



Canada Post 2021 Sustainability Report





A Stronger Canada – Delivered

We view our responsibility to Canadians through a wider lens, beyond reliable and timely services. More than ever, we are building workplaces that reflect Canadians' shared values of equity, diversity and inclusion, making investments to protect our environment and renewing our relationships with Indigenous and Northern communities.

Learn more about our bold plan at canadapost.ca.



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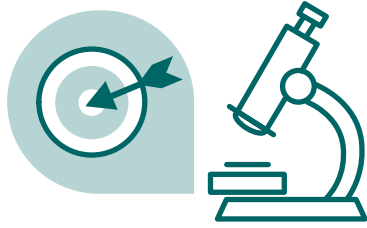
We value your feedback

Our Sustainability Report is how Canada Post discloses its environmental, social and governance performance to all its stakeholders. We welcome feedback and questions on our initiatives and progress. Contact us at ESG@canadapost.ca.

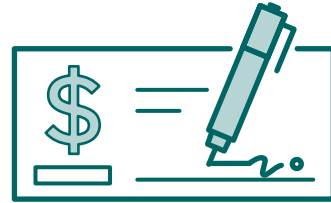


Our business

2021 Highlights



Adopted a **science-based** target, setting us on a path to net-zero carbon emissions by 2050



Awarded **\$1.2M** in grants distributed to **100 community** organizations



Launched a **Community Hub** in High Prairie, Alberta, a first-of-its-kind post office concept



Recognized as a **Top 50 Corporate Citizen** by Corporate Knights



Completed **35 LED** lighting retrofit energy-saving projects



Invested **\$242 million** in renewable energy through the Canada Post Pension Fund



Completed **10 site** accessibility upgrades



Piloted innovative **last-mile delivery** solutions



4% reduction in total injury frequency



Deployed **1,607 low-carbon vehicles** representing 11.5% of our fleet

Message from the Chair of the Board of Directors

On behalf of the Board of Directors, it's my pleasure to share this year's Sustainability Report with Canadians. It considers the work we have ahead while reflecting on our accomplishments in 2021 – a year in which Canada Post embarked on a significant transformation to better meet Canadians' evolving needs and expectations.

Last year, as a key aspect of our transformation, the Board of Directors approved Canada Post's inaugural Environmental, Social and Governance (ESG) Strategy. The strategy affirms four priorities over the next decade where Canada Post is uniquely positioned to add value: climate action; equity, diversity and inclusion; Indigenous reconciliation; and support for small businesses and local economies.

To help embed these priorities into the business and culture, ESG performance is now linked to executive compensation. We believe strong performance on ESG will help us meet Canadians' expectations and better position Canada Post for the future.

Our people are at the core of what we do. The Board approved a new Five-Year Strategy for Equity and Diversity in 2021, with an Equity and Diversity Action Plan launched in collaboration with our bargaining agents. The action plan has 40 specific steps to advance equity, diversity and inclusion across the company, and our employees and unions have already begun this vital work.

Two critical strategies were launched in 2021 to support the Corporation's top priorities: employee safety and mental health. Building on the company's very successful program Make it safe, Make it home, the Board approved a new Health and Safety Strategy to carry us through the next decade. We also approved a new five-year Mental Health Strategy to support mental wellness for all employees and address key issues such as stress, fatigue and workload.

Responsible investing remains a priority for the Canada Post Corporation Registered Pension Plan. While maintaining focus on returns for Plan members, the Plan has integrated ESG principles into its investment strategy. In 2021, the Pension Committee approved a commitment to support the global goal of net-zero emissions by 2050 or sooner, and Canada Post is developing a Climate Action Plan for the pension fund in support of this commitment. The pension investment team also developed an equity, diversity and inclusion strategy with a dual focus on fostering an inclusive culture at work and integrating equity, diversity and inclusion into the Plan's investments.

As we work to reduce Canada Post's emissions, we must recognize the risks that climate change poses to Canadians, the economy, and our business. I'm happy to report that following the Corporation's 2021 comprehensive risk assessment and mitigation review process, climate risk considerations are now embedded in our business decision-making processes. This sustainability report also includes our first set of disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a further step towards transparency and the transition to a low-carbon economy.

Canada Post will continue to demonstrate leadership on the issues that matter to Canadians. We look forward to helping to build a more inclusive and sustainable Canada – a stronger one. On behalf of the Board, I thank the senior management team, and all of Canada Post's employees, partners, and bargaining agents for helping to make this happen.



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



Joint message from the President and CEO and Chief Sustainability and Legal Officer

In 2021, we started on a multi-year transformation to fulfill our new purpose: A Stronger Canada – Delivered. We're undertaking significant investments to transform our business and our culture. This transformation will help us better meet the needs and expectations of Canadians when it comes to the environment, equity and inclusion, Indigenous reconciliation, and supporting small businesses and local economies.

We announced our long-term ambition to reach net-zero emissions by 2050 and our near-term science-based target for 2030. Work is also under way to engage the top 67 per cent of our suppliers by spend and subsidiaries Purolator and SCI to adopt science-based targets by 2025.

We're improving our network's carbon efficiency by modernizing our infrastructure and greening our fleet of delivery vehicles. In 2021, we rolled out 740 low-carbon vehicles, for a total of 1,486 or 11.5 per cent of our fleet by year-end. We're building a \$470-million, state-of-the-art facility in the Greater Toronto Area in accordance with the Canada Green Building Council's Zero Carbon Building™ Design certification. We're also working towards sourcing 100 per cent renewable electricity for all our facilities by 2030.

Canada Post is renewing its long-standing relationships with Indigenous and Northern communities. Taking a community-by-community approach, we're striving to better serve these historically underserved communities.

We launched our first community hub in 2021, offering tailored business and community services for Métis and First Nations communities in the High Prairie, Alberta area. We opened another hub in 2022 for Nova Scotia's Membertou First Nation, and two more are planned for this year. These community hubs are among several reconciliation-related initiatives. To learn more, please refer to page 56 of this report.

At Canada Post, we are working hard to remain an employer of choice that continues to attract and retain top talent. We're taking action to become a best-in-class, accessible Crown corporation where individuals of all identities and backgrounds feel supported and have an opportunity to build a fulfilling career.

Through training and guided by our values of trust, respect and deliver, we're shaping a more positive, inclusive corporate culture. We're fostering a corporate culture that is safe, proud, caring and supportive – one that will help our people reach their potential.

We're excited about our progress, the difference our investments are making, and the more sustainable, equitable future we're building together. We'd like to thank the teams that are leading our many ESG initiatives, our employees for their dedicated service to Canadians, and our bargaining agents and partners for supporting us along the way. We look forward to sharing more about our achievements in the coming year.



Doug Ettinger
President and CEO, Canada Post



Cheryl Hodder, QC
Chief Sustainability and Legal Officer



About this report

Canadians want to see corporate leadership in step with what they value most. For Canada Post, a national institution with a presence in virtually every community, their expectations are even higher. Canadians are looking to us to play a leading role on key issues facing the country – to view our responsibility beyond the services we provide. Through our words and actions, we can be a leader in making this country stronger, greener and more inclusive.

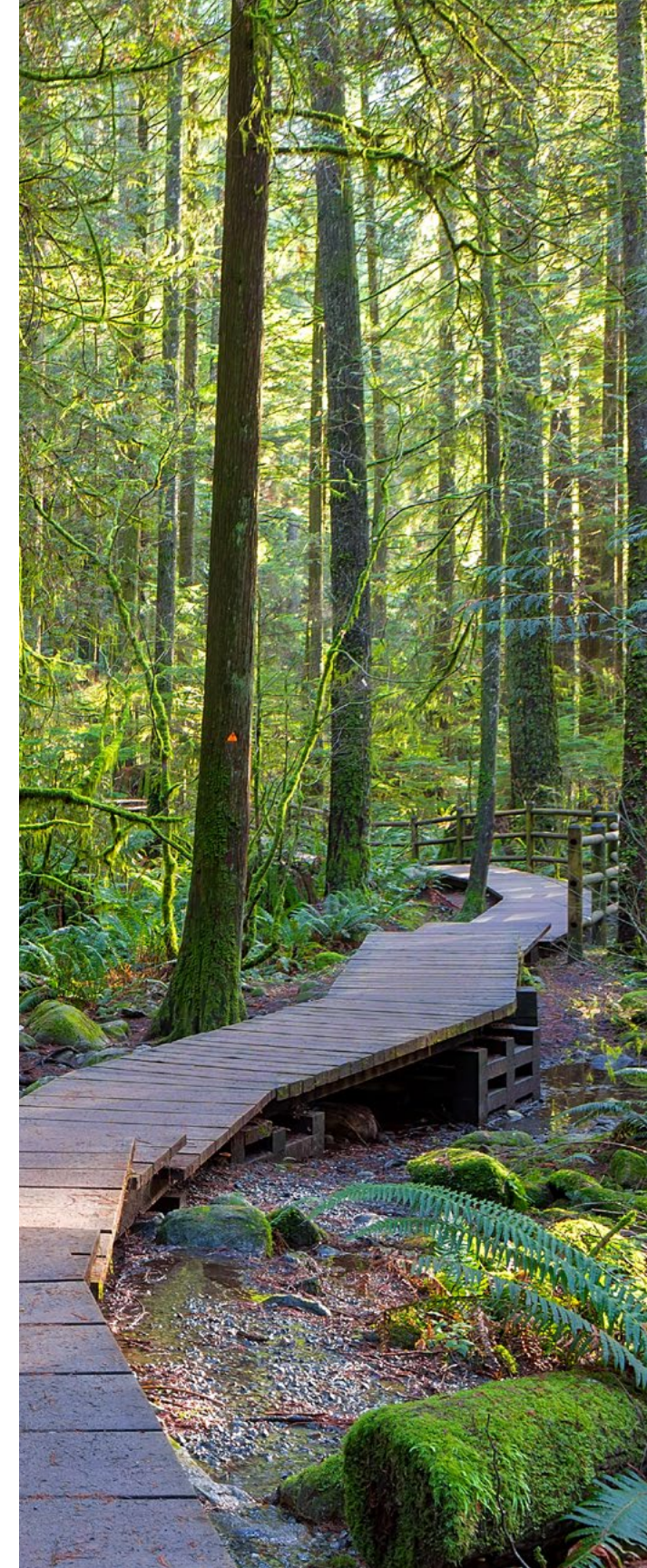
Material topics

Canada Post conducted a full materiality assessment in 2021 to identify the topics most material to the Corporation. This important assessment has helped inform where we should focus ESG strategy and reporting based on our business impacts and stakeholder priorities.

We used the Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) sector-specific standards to define potential material topics that are relevant to Canada Post. We also conducted a peer benchmarking analysis to understand our preliminary list of priority topics. We then conducted surveys with internal and external stakeholders and ran workshops with our senior leadership – to rank the topics on a materiality matrix according to stakeholder interest and business impact. The purpose of this stakeholder engagement was to 1) validate topics Canada Post should consider as part of its sustainability strategy and 2) build internal consensus on sustainability priorities and align stakeholder expectations.

As a result of the assessment, we grouped and ranked the topics as follows:

1. Environmental stewardship
2. Economic and community impact
3. Human capital
4. Responsible procurement
5. Customer satisfaction
6. Responsible management



Materiality

Canada Post conducted a full materiality assessment in 2021 to identify the topics most material to the Corporation.

