronto - our largest, greenest and fastest sorting facility. This successful opening was a direct reflection of joint efforts with our bargaining agents, the Association of Postal Officials of Canada (APOC) and the Canadian Union of Postal Workers (CUPW).
- Continued our work on the development of an hourly rate of pay model for Rural and Suburban Mail Carriers (RSMCs).



With three out of five collective agreements having expired in late 2023 and early 2024, the Corporation has been engaging in negotiations with CUPW (representing both the Urban and the RSMC bargaining units), as well as with the Canadian Postmasters and Assistant Association (CPAA). The Corporation entered these important negotiations with a goal to work collaboratively with our bargaining agents to reach negotiated agreements, with no impact to Canadians.

Results - Number of filed and pending labour grievances, 2020-2023

Grievances	2020	2021	2022	2023	2023/2022 change
Filed	12,256	14,108	14,300	17,022	+19.0%
Pending	22,299	22,331	24,875	26,172	+5.2%





# Our goals

Play a meaningful role in supporting Indigenous Peoples and the process of reconciliation

Support the creation of a barrier-free Canada by 2040

Provide a service that all Canadians can count on



# Key actions in 2023

Published our first progress report on our 2023-2025 Accessibility Plan



Opened a new post office in the City of Iqaluit to improve postal service



Supported **94,000** small businesses with our new lightweight shipping promotion



Donated approximately

\$1.2 million

through the Canada Post Community Foundation





# Renewing relationships with Indigenous Peoples

How we serve, operate and make decisions can have a big impact on Canadian communities. We are committed to doing better, as we seek to play a meaningful role in supporting Indigenous Peoples and the process of reconciliation. We work to ensure that the unique rights of Indigenous Peoples are taken into consideration as part of our duty to serve all Canadians.

Our <u>Indigenous and Northern Reconciliation Strategy</u> has four focus areas designed to renew our relationships and improve services to these communities which have been historically underserved:

- Improve postal services in Indigenous communities
- Improve our hiring and retention of Indigenous People
- Develop an Indigenous Procurement Policy
- Support the wellness and safety of Indigenous communities



The City of Igaluit's new post office in the Astro Hill Complex opened in 2023.

# Improving postal services in Indigenous communities

With a tailored community-by-community approach, we're strengthening our retail network in Indigenous and northern communities. We are working to improve existing post office services and increase capacity where needed.

For example, the City of Iqaluit was historically served by a single post office which became insufficient. In 2023, Canada Post invested almost \$3.2 million into the construction of a new post office located at Iqaluit's Astro Hill Complex and in updates to the retail space at the existing post office. To account for this, the City of Iqaluit was split into two postal code areas. Some of the improvements we've made include:

- Customers are no longer required to use a PO Box address, simplifying the ecommerce experience.
- Customers will no longer be required to pick up parcels at the pickup annex, and will be able to travel to one location for both mail and parcels.
- The main post office in Iqaluit is being updated to improve capacity and improve the in-store customer experience.

Canada Post worked with Pirurvik Centre in Iqaluit on the outdoor signage to ensure that the Inuktitut language is proudly represented at both post office locations. *Titiqqaniarvik Qaqqajaami* is a translation of Astro Hill Post Office. *Qaqqajaaq* refers to the hilltop where it's located (Astro Hill). *Titiqqaniarvik Alliq* is the name of the post office in the lower part of town.



### Improving hiring and retention of Indigenous Peoples

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 2021 we signed agreements with our bargaining agents that provide special equity measures allowing us to bypass collective agreement staffing provisions for the purpose of increasing our representation of Indigenous Peoples and people with disabilities.

In 2023, we surpassed our target to make the hiring of Indigenous Peoples 3.1 per cent of our total hires, achieving 3.3 per cent. We also achieved our target of 80 per cent, at a minimum, representation of Canadian labour market availability for Indigenous Peoples.

Results - Percentage of employees who identify as Indigenous Peoples

Target	Result
3.1%	3.3%



### Supporting the wellness and safety of Indigenous communities

In collaboration with community leaders and local Indigenous law enforcement, we're helping to improve the safety of Indigenous and northern communities. This includes efforts to reduce non-mailable matter, such as alcohol and illicit drugs, entering these communities.

Canada Post's Security and Investigation Services team continues to foster relationships with internal and external stakeholders to support a regulatory inspection program for Indigenous and northern communities. Collaborating with community leaders and partnering with local law enforcement agencies have helped Canada Post improve health and safety in these communities and detect and remove non-mailable matter from the postal system. Key initiatives and achievements in 2023 included:

- · We intercepted non-mailable matter with an estimated street value of over \$4.4 million from 3,191 mail items destined to Indigenous and northern communities.
- We completed 125 formal outreach and awareness sessions with leaders from Indigenous communities and law enforcement agencies.

### Indigenous procurement

Through our 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 2023 to continue our progress on this goal. For details, please refer to the Sustainable procurement section.



### 2023 Indigenous Truth and Reconciliation Signature Grant

The Canada Post Community Foundation's Indigenous Truth and Reconciliation Signature Grant is designed to support educational initiatives that align with the goals and recommendations outlined in the Final Report of the Truth and Reconciliation Commission of Canada. The Signature Grant is valued at \$50,000 and is awarded annually. The goal of this grant is to make a positive impact in the lives of Indigenous children and youth by supporting registered charities, non-profit school programs or local initiatives that work to increase the understanding of Indigenous cultures in Canada.

The 2023 recipient was First Light St. John's Friendship Centre, based in St. John's, N.L. The non-profit organization provides programs and services rooted in the revitalization, strengthening and celebration of Indigenous cultures and languages in the spirit of trust, respect and friendship.

Please see the Community Foundation section for further details on Canada Post's grant-making activities.



First Light St. John's Friendship Centre, based in St. John's, N.L., received the 2023 Canada Post Community Foundation's Indigenous Truth and Reconciliation Signature Grant.

## **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 2023, 25 Indigenous students in Canada received grants of \$2,000 to help cover the cost of their education.



### Stamps recognizing Indigenous Canadians

#### **Indigenous Leaders series**

We issued three stamps honouring Indigenous leaders who are recognized by their communities for their significant contributions to Indigenous rights and culture over the past 50 years.



#### Thelma Chalifoux

The first Indigenous woman appointed to the Senate of Canada, Métis leader Thelma Chalifoux (1929-2017) was a powerful force for social justice and women's and Indigenous rights.



#### **George Manuel**

George Manuel (1921-89), was an author, astute political strategist and champion of Indigenous Peoples whom many credit with inspiring the modern Indigenous movement in Canada.



#### **Nellie Cournoyea**

Known for her fight for Indigenous self-determination, Nellie Cournoyea became the first Indigenous woman to lead a provincial or territorial government in Canada, as Premier of the Northwest Territories (1991-95).

### **Truth and Reconciliation stamp issue**

The second issue of our Truth and Reconciliation stamp series, developed in close collaboration with the Survivors Circle of the National Centre for Truth and Reconciliation, encourages awareness and reflection on the legacy of residential schools. The Survivors Circle led the selection of the schools featured on the stamps and guided Canada Post on the project. The stamp issue stressed the importance of truth as a precursor to genuine reconciliation.











The stamp honouring First Nations political leader George Manuel was unveiled in Vancouver, B.C., in June 2023.



# Accessibility

With a presence in thousands of communities across the country, Canada Post has a responsibility to provide accessible programs and services to Canadians. Recognizing and delivering on that responsibility is an important part of fulfilling our purpose and meeting the needs of the people and communities we serve.



#### Our goal:

Support the creation of a **barrier-free Canada** by 2040

### **Accessibility Strategy**

Our Accessibility Strategy, launched in 2021, aligns with the focus areas of the *Accessible Canada Act* (ACA). It was established to adopt a proactive approach to identifying, removing and preventing barriers and to integrate accessibility improvements across our offerings to customers and employees. The strategy's four pillars are below.

# **Creating a diverse and inclusive workforce culture**

**Goal:** To become an inclusive employer of choice by leveraging a diverse talent pool and removing barriers to enable the full participation of people with disabilities in the work environment.