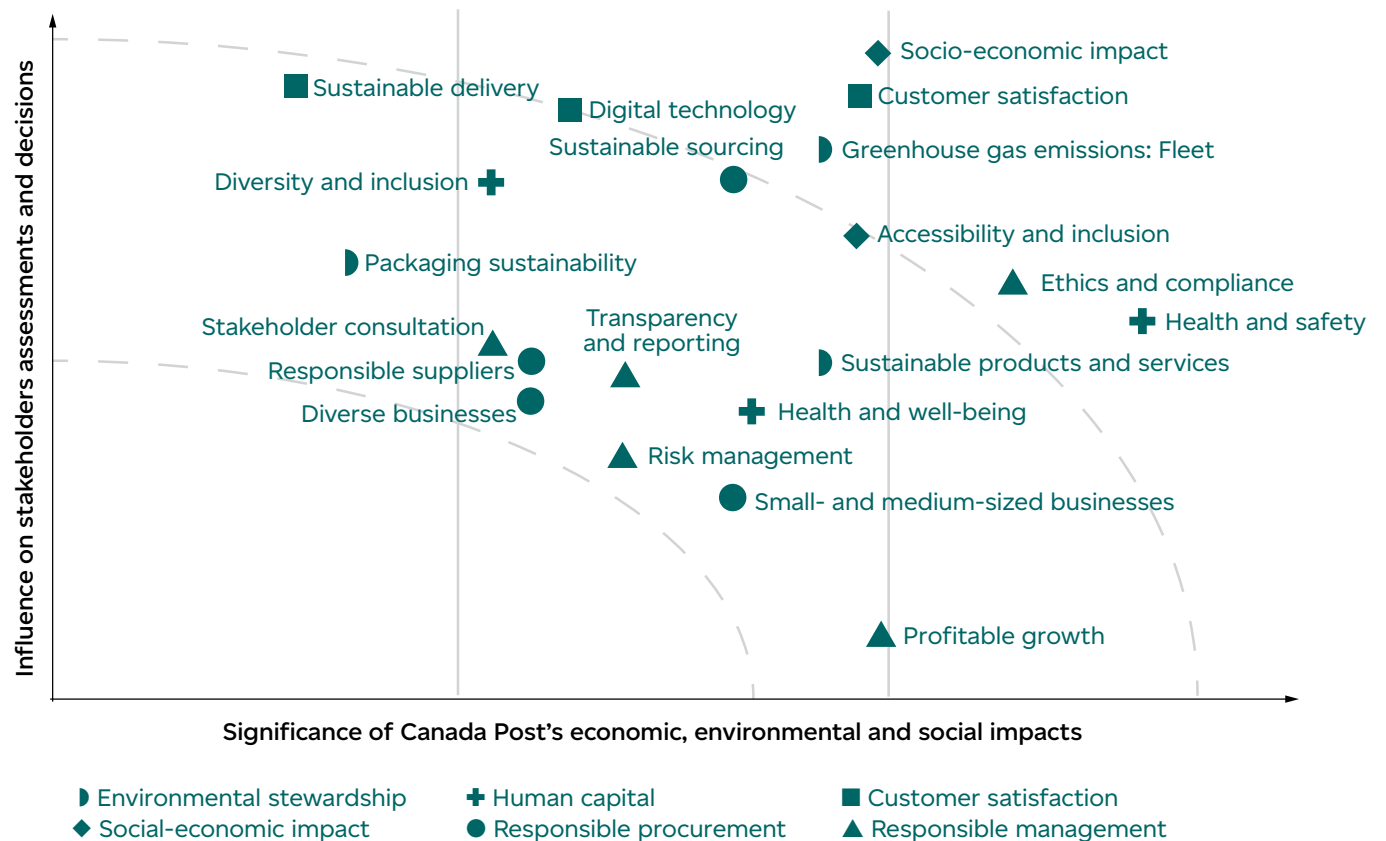
The materiality assessment results are plotted on a matrix to portray the significant economic, environmental, and social impact of Canada Post against these topics and the topics that have the greatest influence on Canada Post's stakeholders. Topics in the upper right quadrant are the most material to Canada Post and those in the lower left quadrant are less material.

After analyzing the results of our materiality assessment, we grouped the highest-priority ESG categories into five broader themes, which will drive the content, structure and scope of our ESG reporting going forward: our people, our communities, our business, our customers, and our planet.

We engaged the following group of stakeholders in the materiality assessment:

Bargaining agents, Board of Directors, Business customers, Canadians, Communities, Customers, Employees, Financial community, Government / regulators, Partners and suppliers, Subsidiaries.

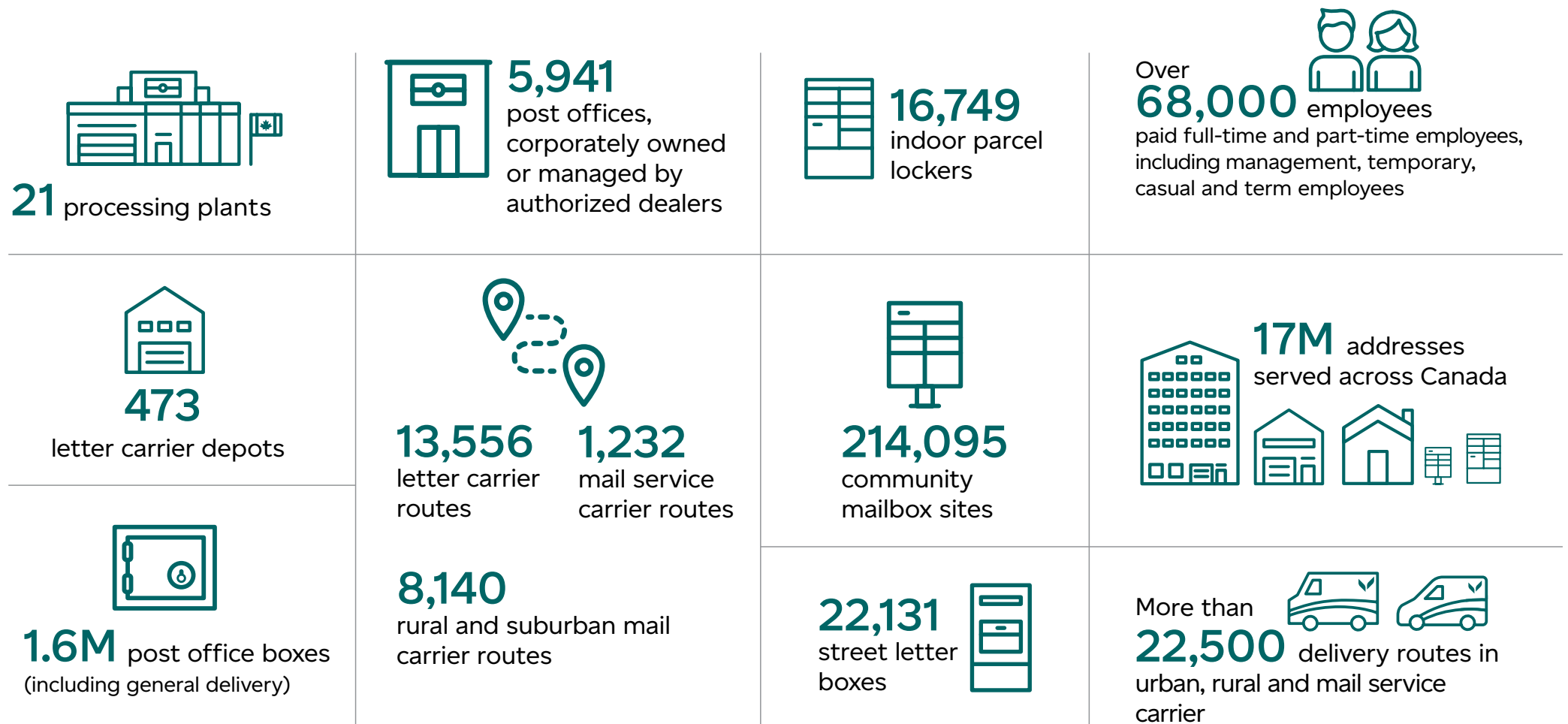
Canada Post's materiality matrix provides a visual ranking of the shortlisted topics. The matrix was developed in accordance with GRI 101: Foundation. The x-axis represents the topics where Canada Post has significant economic, environmental and social impacts. The y-axis represents the topics with the greatest influence on CPC stakeholder assessments and decisions.



Canada Post at a glance

The Canada Post segment delivers to 17 million addresses. Its vast operating network requires significant investment and co-ordination between the collection, processing, transportation links and delivery activities.

Canada Post has the largest delivery network in Canada and one of Canada's largest transportation networks. In 2021, 6.8 billion pieces of mail and parcels were processed in our plants – an average of 27 million items sorted and delivered daily. To process and deliver all the mail and parcels, our network includes:



Regulatory context

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

The Act also obliges Canada Post to deliver programs on behalf of the Government of Canada. These include our Government Mail program and our program providing free postage on all materials for the use of persons who are blind. Canadians with visual impairments, and small and large libraries including the Canadian National Institute for the Blind (CNIB), use this free access to postal service to exchange audio books and other materials across Canada and around the world. In 2021, we delivered nearly 900,000 items used by persons with visual impairments.

Our library materials service offers reduced postage rates for eligible library materials circulated between a library and its patrons, including materials requested through inter-library loans. In 2021, over 764,000 shipments of library materials benefited from reduced postage rates. Canada Post receives no appropriation or compensation of any kind from the government for these reduced postage rates.

We also offer free delivery of letters and regular parcels to members of the Canadian Armed Forces deployed overseas during the holiday season. Since this program's inception in 2006, we have delivered more than 170,000 parcels. In 2021, we expanded the program to offer free delivery of letters for military families.










UN Sustainable Development Goals

The business community is playing an important role in achieving the UN Sustainable Development Goals (SDGs). These goals are a universal call to action: they seek to end poverty and protect the planet by 2030.

While the UN SDGs provide a roadmap of 17 goals to align the world on a sustainable path to 2030, Canada Post has selected seven SDGs where we can have the greatest direct influence and impact. With our aim to be transparent about our operations and provide Canadians with an understanding of how our business is contributing to the goals, below we summarize our progress against the goals over the past year.



Goal	Target(s)	Our contribution
	Target 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.	In 2021, we developed a new road standard to improve safe driving behaviours. In 2022, we'll continue to outfit vehicles with the latest telematics technology until our entire fleet is equipped.
	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Canada Post's Board of Directors is currently 44 per cent women (including the Chair) and our senior management is 44.9 per cent female.
	Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	Set a science-based climate target to source 100 per cent renewable electricity for our facilities by 2030 and invested \$242 million to date in renewable energy projects through our Pension Fund.
	Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	In 2021 we pursued a new approach to negotiating with two of our bargaining agents. In both cases, the parties utilized streamlined models of collective bargaining that involved fewer issues and time-limited discussions. These more collaborative rounds of bargaining resulted in the achievement of new collective agreements before their expiry dates.
	Target 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	We added 740 hybrid electric delivery vehicles to our corporate fleet in 2021. We are also incorporating other low-carbon and electric vehicles to our fleet.
	Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities	We have set a 2030 zero-waste target and diverted 70 per cent of our waste in 2021. We updated our Supplier Code of Conduct to include stronger provisions about environmental and human rights as well as stating our preference for suppliers to work with Indigenous-owned subcontractors.
	Target 13.2 Integrate climate change measures into national policies, strategies and planning.	We have committed to net zero greenhouse gas (GHG) emissions by 2050 and have also set ambitious interim science-based targets to support meeting our net-zero commitments. We have responded to the Financial Stability Board's Taskforce on Climate-related Financial Disclosure (TCFD) for the first time. Our first report can be found here.