#### **Key initiatives in 2023**

- We partnered with the National Educational Association of Disabled Students (NEADS) and its
  project partners to identify barriers in employment for people with disabilities within the postal
  and courier industry. We proceeded to help with the development of tools and resources to remove
  these barriers.
- We developed mandatory corporate-wide disability and accessibility training to promote awareness among all employees, increase knowledge and understanding of disability and accessibility, and help reduce stigma associated with disability. The training was developed in consultation with internal and external stakeholders with disabilities and will be rolled out in 2024.
- We conducted external audits of our end-to-end recruitment and retention process and disability
  accommodation process to identity barriers to employment. As part of these audits, a small-scale
  employee survey was conducted with 104 employees across the country who provided input on
  accessibility at Canada Post. The survey was distributed to 31 plants and depots and 200 post offices.



### **Delighting our customers**

**Goal:** To create a more welcoming and inclusive experience for all our customers.

#### **Key initiatives in 2023**

- We updated our post office signage to include a message that service animals are welcome. We also
  included the service animal message in the <u>Find a Post Office</u> feature on our website and published
  updated information about service animals on both our external website and our employee website.
- We conducted an accessibility audit of our access to information and privacy programs, with the goal of facilitating more accessible processes for people to request records and information under the *Access to Information Act*.
- We have a dedicated web form for collecting accessibility feedback, in addition to existing customer service channels. For more information, visit our <u>Accessibility</u> webpage.

# **Building accessible,** barrier-free spaces

**Goal:** To make our post offices, administrative offices, depots and processing facilities accessible to users.

#### **Key initiatives in 2023**

- Canada Post's Albert Jackson Processing Centre, our largest parcel sorting facility, became our second building to achieve an Accessibility Certified Gold rating from the Rick Hansen Foundation. This recognition further demonstrates our commitment to creating environments that are barrier-free and accessible to everyone.
- We conducted 205 accessibility audits of our buildings and completed 21 accessibility construction projects in buildings across Canada.

# Seeking inclusive business opportunities

**Goal:** To promote accessibility and inclusion in our supply chain and create opportunities for business owners from the disability community.

#### **Key initiatives in 2023**

• We integrated accessibility considerations in our procurement process. See the **Sustainable procurement** section of this report for further details.



### **Accessibility Plan**

As required by the Accessible Canada Act, Canada Post created and published its 2023-2025 Accessibility Plan. This multi-year plan identifies barriers, our achievements so far and the actions Canada Post will take to identify, remove and prevent barriers.

In 2023, we published our first annual progress report. The progress report highlights the advancements we have made in our efforts to improve accessibility, challenges we faced and how we are continuing to apply feedback and lessons learned to achieve our goals. For further details, please refer to our 2023 Accessibility Progress Report.

### **Accessibility Advisory Panel**

Canada Post's Accessibility Advisory Panel includes up to 15 members, who identify as people with disabilities and/or are part of organizations that represent people with disabilities and older Canadians. In 2023, Canada Post held virtual meetings in June and November. Panel members consulted on the development of our disability and accessibility awareness training and draft Accessibility Policy during our June meeting, while the focus for the November meeting was feedback on the draft training, following testing.

To fill vacancies on the panel, we launched a national recruitment campaign inviting applications from the public in the spring. Recruitment is ongoing as we seek to fill numerous vacancies in 2024. Our objective is to form a panel that reflects Canada's diversity.



### Other key programs and initiatives

### **Digital accessibility**

In an increasingly connected world, it is essential that we put accessibility and usability at the heart of our digital services to ensure a seamless and inclusive user experience for everyone. Our goal is to provide digital services that meet the highest accessibility standards.