Leadership and governance

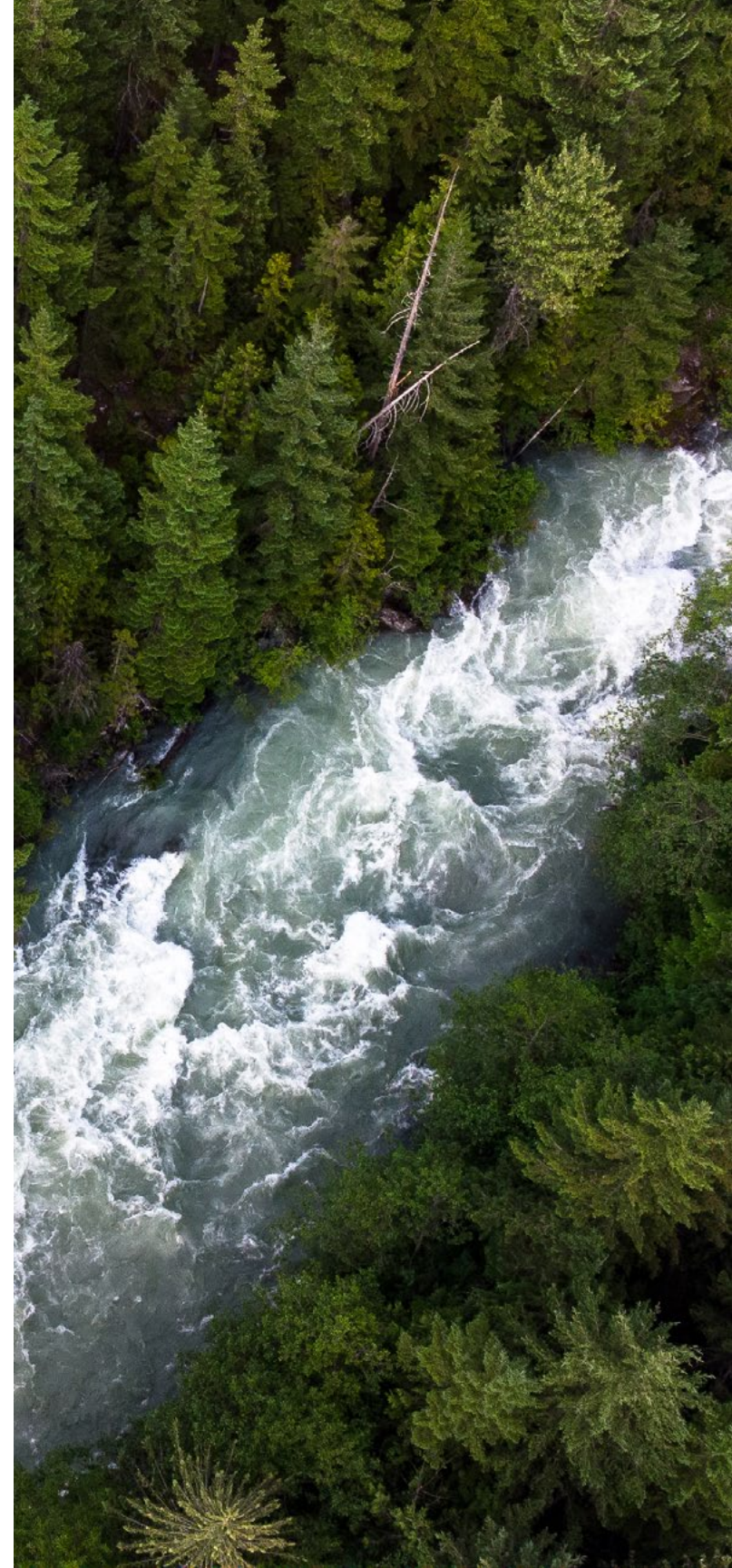
Canada Post's Board of Directors has oversight for the company's ESG initiatives via the Board's ESG Committee. The committee focuses on corporate governance and oversees policies, programs, practices, procedures and performance related to corporate sustainability, including climate issues. Climate-related risks are reviewed as part of the Board's semi-annual review of the Corporation's Enterprise Risk Management Risk Register. The ESG Committee's membership consists of the Chair of the Board of Directors and four directors. The ESG Committee met four times in 2021, with sustainability and climate-related issues on the agenda at all meetings.

Canada Post's Chief Sustainability and Legal Officer (CSLO) has overall responsibility for the ESG strategy and initiatives as well as the assessment and management of sustainability risks and opportunities, including those related to climate. The Corporation has processes in place to assess and manage sustainability risk, opportunities, programs and investments.

The Corporate Sustainability and Environmental policy team reports to the CSLO and oversees how we prioritize and align sustainability issues across the company. The team reports regularly on performance to Canada Post's Management Executive Committee (Executive Management Team) and the Board of Directors.

Canada Post's ESG Steering Committee is a cross-functional group of executives responsible for the implementation of ESG strategy and implementation. The Committee works to align our ESG strategies, investments, goals and timelines, and reviews recommendations from several advisory and technical teams, including Canada Post's Corporate Sustainability and Environmental Policy team.

We consult with key stakeholders for their perspectives on ESG issues. We engage in ongoing dialogue through working groups, joint committees and external advisory panels, including the external Accessibility Advisory Panel. Senior management also receives advice and feedback from stakeholders through ongoing consultations, from our unions through collaboration and our joint committees, and from external experts, including non-profit organizations.



Corporate structure and responsibilities

Board of Directors

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

Committees reporting to the Board of Directors

Audit Committee

Helps the Board fulfill its oversight responsibilities.

Inquires how proposed investments / procurements align with our ESG strategy.

Environmental, Social and Governance (ESG) Committee

Reviews ESG issues (environment, Indigenous, etc.), plans and strategies, and makes recommendations to the Board on specific ESG topics and on overall integration across the Corporation.

Provides a focus on corporate governance, facilitates Board effectiveness and oversees policies, programs, practices, procedures and performance with respect to corporate sustainability.

Human Resources and Compensation Committee

Reviews, reports, and approves or provides recommendations to the Board regarding human resources and compensation.

Matters include but are not limited to: Health and safety issues, management succession, recruitment, compensation, development, retention, proposals for the compensation of the President and CEO, as well as other significant human resource policies.

Pension Committee

Reviews and approves the Responsible Investment (RI) framework, proxy voting guidelines, and related documents.

Oversees the implementation of the RI strategy for the Pension Plan.

Labour Relations Committee

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

Corporate structure and responsibilities

Chief Executive Officer

Responsible for all aspects of the business of the company, including management’s approach to sustainability.

Executive team

Chief Sustainability and Legal Officer

Oversees matters of accessibility, environmental sustainability, non-financial disclosures, Indigenous affairs, government affairs, and legislative/regulatory development and compliance.

Leads Canada Post’s legal and corporate security teams.

Chief People and Safety Officer

Leads all aspects of human resources while advancing safety as the company’s top priority.

Responsible for collaborative efforts with all our bargaining agents.

Senior Vice-President, Corporate and Employee Communications

Responsible for aligning and integrating internal and external communication strategies to enhance business results.

Oversees brand development and deployment.

Chief Operating Officer

Leads all operational aspects of our business

Responsible for oversight of delivery operations, real estate and facilities, fleet, equipment and processes.

Chief Financial Officer

Provides expert advice and counsel to the Board and executive team on matters that support profitable growth, including all aspects of financial operations, investment planning and financial reporting.

Chief Customer and Marketing Officer

Provides oversight of lines of business (mail, parcels, Smartmail Marketing™), frontline engagement with business customers, sales and marketing, and leading shift to sustainable packaging and shipping solutions.

Oversees the retail network and sustainability of products sold.

Vice-President, Business Transformation

Prioritizes and integrates corporate strategies, investments and innovations to position Canada Post for sustainable growth and profitability.

Improves the customer and employee experience.

Our ESG Steering Committee is a cross-functional group of executives responsible for the implementation of ESG at Canada Post.

- Management-level committee for all departments accountable for aspects of ESG.
- Ensures cross-company alignment of Canada Post’s ESG strategies, investments and timelines.
- Reviews recommendations from advisory and technical teams.

We engage in ongoing dialogue through meetings with internal working groups, joint committees and external advisory panels.

- Internal ESG Advisory Teams and Operations Committees.
- Joint Canada Post-Union Collaboration and Consultation Committees.
- External stakeholder consultation and Advisory Panels.

™ Trademark of Canada Post Corporation

Responsible investment

The Canada Post Corporation Registered Pension Plan continues to integrate environmental, social and governance (ESG) factors into its investment strategy while keeping a focus on returns for employees and pensioners. This 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. The Plan develops and executes its investment strategy independently from Canada Post management.

The Plan had two strategic priorities related to ESG in 2021: climate change and equity, diversity and inclusion.

Climate change

The investment team undertook a climate change scenario analysis to better understand the risks and opportunities for the pension fund under different climate scenarios. This analysis showed that over the long term, global failure to mitigate the causes of climate change would be the worst outcome for the pension fund. As a result, the Board's Pension Committee committed to supporting the global goal of achieving net-zero emissions by 2050 or sooner.

During 2021 the Committee also:

- Assessed over 30 of our asset managers on ESG, including capacities in climate change risks and opportunities.
- Supported 37 shareholder resolutions asking companies to provide climate-related disclosures and/or set targets to reduce greenhouse gas (GHG) emissions.
- Updated proxy voting guidelines to reflect the Pension Plan's expectation that all companies align with the ambition of net-zero emissions by 2050 or sooner.
- Engaged with portfolio companies for more ambitious climate strategies through **Climate Action 100+** (a collaborative investor initiative), including Enbridge, TC Energy and Caterpillar.
- Became a founding member of **Climate Engagement Canada**, a collaborative investor initiative focused on engaging a wider range of Canadian companies on climate change.
- Advocated for public policy in support of climate action.



Our Pension Plan is signatory to the United Nations supported Principles of Responsible Investment (PRI) and is a member of the Responsible Investment Association (RIA) of Canada.

Equity, diversity and inclusion

During 2021, the Pension Plan developed an equity, diversity and inclusion strategy to foster an inclusive culture at work and integrate these principles into our investments. To do the latter, we also:

- Conducted 68 portfolio company engagements (i.e., purposeful dialogues with specific and targeted objectives) on equity, diversity and inclusion with our engagement partner, SHARE (Shareholder Association for Research and Education) on topics like Indigenous reconciliation and racial justice.
- Voted against 700 directors across 590 companies due to lack of gender or racial/ethnic diversity on their board.
- Supported 33 equity, diversity and inclusion-related shareholder proposals in support of improved workforce disclosures, board and executive diversity, racial equity audits, among other important issues.
- Integrated equity, diversity and inclusion into asset manager due diligence and engagement.
- Participated in consultations led by the Canadian Securities Administrators, CFA Institute, and Institutional Limited Partners Association (ILPA), and called for increased disclosure of diversity levels and performance.

Our Pension Plan's top ESG priority for 2022 is developing a climate action plan which will start with the public equity portfolio.

Green investments

The defined benefit (DB) component of the Pension Plan has over \$1.1 billion (or 64 per cent) of the commercial real estate portfolio invested in buildings that have LEED¹ or BOMA BEST² ratings.

In our infrastructure portfolio, we have \$242 million invested in renewable energy (15 per cent), including wind power, hydroelectric power, solar power, biomass and energy from waste.

1. LEED, Leadership in Energy and Environmental Design

2. BOMA BEST, Building Owners and Managers Association – Building Environmental Standards

Pension contributions

Defined contribution	2021	Defined benefit	2021
Canada Post contributions	\$17.1M	Canada Post current service contributions	\$326M
Members' contributions	\$10.2M	Members' contributions	\$297M

Responsible procurement

Canada Post has an Indigenous and ESG Procurement team responsible for improving outcomes across the \$3 billion that Canada Post and Innovapost spend annually with external suppliers. We do this by working with buyers and Canada Post's end users to include environmental factors and Indigenous engagement into product and service specifications; by including environmental and Indigenous factors in all requests for proposals (RFPs), including preference for Indigenous-owned suppliers; by working with suppliers to benchmark and improve their performance on environmental, Indigenous engagement, governance and diversity and inclusion targets; and by working towards increased diversity among our suppliers.

Indigenous procurement

We're taking concrete actions to renew our relationships with Indigenous and northern communities. One of these actions is to work with more Indigenous partners and suppliers. Since 2019 we have made significant progress on our targets. Starting in 2021, all RFPs include bonus points for Indigenous ownership or for committing to spend a portion of the contract value with Indigenous subcontractors. In addition to joining the Canadian Council for Aboriginal Business and the Canadian Aboriginal and Multicultural Supply Council, we continue to increase our business with Indigenous suppliers, which was 2.1 per cent of our total procurement spending in 2021, up from 1.9 per cent in the previous year. We also supported procurement for the new community hub post office in High Prairie, Alberta. In 2022, we're planning to sign up for Progressive Aboriginal Relations certification.

Category	2019	2020	2021	2025 target
Procurement spending with Indigenous suppliers (% of eligible spending)	1.2%	1.9%	2.1%	5%

Lyn Wells, owner of Wells Craft Supply, at the new Membertou, Nova Scotia Community Hub.



Supplier Diversity Strategy

We value equity, diversity and inclusion as an essential part of who we are as a company, how we operate and how we see our future. With regards to procurement, Canada Post is taking steps to improve supplier diversity. In 2021, we surveyed 90 per cent of our suppliers, asking for information on:

- Ownership diversity
- Small or medium-sized business status
- Use of Indigenous subcontractors
- Use of small- or medium-business subcontractors
- Use of diverse subcontractors

We also joined all five supplier diversity councils:

Canadian Council for Aboriginal Business



Inclusive Workplace and Supply Council of Canada



Canadian Aboriginal and Minority Supplier Council



Women Business Enterprises Canada



Canada's LGBT+ Chamber of Commerce



Procurement, climate action and environment

Canada Post is committed to significantly reducing greenhouse gas emissions across its network. Our greenhouse gas reduction targets cover emission from our own operations as well as our supply chain. In 2021, as part of our science-based target (SBT) commitment, we sent a letter to more than 7,000 of our suppliers strongly encouraging them to set formal emissions reduction targets. Our target is to have 67 per cent of our suppliers (by spending total) set a SBT by 2025. We are on track towards this target – as of December 31, 2021, suppliers representing 47.3 per cent of our spending total had adopted or committed to adopt a SBT. In June, the Carbon Disclosure Project recognized our efforts with an A- rating on supplier engagement.

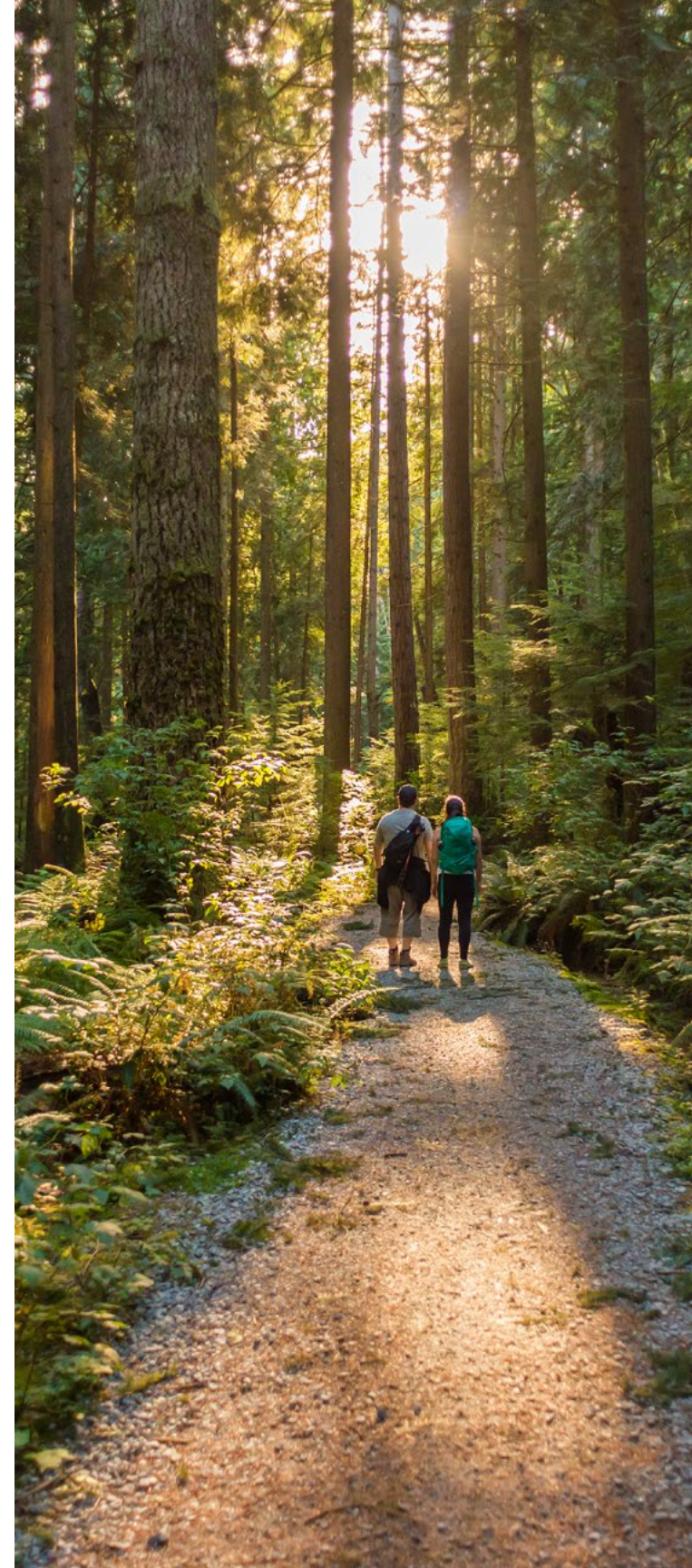
Percentage of suppliers by spending total who have committed to or set a SBT

Category	2019	2020	2021
Percentage of suppliers who have committed to a SBT	N/A	29.40%	47.30%
Percentage of suppliers who have set a SBT	N/A	8.65%	16.03%

ESG risk management

We assessed 655 of our suppliers (91 per cent of all suppliers by value) for environmental and social impacts and risks.

We updated our Supplier Code of Conduct to include stronger provisions about environmental, accessibility and human rights policies, as well as a preference for suppliers to work with Indigenous-owned subcontractors. There are also stronger requirements on record keeping and our right to audit. To date, 91 per cent of our suppliers have signed the updated Supplier Code of Conduct. We've also updated our software, so we can measure supplier performance on ESG and Indigenous engagement metrics over time.



Innovation

We promote innovation to better serve our customers and improve the safety of our people. In 2021, we innovated on several fronts:

Telepresence robot provides front-line connectivity: We piloted autonomous telepresence robots to improve connectivity in facilities without computer workstations. The robots facilitate access to subject-matter experts, executives, and other employees and allow workers without workstations to have a virtual presence in meetings. The robots also allow users to interact with operations experts, avoiding unnecessary travel.

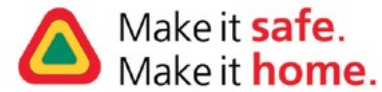
Redesigned bulk containers: We piloted redesigned Gaylord containers used for the bulk handling of materials in our operations. These reusable containers enhance the health and safety of users through their “no cut” design. Locking grommets maintain the container’s integrity while eliminating the need to cut through cardboard with a knife. The redesigned Gaylord’s multiple doors provide easier and safer access to items inside. Their higher reusability rate will result in a lower environmental footprint and cost savings.





Our people

Safety



We prioritize the safety and well-being of our employees, customers and the communities we serve. As one of Canada’s largest employers, with a presence in thousands of communities across the country, we take this responsibility seriously. Canada Post aims to be a leader in workplace health and safety. We remain committed to identifying, preventing, and controlling hazards and risks that affect employees, contractors, visitors and members of the public. In March 2021, the Board of Directors approved a new 10-year Health and Safety Strategy that will improve safety in our workplaces and on the road. This strategy represents the next step in our safety journey and builds on the success of our foundational program, Make it safe, Make it home.

We continued to improve our safety performance in 2021. The total injury frequency rate and lost-time injury frequency rate improved by four per cent, and one per cent, respectively, from the previous year. Slips, trips and falls, our most common type of injury, improved six per cent from the previous year. The severity of lost-time injuries, counted as the rate of days lost due to injuries per working hours, improved eight per cent over 2020. An enhanced focus on safety by all employees resulted in the overall improvements in safety results.

Fatalities

In 2021, one of our employees lost their life in a motor vehicle accident while on their delivery route. Losing a colleague is extremely difficult. This also forces us to stop and think about the safety of the thousands of our employees who serve Canadians by driving to deliver mail and parcels.

Total injuries	2019	2020	2021	2021/2020 change
Total injuries	4,632	3,197	3,079	4%
Total injury frequency per 100 employees	10.1	6.9	6.6	4%
Fatalities	0	1	1	0%

As part of our 10-year Health and Safety Strategy, we introduced cultural safety norms in our workplaces across the country. Cultural norms represent some of the standards we live by, and the shared expectations and rules that guide our behaviours:

- We now conduct a safety pause, mental wellness moment or diversity-safe moment at the beginning of every meeting.
- We always hold the handrail when using stairs.
- We reverse vehicles into parking spots to reduce the risk of collisions.



COVID-19 and health

The pandemic's ongoing evolution throughout 2021 was a major focus at every level of the Corporation. Canada Post continued to put the safety of its employees and the communities they serve first. We continued to follow the guidance of the Public Health Agency of Canada and other public health authorities, creating and adapting our many safety protocols based on their guidance, and continuing to make leaves available to affected employees. We also took each positive case involving an employee seriously and kept our people and union representatives informed.

Throughout the year, we used a risk-based approach that allowed us to maintain our ability to serve Canadians while prioritizing the health and safety of our employees, contractors and customers.

With the rise in COVID-19 cases across Canada in the fourth quarter of 2021, we paused the de-escalation of our COVID-19 measures, including plans for a return to the workplace for some employees working remotely.

As provinces began to modify their COVID-19 restrictions, our multi-function COVID-19 response team adjusted operational protocols while maintaining optimal standards of protection for our employees. Our de-escalation plan includes a 10-phase approach to easing COVID-19 restrictions, as informed by public health conditions.

In 2021, we advocated for early and easier access to vaccines for our tens of thousands of employees, given the essential nature of their work serving Canadians. We were successful through collaborative efforts with municipal and provincial governments and public health authorities, and at some Canada Post locations hosted its own vaccination sites. At our largest clinic, at our Gateway plant in Mississauga, Ontario, more than 9,500 employees, family members and members of the public received first and second doses of vaccines. Collaboration across teams and with our bargaining units helped make this clinic a success. Smaller clinics were held in Scarborough, Ontario with the support of the Ontario Ministry of Health and Long-Term Care and Toronto Public Health. Early access to vaccines was also coordinated through local public health authorities in Vancouver.