Results - Digital accessibility: Percentage of accessibility across all active digital products, 2020-2023

Metric	2020	2021	2022	2023	2023/2022 change (percentage points)
Digital accessibility across all active digital products	77.3%	85.9%	88.8%	92.0%	+3.2



### **Delivery Accommodation Program**

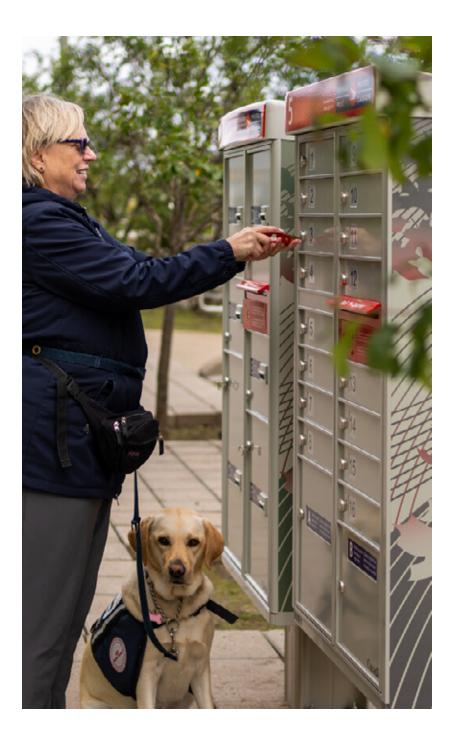
The **Delivery Accommodation Program** is offered year-round, temporarily or seasonally. It supports residential customers with functional limitations or health conditions who may face barriers accessing their parcels and mail. In 2023, we received 2,353 new requests for accommodation and implemented 2,004 accommodations. These accommodations included mailbox key turners, sliding mail trays, height/location adjustments to the mailbox compartment, braille and weekly home delivery. Customers can request more than one accommodation to ensure that their needs are met. In line with our environmental commitments, we used 100% recycled plastic for the production of sliding mail trays this year. We also put in place a process to ensure that used mail trays returned from the field are cleaned and reused.

To increase awareness of the program, we expanded the information available on our website to include enhanced descriptions and imagery of each available accommodation. As part of Canada Post's bi-annual survey to consumers, a question was included to gauge awareness of the program. Nine per cent of those surveyed in the fall were aware of the program, up from 7 per cent in the spring. In 2024, we will launch a campaign to further increase awareness of the program.

Canadians who need accommodation can request it online or by calling 1-844-454-3009.

**Results - Delivery Accommodation Program:** Number of new and total active accommodations, 2020-2023

Category of accommodation	2020	2021	2022	2023	2023/2022 change
New approved accommodations	1,636	1,711	2,152	2,004	-6.9%
Total active accommodations	17,795	19,524	16,119	16,753	+3.9%





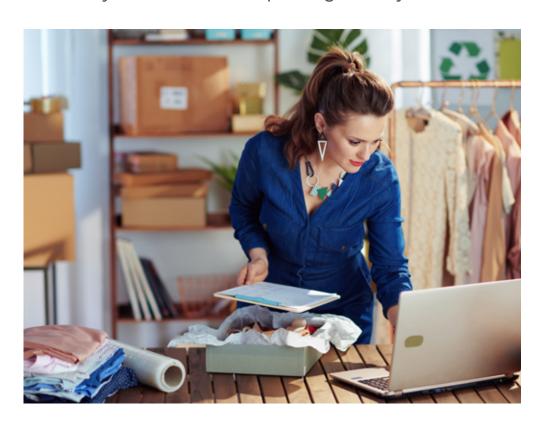
# Customer experience

A key pillar of Canada Post's transformation plan is providing a service all Canadians can count on. As our business undergoes this important transformation, we're looking at ways to expand our services for customers and improve the overall customer experience. This includes increasing our network capacity, introducing new solutions to better meet customer expectations, enhancing our tracking, providing more flexibility for returns and expanding delivery services.

### **Customer centricity**

Our customers are at the heart of what we do. A customer-centric mindset helps us to address the challenges our customers face, and their needs and expectations when it comes to service performance, reliable delivery, competitive prices and customer experience. Understanding our customers' needs allows us to respond to evolving market demands such as next-day and weekend delivery, returns management, environmental sustainability and support for small businesses.

From large national enterprises to local startups, our commercial customers have distinct challenges, expectations and needs. Through market research, customer feedback and strong relationships with our business partners, we gain valuable insights that shape our value proposition and help us contribute to their success and growth. This commitment to customer engagement reflects our genuine desire to understand, anticipate and exceed the expectations of those who trust us with their business.