Tragically, three of our employees passed away in 2021 after testing positive for COVID-19. In those very difficult situations, we informed and supported their colleagues, and expressed our heartfelt sympathies to their families, while respecting their privacy.



COVID-19 rapid testing

On-site rapid testing clinics started at our Gateway facility in response to an outbreak early in 2021. Seeing their value, we continued to offer on-site clinics through several waves of the pandemic. Sixteen facilities held on-site testing in the spring of 2021. As COVID-19 case numbers rose towards the end of 2021, on-site clinics returned to a few of our largest plants (Gateway and Léo-Blanchette) in mid-December, and expanded to many more sites.

At-home COVID-19 rapid testing was offered on a pilot basis starting in September 2021, focusing on employees who worked in various locations as a means to reduce the likelihood of transmission. These employee pilot groups were provided with at-home rapid test kits to use on a preventative basis through September and October. We offered more at-home testing solutions in early 2022 with the spread of the highly transmittable Omicron variant.

The Canada Post Mandatory Vaccine Practice, which mirrors the federal government’s approach, was developed in consultation with all bargaining agents and communicated to employees in the fourth quarter. As of the end of 2021, 97 per cent of our employees had complied with the practice. An audit process began in December 2021 and continued into 2022, which requires randomly selected employees to provide proof of the vaccination status they attested to.

Vehicle safety

In 2021, we developed a new road standard to improve safe driving behaviours. While the number of motor vehicle collisions was relatively unchanged compared to the prior year, on-site training, on-road observations and other safety initiatives for new and current drivers have started to show results. We have continued to deploy telematics technology (combining GPS tracking with driving diagnostics) to reduce safety risks in operational facilities. Expanding telematics across our fleet provides more visibility on roads, traffic and driving conditions, allowing us to improve both environmental performance and safety. In 2022, we’ll continue to outfit vehicles with the latest telematics technology until our entire fleet is equipped.

We launched a driver safety recognition program that aligns with our employee and safety recognition principles and our 10-year Health and Safety Strategy. It recognizes driver excellence based on new safety practices that we expect drivers to follow.

Motor vehicle collisions (all vehicles)	2019	2020	2021	2020/2021 change
Millions of km driven (owned fleet)	101.8	100.9	104.1	3%
Millions of km driven (RSMC)	95.9	97.2	100.1	3%
Total collisions	2,697	2,412	2,470	2%

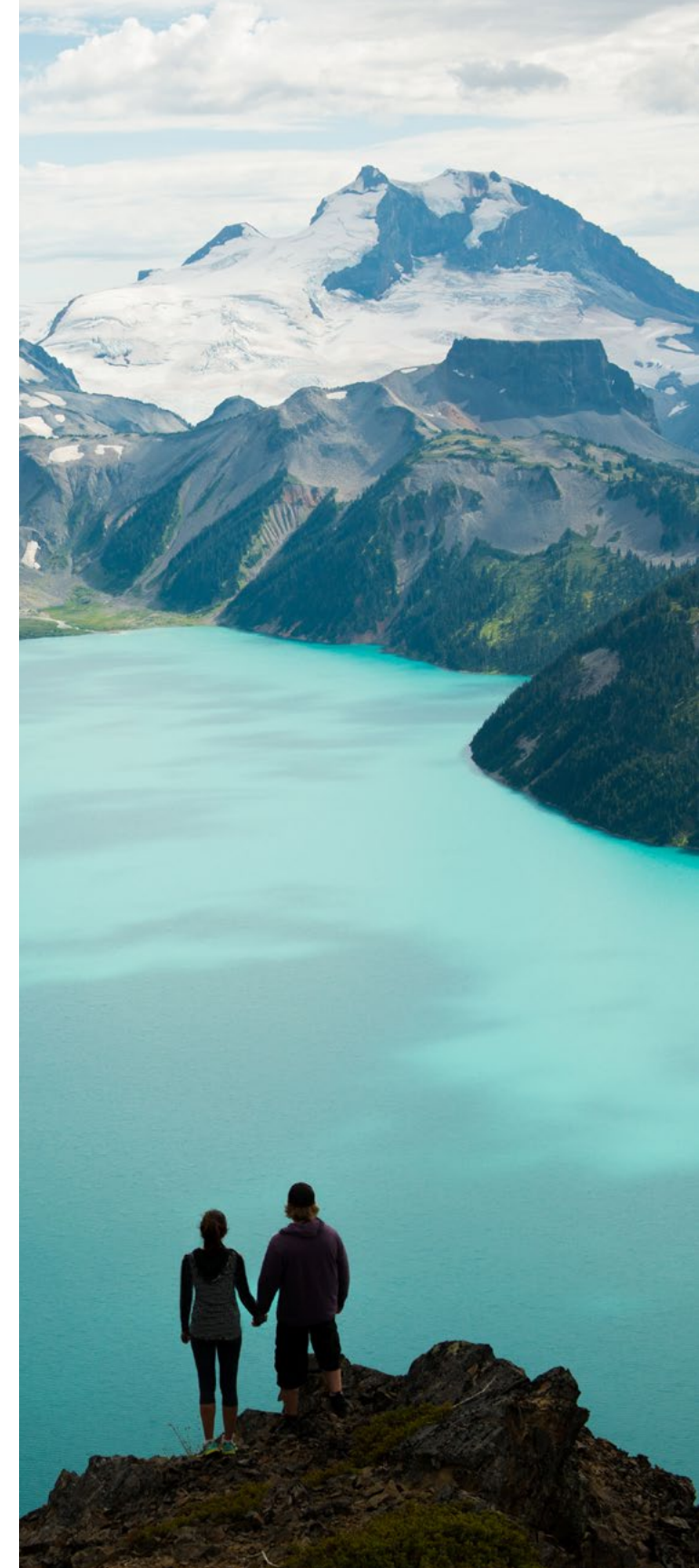


Wellness

We believe the mental health and well-being of our people is as important as their physical health and safety. In light of the stresses and challenges many people have experienced during the ongoing pandemic, we communicated with all employees about taking care of their mental well-being and prioritizing issues like work-life balance, physical fitness, stress reduction and ergonomics in the home office. We also developed the five-year Mental Health Strategy to train and equip team leaders so they can monitor and influence the psychological health and safety of their teams.

Through our Keep Wellness in Mind program, several important resources support employees' well-being and mental and physical health. In 2021, we expanded the program's tools and resources for employees and team leaders. New material included:

- **Stress, anxiety and depression toolkit:** The toolkit includes expert advice, access to an online general information session about supporting one's mental health, and employee access to i-Volve, an online cognitive behavioural therapy solution.
- **Wellness challenge:** Over five weeks in the spring, employees were encouraged to look at wellness through physical, nutritional, psychological, intellectual and societal/environmental lenses. A few thousand employees participated.
- **Domestic violence prevention:** In addition to recognizing domestic violence in our Workplace Harassment and Violence Prevention Policy, we launched a domestic violence prevention and response program. It advises employees and team leaders how to recognize or support someone who may be experiencing domestic violence – such as the leave available, a tool to assess the threat, and help to build a safety plan to mitigate the risks of violence.
- **Awake, alert, aware:** We engaged Local Joint Health and Safety committees to develop programs to address concerns about the fatigue that operations teams were feeling with the increased volumes and need for overtime due to COVID-19. Four programs were selected among the many submitted, including the “7th inning stretch.” It incorporates stretching exercises during shift start-up meetings and throughout the workday to keep employees physically and mentally sharp, especially in the last few hours of a shift. All team leaders are encouraged to access this and other wellness programs for their teams.



Canada Labour Code amendments

On January 1, 2021, changes to the *Canada Labour Code* took effect, creating one comprehensive approach for all forms of harassment and violence in the federal public sector. On January 15, 2021, we launched training modules for employees and team leaders on workplace violence and harassment prevention. We also introduced a new process for reporting and resolving incidents of workplace violence, as required. Our actions reflect our ongoing commitment to a healthy and safe workplace free from harassment and violence.

Culture

In 2021, Canada Post shared with employees its new transformation plan and overarching purpose, **A Stronger Canada – Delivered**. It is designed to meet Canadians' changing needs for service, such as growth in ecommerce; meet Canadians' heightened expectations for environmental and social leadership; and meet Canadians' and our employees' expectation that we do the right thing for employees. Along with this new purpose, we created refreshed values and behaviours to evolve our culture in important ways that will support our transformation. A company-wide deployment is under way in 2022.

Accommodation

Accommodation is an integral part of creating a diverse and inclusive workplace. We accommodate employees who cannot perform their full duties, but who are able to perform productive and meaningful work. This supports employee well-being by minimizing the impact of illness or injury. In 2021, the disability management and health and safety teams developed an early intervention process for modified duties at the time of injury. We consulted with our bargaining agents and trained our team leaders. In 2021, we launched the program in 32 targeted sites and plan to roll it out to our operations nationally by mid-2022. The goal is to support employees with appropriate accommodations if they have a workplace injury.



*In 2021, Canada Post adopted and communicated its new transformation plan and overarching purpose, **A Stronger Canada – Delivered**.*

Learning and development

Canada's tight labour market and increased resignations in 2021 made talent management and employee growth initiatives increasingly important for employers. In 2021, our leadership efforts concentrated on redesigning and deploying a program to train and onboard new supervisors. The training focused on basic accountabilities to provide practical, specific, experiential direction they could apply right away on the job. We also continued to invest significantly in career management and development programs, tools and workshops such as virtual career fairs, which included an executive-sponsored session on dynamic leadership.

Despite the pandemic, we continued to deliver all critical safety programs for new hires in 2021. New programs are planned for 2022, including role-based Mental Health training and Positive Safety Interaction training, to help embed safety into our culture. Safety training remained critical; more than 200,000 hours of Health and Safety training were completed in 2021. In total, our employees took over 787,000 hours of training. More than half was delivered through e-learning, self-directed courses or blended e-learning and in-person courses.



Employee engagement

Our 2021 Employee Engagement Survey had an overall response rate of 51 per cent – nearly double the previous year’s participation. The increased response rate tells us employees are more engaged. The results also show what’s working, what’s not and where we need to improve. Acting on our employee feedback is vital to our ability to “do right by our people,” a key commitment of our new purpose: A Stronger Canada – Delivered. Overall, survey responses highlighted improvements in most areas, particularly social and environmental responsibility, safety and communication.

The survey also found that 47 per cent of our employees indicated that they saw Canada Post as an environmentally sustainable employer. We recognize that more needs to be done to engage our employees on the environment and sustainability. We’ve set a target for 60 per cent of our people to recognize Canada Post as an environmentally sustainable employer by the end of 2022.

To meet that target, we’re empowering our people to become engaged on climate action and the environment and working to build a culture of sustainability. Among other initiatives, we’ve installed electric vehicle charging stations for employees at four of our major locations.