### Product development and design

We adopt a customer-centric lens in product and service development and facility design. This includes considerations about competitive environmental and social purpose differentiators that add to our value proposition, help us engage in conversations with our customers, strengthen our brand and set us apart in an increasingly competitive ecommerce delivery market.

In 2023, some of our key initiatives to improve and expand services included:



Opening of the Albert Jackson Processing Centre in northeast Toronto, adding significant parcel processing capacity and faster processing to our network, and improving service for customers across the country. The facility is able to process more than a million packages a day, approximately 50 per cent more than our Gateway facility in Mississauga, Ontario, formerly our largest parcel plant.



Offering various channels for customers to reach us makes it easier than ever to get assistance. Customer satisfaction for all customer service channels is measured and closely monitored to ensure the customer experience meets high quality standards. We are focused on continuously improving our interactions with customers as we work to address their concerns efficiently and in a timely manner.



Launching photo confirmation for delivered packages to enhance the delivery experience, allowing customers to see exactly where their parcel has been left after safe-drop delivery.



Updating our in-store signage to facilitate accessibility, including internationally recognized icons for service animals and signage indicating service animals are welcome.



Launching carbon-neutral shipping in March. Carbon-neutral shipping is provided to customers, with no fee, on all flat-rate boxes, domestic Regular Parcels $^{\text{\tiny{M}}}$  and Expedited Parcels $^{\text{\tiny{M}}}$ . For further details, see the <u>Carbon-neutral shipping</u> section of the report.



Introducing options for customers to prepare customs forms for shipping in advance of their visit to the post office. The customs forms can be completed at <u>canadapost.ca</u> or on the Canada Post app.



Installing over 1,000 indoor parcel lockers in apartments and condominiums, for a total of more than 21,600 indoor lockers across the country. We also installed more than 360 additional outdoor parcel lockers at existing delivery points, bringing our total to more than 7,500 across Canada.



Continuing to work on our Experience Transformation project. This multi-year modernization project focuses on enhancing the end-to-end experience for customers and employees.



# Investing in small business

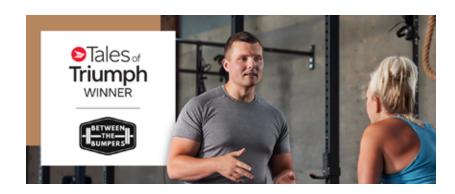
Small businesses are vital to Canada's economy and their success is essential for communities to thrive. That's why we're building on our commitment to deliver more for small businesses by enhancing our Canada Post Solutions for Small Business™ program and introducing new ways to support their growth and development.

### **Tales of Triumph program**

Now in its fourth year, the <u>Tales of Triumph</u> program celebrates the unique stories of small businesses and supports them through their next growth chapter. Each year, the program has 15 finalists and five winners that represent the unique, diverse fabric of small businesses across Canada. In 2023, we had over 1,750 submissions, representing a 237-per-cent increase in submissions year-over-year. The success of this program has led us to increase the value of the prize package in 2023, from \$20,000 to \$100,000 in prizes per winner, including a complete advertising campaign.

Canada Post is proud to share that the Tales of Triumph program received the Universal Postal Union's TradePost Award in recognition of the program's impact on small businesses.

To learn more about the program and our 2023 winners, visit the Canada Post Tales of Triumph web page.



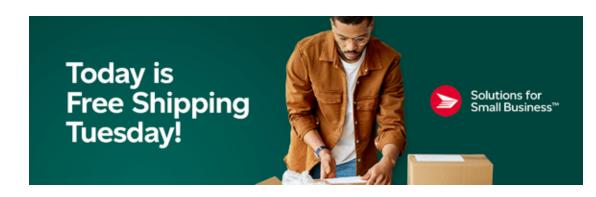
### **Empowering small business**

Our <u>Solutions for Small Business</u> program continues to empower small businesses with tools, resources, discounts and insights for shipping and marketing.

To coincide with Small Business Month in October, we ran our 8<sup>th</sup> annual <u>Free Shipping Tuesdays</u> promotion which provides Solutions for Small Business members with one free shipment each Tuesday in October plus the chance for five members to win "free shipping for a year," a prize valued at \$5,000. In 2023, 82,000 small businesses made use of the program.

In May of 2023, we introduced a promotion on <u>lightweight shipping</u> with discounts of up to 15 per cent for items weighing less than 250 grams. The promotion is designed to help small businesses, particularly artisans and crafters, who often ship small, lightweight items. Since its launch, the promotion has provided discounts to 94,000 customers who have shipped more than 495,000 lightweight packages.¹ The discounts were also provided on top of other promotions, providing extra value to small business customers.

1. As at December 31, 2023.





# **Community Foundation**

The mission of the Canada Post Community Foundation is to make a positive impact in the lives of Canadian children in three key areas: community, education and health.

Since 2012, the Canada Post Community Foundation has granted nearly \$13.5 million to more than 1,100 initiatives nationwide, including literacy and language programs; youth outreach services; projects that support Indigenous youth; gender and sexual diversity programs; arts and recreation projects; special education programs; childhood health programs; anti-bullying initiatives; mentoring programs and many others.

The Foundation is governed by an independent Board of trustees, with grant decisions supported by the Grant Advisory Committee composed of a volunteer group of current and retired Canada Post employees. Funding for the Community Foundation is raised through customer donations in post offices, employee payroll deductions and the sale of a special annual stamp. Every dollar raised goes directly to recipients in support of their efforts.

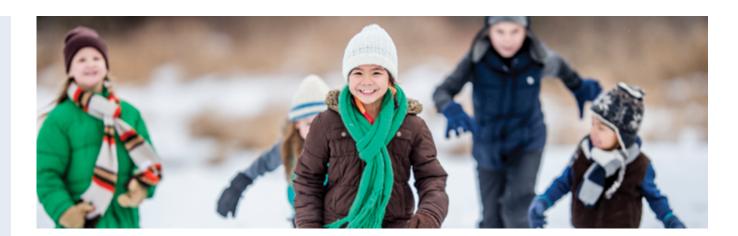






# 2023 Community Foundation stamp

The 2023 Community Foundation stamp was designed by John Belisle Creative and illustrated by John Belisle. The stamp depicts a diverse group of animals reading a story together. The "read me a story" theme reminds us of the ways that stories and storytelling enhance the lives of children and youth, as well as the creativity and curiosity that stories inspire. A \$1 surcharge from the sale of each 10-stamp booklet, or an extra 10 cents from the sale of each Official First Day Cover, goes directly to the Foundation to help fund local and national non-profit groups that serve the needs of children and youth.



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 which support Indigenous children and youth. First Light St. John's Friendship Centre was awarded the \$50,000 grant in 2023. The centre is a non-profit organization that provides programs and services rooted in revitalization, strengthening and celebration of Indigenous cultures and languages in the spirit of trust, respect and friendship.

Results – Community Foundation: Total amount of donations collected and number of projects funded, 2020-2023

Category	2020	2021	2022	2023
Donations (in millions)	\$1.3	\$1.2	\$1.3	\$1.2
Projects funded	118	100	101	84



### Snapshot of organizations supported by the Foundation in 2023



The Autism Society of Edmonton Area received funding for a pre-school support program for children on the autism spectrum.

### Autism Society of Edmonton Area, Alberta Pre-school support program for children on the autism spectrum in Edmonton.

# **Canadian Children's Book Centre, Ontario**A Better Late Than Never campaign in support of reading readiness.

# Creighton Community Daycare Inc., Saskatchewan

Funds to purchase materials and to give honorariums to Indigenous elders and others in order to support diversity education.

# **Food First Foundation, Northwest Territories**Support for food and nutrition programs in NWT schools.



The Community Foundation supported the Nova Scotia Youth Project Society with funding for an outreach program for rural 2SLGBTQIA+ youth.

### Kateslem Youth Society, British Columbia Personal hygiene supplies and education for

youth in need.

# Nature's Backpack Land-Based Learning Centre Inc., New Brunswick

Development of a weekly art, music and nature immersion program.