Survey question	Responded favourable	Responded neutral	Responded unfavourable	Increase to 2020
Canada Post has created a work environment where people of diverse backgrounds can succeed.	62	26	12	4
Canada Post is an environmentally responsible company.	47	26	27	5
I feel that my team leader never compromises our safety in order to meet other targets (costs, deadlines, etc.).	73	13	14	3



Employee equity, diversity and inclusion

Canada Post is committed to representing Canada's diversity and providing a safe, welcoming and inclusive workplace, one that embraces and celebrates our differences as Canadians. Our Joint National Equity and Diversity Committee, formed with all our bargaining agents, developed the five-year Equity and Diversity Strategy and Action Plan, which expresses our vision and goals over the next five years. The plan identifies 40 specific steps the Corporation will take to create a safe, welcoming workplace for everyone. Some of its key actions are to:

- Integrate equity diversity and inclusion (EDI) goals into our strategic planning.
- Improve recruitment and retention with targets for attracting Indigenous Peoples and persons living with a disability.
- Serve society and respond to social issues, movements and events, committing to anti-racism and commemorating days of significance such as the National Day for Truth and Reconciliation and Human Rights Day.
- Educate, communicate and assess our progress by soliciting employee feedback.

While the plan's priority actions focus on addressing oppression and discrimination, they also extend to employee retention and recruitment. The Joint National Equity and Diversity Committee committed to increasing the representation of racialized people in our workforce, attracting new candidates and retaining diverse voices among our employees and leadership.

In 2021, we set and communicated equity targets to all senior leaders with the goal of achieving 80 per cent of the representation levels of the Canadian Labour Market Availability (CLMA)*. We plan to achieve this within five years for Indigenous Peoples and 10 years for persons living with disabilities. In 2021, we also continued to deploy Unconscious Bias training to all our team leaders continuing the roll out to leaders in operations which is planned to conclude in 2022.

In 2021, we launched three employee resource groups (anti-racism, Indigenous Peoples, and persons with disabilities) to amplify the voices of underrepresented employees and identify barriers to attraction and retention. A fourth resource group for LGBTQ2S+ Pride was also launched following our Pride campaign. These groups will open for employee membership in 2022.

Workforce Analysis (WFA), Operational Report

Overall workforce	2019	2020	2021	2020/2021 change	*CLMA (1)
Women	49.0%	48.3%	47.9%	(0.4)	49.3%
Indigenous Peoples	2.5%	2.5%	2.9%	0.4	4.0%
Persons with disabilities	3.7%	3.9%	6.8%	2.9	11.5%
Visible minorities	20.0%	21.2%	23.4%	2.2	19.8%

Workforce Analysis Report includes employees who have worked less than 12 weeks in a calendar year. Total workforce base: 72,890 employees.

Senior management	2019	2020	2021	2020/2021 change	*CLMA (1)
Women	40.8%	40.3%	44.9%	4.6	27.6%
Indigenous Peoples	0.0%	1.5%	0.0%	(1.5)	3.2%
Persons with disabilities	5.6%	6.0%	11.6%	5.6	5.0%
Visible minorities	7.0%	10.4%	14.5%	(4.1)	11.5%

Workforce Analysis Report includes employees who have worked less than 12 weeks in a calendar year. Total workforce base: 72,890 employees.

Workplace Equity Information Management System (WEIMS), Government of Canada

Overall workforce	2019	2020	2021	2020/2021 change	*CLMA (1)
Women	48.6%	45.9%	47%	1.1	49.3%
Indigenous Peoples	2.4%	2.4%	2.7%	0.3	4.0%
Persons with disabilities	3.6%	3.8%	6.7%	2.9	11.5%
Visible minorities	19.9%	22.0%	23.2%	1.2	19.8%

Senior management	2019	2020	2021	2020/2021 change	*CLMA (1)
Women	40.8%	40.3%	44.9%	4.6	27.6%
Indigenous Peoples	0.0%	1.5%	0.0%	(1.5)	3.2%
Persons with disabilities	5.2%	5.4%	10.7%	5.3	5.0%
Visible minorities	7.0%	10.4%	14.5%	4.1	11.5%

Pay equity

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

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

We recognize that pay equity is a basic human right and any disparity in pay on the basis of gender is unacceptable. We are working closely with our bargaining agents and non-unionized employee representatives to make progress on this important requirement.

Human rights

We train all employees on human rights, employment equity and respectful workplace practices. This training helps raise awareness of employees' rights, roles and responsibilities and contributes to a respectful workplace. If an employee has a human rights concern on one of the 13 protected grounds, they can raise it through our internal resolution process or with the Human Rights Commission. Employees can also leverage our confidential diversity inbox by emailing us directly.

Due to the pandemic, classroom human rights training was delayed in regions where these activities were suspended. As a result, we worked with our bargaining agents to deploy virtual sessions. As pandemic restrictions are lifted, we intend to reintroduce in-class training in 2022, if it is deemed safe to do so.

Category	2019	2020	2021	2020/2021 change
Formal human rights complaints	26	23	26	13%
Internal human rights complaints	120	155	85	54%
Preemptive human rights complaints	71	40	82	205%
Total	217	218	193	n/a



Labour relations

We are deeply committed to strong and mutually respectful relationships with our bargaining agents, who are some of our most important and valued stakeholders. Our ongoing dialogue will help to shape a sustainable future for Canada Post.

In the last year we pursued a new approach to negotiating with two of our bargaining agents – the Association of Postal Officials of Canada (APOC) and the Canadian Union of Postal Workers (CUPW). In both cases, the parties used streamlined models of collective bargaining that involved fewer issues and time-limited discussions. This built on the success achieved with this model during negotiations with the Union of Postal Communications Employees (UPCE) in early 2020. In this collaborative way, the parties achieved new collective agreements before their expiry dates – a four-year renewal of the APOC contract and two-year renewals for each of the CUPW-Urban Postal Operations and CUPW-Rural and Suburban Mail Carriers (RSMCs) collective agreements.

During the two-year renewals, Canada Post and CUPW agreed to work on several special projects, including a process to determine a new hourly rate of pay for RSMCs. Taking such a large project outside of the normal negotiation stream is intended to modernize much of our approach to bargaining – and give both parties more time to properly analyze complex issues. These streamlined approaches to bargaining can help to maintain more positive relationships nationally and secure a level of operational dependency for our frontline employees. The benefits of a more collaborative labour engagement also extend to our customers who have increased predictability in how their mail or packages can smoothly move between destinations.

As part of these various negotiations, a new and special Relationship Committee with APOC was established to facilitate ongoing conversation between the parties at the senior executive level. This supplements the previously existing and ongoing Relationship Committee between Canada Post and CUPW. These forums for ongoing dialogue involve regular business updates and serve as a joint venue to discuss and address issues as they happen.

Grievances

In 2021, the number of filed grievances increased, but still remained lower than before the pandemic.

Grievances	2019	2020	2021	2021/2020 change
Filed	14,777	12,256	14,108	15.1%
Pending	25,918	22,299	22,331	0.1%



Our
environment

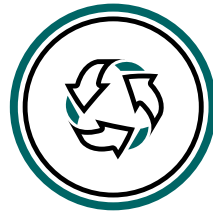
Environmental Action Plan

Canada Post and its bargaining agents are committed to working together to help deliver a sustainable future. Our **Environmental Action Plan**, released in 2021, commits to ambitious goals to reduce GHGs and waste across the company's operations. We'll engage our employees, customers and Canadians in reducing Canada Post's environmental footprint. This important plan outlines 19 actions that will help us meet our goals. See page 70 for details on our progress toward these goals.



Climate action:

We've adopted science-based targets to reduce our Scope 1 and 2 GHG emissions by 30 per cent by 2030, measured against 2019 levels. This roadmap sets us on a path to net-zero emissions by 2050.



Zero waste:

We're transforming our waste and recycling systems. Our goals are to eliminate all unnecessary single-use plastics by 2022 and to divert 90 per cent of our total operational waste by 2030.



Sustainable delivery:

We will reduce the environmental footprint of our retail and ecommerce packaging and launch a smart-carbon shipping option. We're working with our industry partners and retailers to reduce waste throughout the mail stream and expanding our offering of sustainable packaging and delivery solutions.



Engaging our people:

We're committed to building pride and a culture of sustainability through participation in local initiatives and collective activities. We're empowering our people with the tools and resources they need to help us become a more environmentally sustainable organization.



Read about our 2021 progress on the **Environmental Action Plan** at the end of this report.

Sustainability Action Fund

We're committed to building a culture of environmental responsibility in our workforce. In 2021, we launched the Sustainability Action Fund, an annual grant program that encourages employees to identify and implement sustainability projects. Through this program, employees are empowered to implement solutions that improve environmental sustainability at their workplace.

The Fund distributed \$500,000 in grants to 55 employee-led projects in 2021. Employees have installed community gardens, recycling solutions and bike racks, among other initiatives.



Climate action

We are committed to a low-carbon future by achieving significant reductions in greenhouse gas emissions across our network.

As part of this commitment, Canada Post has adopted a science-based target to reduce Scope 1 and Scope 2 GHG emissions by 30 per cent and source 100 per cent renewable electricity by 2030.

This target was approved by the Science Based Targets Initiative (SBTi) in May 2021, announced in August 2021 and sets us on a path to net-zero carbon emissions by 2050. Achieving net-zero emissions means we will reduce emissions associated with our operations as much as possible and offset the remainder. As of September 2021, Canada Post was Canada's first Crown corporation and among only 20 Canadian firms to have an approved science-based target.

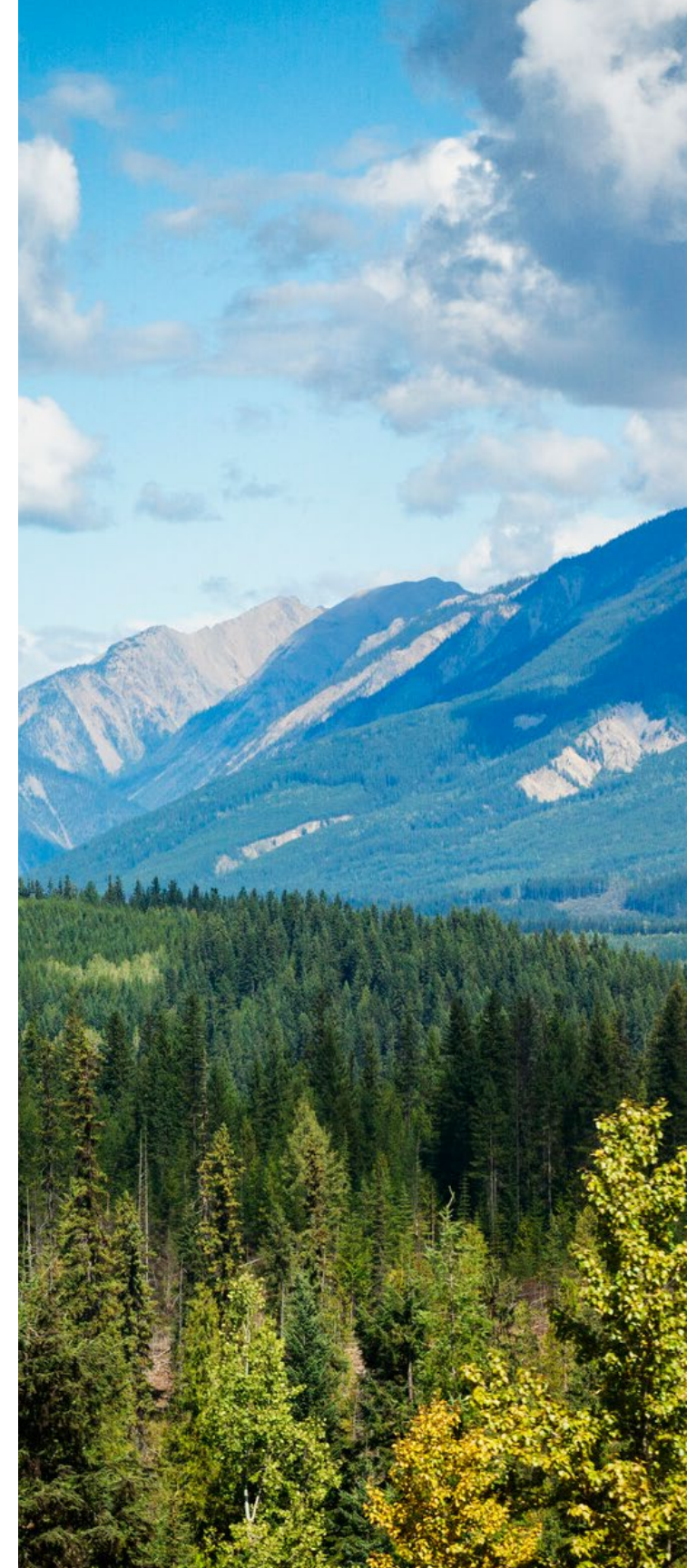
To achieve that ambitious goal, Canada Post will focus on building retrofits, equipment upgrades, solar panels, new net-zero carbon buildings, and an upgraded fleet that incorporates low-carbon delivery and electric vehicles. We are also researching options to offer our customers carbon neutral shipping.

Canada Post's science-based target

Our science-based target has three main components:

- Reduce Scope 1 and Scope 2 GHGs by 30 per cent by 2030 (against our 2019 baseline).
- Source 100 per cent renewable electricity for our facilities by 2030.
- Engage top suppliers and subsidiaries to adopt emissions reductions targets, with a target of 67 per cent of vendors by spending total, and 100 per cent of our subsidiaries, adopting a science-based target by 2025.

Canada Post is proud to be part of a small group of Canadian companies who have established science-based emissions reductions targets. Our targets are ambitious and we are eager to make more progress toward our vision of net-zero emissions by 2050.



Carbon footprint

As a delivery company that operates one of Canada's largest last-mile fleets and facilitates in international delivery, we have an important role to play in addressing climate change. We are committed to a low-carbon future by achieving significant reductions in greenhouse gas emissions across our network.

Carbon methodology

Our GHG inventory and boundary (i.e., our business activities included in the carbon footprint) were prepared in accordance with the requirements of ISO 14064-1: 2006, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and consists of both Canada Post and its information technology and services subsidiary, Innovapost, where we have operational control. We account for all seven of the GHGs covered by the GHG Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃) and we do not have biogenic carbon emissions.

Our emissions are verified annually by an independent third party, which provides a limited assurance review in accordance with the ISO 14064-3 International Standard.

A list of emission factors used in our 2021 inventory calculations can be found on our [Sustainability Reporting web page](#).



GHG emissions by type

Category	2019 (kt CO ₂ e)	2020 (kt CO ₂ e)	2021 (kt CO ₂ e)	% 2021/20 change
Scope 1¹	107.8	104.2	103.4	(0.7)
Natural gas ²	36.9	33.2	31.1	(6.5)
Heating oil	3.2	3.0	2.8	(8.2)
Propane	0.1	0.1	0.2	183.0
Diesel	0.1	0.1	0.0	(59.4)
Fugitive emissions	0.4	0.9	0.4	(52.9)
Owned fleet propane and CNG use	0.3	0.5	0.0	(97.0)
Owned fleet gasoline and diesel use	66.9	66.4	68.9	3.7

Category	2019 (kt CO ₂ e)	2020 (kt CO ₂ e)	2021 (kt CO ₂ e)	% 2021/20 change
Scope 2¹	34.8	34.2	35.8	4.6
Electricity	34.8	34.2	35.8	4.6

Category	2019 (kt CO ₂ e)	2020 (kt CO ₂ e)	2021 (kt CO ₂ e)	% 2021/20 change
Scope 3¹	1,082.7	1,197.0	1,384.0	15.6
Category 1: Purchased goods and services	176.7	173.4	303.8	75.3
Category 2: Capital goods	41.5	49.0	59.5	21.4
Category 3: Fuel and energy-related activities ²	29.2	28.3	28.8	1.8
Category 4: Upstream transportation and distribution	402.5	425.9	446.6	4.9
Domestic ground	175.7	205.2	219.5	7.0
Rail ³	1.3	0.9	1.2	24.5
International outbound air	36.8	27.3	24.9	(8.6)
Domestic air	188.7	192.5	201.0	4.4
Category 5: Waste generated in Operations	2.8	3.9	5.4	38.5
Category 6: Business travel	12.5	3.6	3.1	(13.5)
Category 7: Employee commuting	41.7	44.0	44.3	0.7
Category 9: Downstream transportation and distribution	32.5	33.3	35.2	6.0
International ground	2.9	3.2	3.7	17.6
Rural and Suburban Mail Carriers (RSMC)	25.4	25.8	26.5	3.0
Combined Urban Services (CUS)	4.2	4.3	5.0	15.4
Category 12: End of life treatment of sold products	0.9	13.3	14.3	7.0
Category 15: Investments	342.5	422.4	442.9	4.9

1. Amounts are presented in kt CO₂e, rounded to the nearest hundredth tonne, while related percentages are based on the unrounded numbers.

2. Data restated in 2021 to include InnovaPost facilities for historical years 2019 and 2020.

3. Minor data error corrected in 2020 rail.

Summary of Scope 1 and 2 energy usage (MWh)

Category	2019 (baseline)	2020	2021	% 2021/20 change
Natural gas ¹	205,366.6	184,917.4	172,980.7	(6.5)
Heating oil ²	12,289.2	11,671.6	10,713.0	(8.2)
Propane	493.4	337.5	955.2	183.0
Diesel	246.1	234.3	95.2	(59.4)
Owned fleet propane and CNG	1,275.8	2,107.4	63.3	(97.0)
Owned fleet natural gas and diesel	275,219.4	273,315.4	283,476.7	3.7
Electricity	295,556.2	291,658.2	291,972.5	0.1

1. Data recalculated to include Innovapost facilities for historical years 2019 and 2020.

2. Minor data error corrected for historical years 2019 and 2020.

Scope 1 and 2 Emissions Intensity, kt CO₂e per billion dollars of revenue

Category	2019	2020	2021	% 2021/20 change
Emissions intensity	21.1	19.9	18.9	(5.0)

Scope 1 and 2

In 2021, our Scope 1 emissions from owned fleet, building heating and fugitive emissions decreased slightly from 2020. This is due in part to an overall decrease in the heating and cooling degree days in 2021 compared to the rolling three-year average. (There was less need to heat our office spaces in a milder winter, and many office employees worked from home during the pandemic.) Our fugitive emissions remained stable compared to our baseline, as in 2020 we did have a significant halocarbon release at one of our sites. Our fleet emissions for propane and CNG vehicles decreased in 2021, due to complications with our refuelling stations and difficulty hiring a serviceperson during the pandemic. Our Scope 2 emissions remained stable in 2021, increasing overall by less than five per cent.

Starting in Q3 of 2021, we began collecting primary data for our Postmaster Delivery (PMD) sites – rural post offices where mail delivery and facilities management are performed by a postmaster. Before this period, we estimated PMD emissions from spending on utilities and had suspected that we were overstating emissions for these locations. PMD sites account for approximately 15 per cent of our overall real estate portfolio. At the end of 2022, after seeing a full year of primary data, we anticipate Scope 1 building heat and Scope 2 electricity emissions to decrease based on the availability of more accurate data.

Scope 3

In 2021, Canada Post saw a 15.6 per cent increase in indirect Scope 3 emissions. In 2021, we delivered 6.8 billion pieces of mail, parcels and messages, up from 6.3 billion in 2020. Our international ground transport to the United States increased by 17 per cent as all volumes that are normally flown were trucked exclusively to the U.S., which led to an overall decrease of eight per cent in our international air emissions. Our domestic ground transport increased by seven per cent to accommodate the increase in parcels from 2020. Our rail transport increased in 2021 due to driver shortages related to the flooding in British Columbia. Business travel emissions continued to decline, as well as travel overall, amid continued COVID-19 restrictions. While regional travel increased from 2020, employees drove more personal vehicles instead of flying.

Greening our fleet

To help fulfill its mandate to serve all Canadians, Canada Post operates the largest delivery network in Canada and one of the country's largest vehicle fleets. In 2021, we celebrated the deployment of our 1,000th hybrid electric vehicle. In total, we added 740 low-carbon vehicles, raising the percentage of low-carbon vehicles to more than 10 per cent of our fleet.

This past year we expanded our rollout of low-carbon delivery vehicles and tested two e-cargo trikes on select routes in downtown Montréal, to better serve customers, improve environmental performance and help reduce urban congestion.



Low-carbon delivery vehicles in our fleet

Propulsion type	2019	2020	2021
Battery electric (BEV)	1	1	1
Hybrid (HEV + PHEV)	379	732	1,486
Alternative fuels (Propane and CNG)	125	121	120
Total low-carbon delivery vehicles	525	854	1,607
Percentage of low-carbon delivery vehicles in corporate fleet	3.8%	6.5%	11.5%



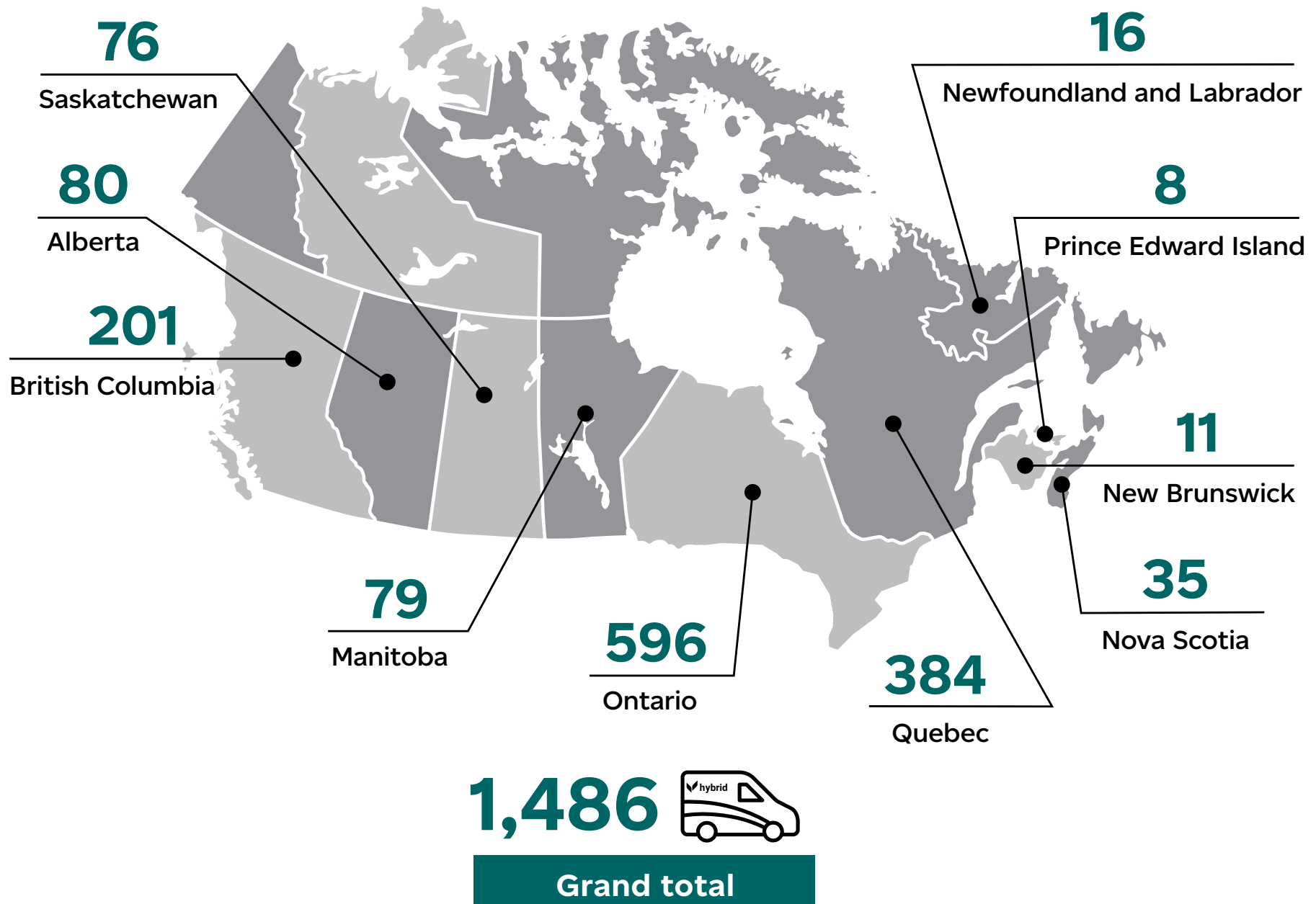
Canada Post celebrates the deployment of its 1,000th hybrid electric vehicle.