### Nova Scotia Youth Project Society, Nova Scotia Eleven-month outreach program for rural 2SLGBTQIA+ youth.

### Rainbows For All Children Canada Inc., Ontario Mental health support for children and families experiencing grief and loss.



British Columbia's Thrive-4-Blacks Community Services Society received funding to support virtual youth leadership meetings.

# Société de développement touristique et social de Sainte-Jeanne-d'Arc, Quebec

Construction of a trampoline and play area for youth.

#### **Town of Faro, Yukon Territory**

Funds to purchase new toys and supplies for a free after-school program for children.

# Thrive-4-Blacks Community Services Society, British Columbia

Purchase of laptops and equipment for a monthly youth leadership meeting to be held virtually for Black youth.



# **Appendix**

### **Double materiality matrix**

ESG topics relevant to Canada Post were prioritized in two phases. The first phase surveyed internal and external stakeholders for their rankings of ESG topics where Canada Post could have the greatest impact on the environment and society (outward impacts). The second phase surveyed Board members and senior executives to provide input on the ESG topics where Canada Post could have the greatest outward impacts (environmental and social) as well as potential inward impacts (financial).

The tables below show the validated results of these two surveys and how they were combined to form the double materiality matrix.

Results – Board and executive survey: Average score for each environmental, social and governance topics based on their impact on society and the environment, and their impact on financial performance

These results are the averages of the results from the Board and executive survey responses, and are the basis for the X and Y value positioning of points in the double materiality matrix.

ESG Topic	ESG Topic Category (Environmental, Social or Governance)	Average score for impact on society and the environment (Y axis)	Average score for impact on financial performance (X axis)
Emissions reduction and decarbonization	Environmental	7.4	6.7
Climate change resilience and adaptation	Environmental	6.2	6.1
Zero waste	Environmental	6.7	5.5
Protecting biodiversity	Environmental	5.8	5.0
Sustainable products and services	Environmental	7.1	6.8
Resource efficiency	Environmental	6.2	6.0
Equity, diversity and inclusion	Social	7.4	6.1
Health, safety and well-being	Social	7.6	6.0
Talent management	Social	6.6	7.3
Indigenous reconciliation	Social	7.7	5.2



Responsible Business Practices Environmental Stewardship People and Culture Socio-economic Impact



ESG Topic	ESG Topic Category (Environmental, Social or Governance)	Average score for impact on society and the environment (Y axis)	Average score for impact on financial performance (X axis)
Human rights	Social	6.7	5.1
Community giving and volunteering	Social	7.1	4.5
Socio-economic impact	Social	7.5	6.4
Labour relations	Social	7.1	8.0
Accessibility	Social	7.0	5.2
Customer experience	Social	7.3	8.5
Ethics and compliance	Governance	7.2	6.3
Risk management	Governance	6.0	6.9
Data privacy and cyber security	Governance	7.1	7.6
Sustainable procurement	Governance	7.0	6.0
Procurement diversity	Governance	7.1	5.7



The data point size in the double materiality matrix indicates where the topic was ranked by stakeholders, with no topic scoring lower than 7.9 out of 10.

ESG Topic	Average Score	Rank	Importance
Data privacy and cyber security	9.10	1	Тор
Ethics and compliance	9.09	2	Тор
Customer experience	9.01	3	Тор
Health, safety and well-being	9.00	4	Тор
Human rights	8.99	5	Тор
Accessibility	8.78	6	Тор
Talent management	8.63	7	Тор
Equity, diversity and inclusion	8.53	8	Middle
Socio-economic impact	8.52	9	Middle
Resource efficiency	8.50	10	Middle
<b>Emissions reduction and decarbonization</b>	8.47	11	Middle
Risk management	8.45	12	Middle
Sustainable products and services	8.43	13	Middle
Zero waste	8.43	14	Middle
Labour relations	8.36	15	Lower
Sustainable procurement	8.30	16	Lower
Protecting biodiversity	8.28	17	Lower
Climate change resilience and adaptation	8.27	18	Lower
Indigenous reconciliation	8.26	19	Lower
Community giving and volunteering	8.10	20	Lower
Procurement diversity	7.93	21	Lower



For more information visit: canadapost.ca/sustainability

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