Sustainable commuting: electric vehicle charging

Electric vehicle (EV) chargers were installed for employees' use at the two highest-occupancy facilities in our network and at our Head Office in Ottawa in 2021, in a pilot to encourage sustainable commuting. We also installed an EV charger for public and employee use at our new community hub post office in High Prairie, Alberta. Results and data collected through our employee pilots will help inform our future EV strategy.

Hybrid vehicles in service across Canada in 2021



Canada Post e-cargo trike pilot

Canada Post collaborated with the City of Montréal, Coop Carbone and Jalon on this proof-of-concept project to better serve customers, improve environmental performance and help reduce urban congestion. Eight delivery agents tested our two electric-assisted cargo trikes to deliver over 2,100 packages from July to October 2021, cycling just over 1,400 km. The pilot and more testing in 2022 will shape a viable e-cargo trike solution.

We received an honourable mention in the Freight Logistics category at the third annual Jalon Mobility Awards for our Montréal e-cargo trike initiative. These awards celebrate efforts towards more sustainable mobility in Quebec.



Renewable energy and energy efficiency

Canada Post is committed to ensuring that its building portfolio operates efficiently to minimize its environmental impact.

Renewable electricity

Our goal is to achieve 100 per cent renewable electricity by 2030. Currently, 84 per cent of Canada Post’s purchased electricity is considered renewable and we have established a timeline, with clear priorities, to achieve this goal. Over the past year, we have built internal capacity and worked closely with the Government of Canada and provincial utilities to negotiate power purchase agreements (PPAs)¹ and to purchase renewable energy credits (RECs)², starting in 2022 for those provinces with carbon-intensive electrical grids. We prefer to prioritize sourcing from net-new renewable energy projects, aligning with the Government of Canada’s Greening Government Strategy commitment and partnering with the Government where we can.

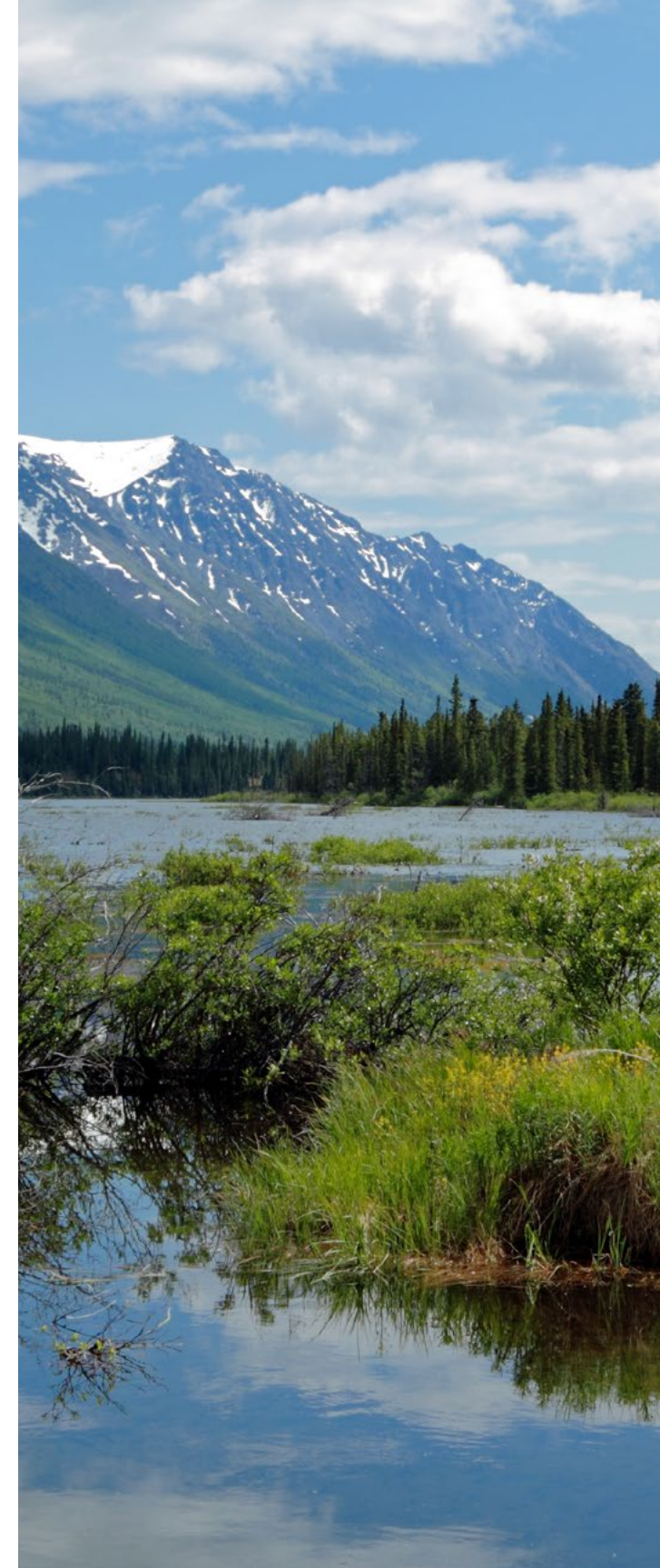
% of purchased renewable energy electricity	2019	2020	2021	2020/2021 change	Target
Percentage	84%	84%	84%	0%	100% by 2030

1. A PPA is a contract between two parties, one which generates electricity and one which is looking to purchase electricity. The PPA defines all the commercial terms for the sale of electricity between the two parties, including when the project will begin commercial operation, schedule for delivery of electricity, penalties for under delivery, payment terms and termination.

2. RECs are used worldwide by leading organizations to offset electricity consumption as part of their sustainability goals. A REC represents 1 megawatt hour (MWh) of clean electricity generated on a customers’ behalf by a renewable energy facility.

New net-zero parcel processing facility

We are building a new, leading-edge facility – Canada Post’s Ontario East Processing Centre (OEPC) – designed to process up to one million parcels and packages per day in its 585,000 square feet. It is designed to be a highly energy-efficient, net-zero carbon building with efficient HVAC, solar photovoltaic technology, and sensor- controlled light fixtures that dim based on occupancy and daylight harvesting. Electric vehicle charging stations are being installed for employee use and the building will be equipped with infrastructure for the use of electric five-ton trucks in our fleet. The project is pursuing the Canada Green Building Council’s Zero Carbon Building Design certification. Construction is expected to be completed in early 2023.



Facility retrofits

Canada Post is taking significant action to reduce greenhouse gas emissions across its large and diverse building portfolio. A retrofit plan is in place to reduce our direct Scope 1 emissions, revitalize our existing building stock, and improve the existing site conditions for our operations, including increased temperature controls. These steps will make our facilities more useable and energy efficient. Reusing and retrofitting our existing building stock wherever possible will help us to reduce our carbon footprint and save money while meeting our sustainability targets.

Our Carbon Neutral Portfolio Study was updated by third-party experts in 2020, providing a quantitative analysis of the technical and economic feasibility of achieving carbon neutrality for our real property by 2050. A series of pilot projects with building retrofit measures were selected, establishing Phase 1 of our real estate sustainability journey. This first phase includes depots, post offices and mail processing plants, and focuses on equipment upgrades, electrification of the HVAC system, solar rooftop photovoltaic power, commissioning, and LED lighting upgrades.

We have begun work on 60 Phase 1 projects so far, with detailed feasibility and design studies for equipment upgrades, electrification projects, geothermal heat pumps, solar panels and more. We also completed 35 LED lighting upgrades, focused on our facilities in New Brunswick, Nova Scotia and Saskatchewan.

Throughout Phase 1, we've engaged over 15 consultants and targeted facilities ranging from 2,500 to 100,000 square feet in both urban and rural areas. An extensive measurement and verification plan will enable us to accurately quantify energy savings and GHG reductions achieved due to the sustainability projects.

We are developing the next phase of the project as we continue to retrofit our buildings through 2025 and beyond. We have engaged several other posts or delivery companies such as La Poste (France), New Zealand Post and DHL, to collaborate and share insights as we collectively work to reduce emissions from our buildings. We have also worked closely with Public Services and Procurement Canada (PSPC), Treasury Board Secretariat (TBS), and Canada Infrastructure Bank (CIB) to explore opportunities for collaboration.



Net-zero carbon ready office retrofits

In Ottawa, we completed a retrofit of one of our buildings at the Head Office campus, which had been damaged by fire in 2018. This important retrofit will make the building net-zero carbon ready. The building is now 63 per cent more energy efficient than before the retrofit, thanks to the installation of a high-efficiency HVAC system, triple-glazed windows, eight inches of wall insulation and a thermal solar wall that provides passive ventilation air heating. While much of our Head Office workforce continued to work from home at the time of this report's publication, the building reopened for occupancy in 2021.

REmmy Award

Our real estate team and our facilities management partner, JLL, won the RE Emmy Award for climate change leadership in 2021. This corporate social responsibility and climate change award recognizes a Canadian organization, department or individual whose culture, product or project best demonstrates leadership, innovation and commitment to addressing climate change as it relates to workspaces. It recognized our corporate commitment to sustainability.

Sustainable products and services

Responsible mail

Canada Post and the direct mail industry are working together to create sustainable and environmentally friendly mail for our Canadian consumers. That means looking for innovations in the marketplace, reducing single-use plastics, and communicating best practices and thought leadership to the market.

Sustainable Mail Group

Canada Post continues to serve as a member of the board for the Sustainable Mail Group (SMG), of which it was a founding member. Since 2020, this active non-profit organization is working to transform Canada's mail industry for a better, cleaner future. In 2021, the SMG launched its website and continued to grow its membership, which now includes approximately 56 members in the print and mail industry. As stewards of the environment, the SMG continues to work towards innovations in mail, such as alternatives to plastic, and the promotion of sustainable mail practices. In 2022, the SMG held its first event on the availability and future of sustainable paper-related solutions, featuring panellists across different sectors in the paper and print industry.



Solar wall installed at one of our Head Office buildings in Ottawa.

Direct Mail

Canada Post is committed to reducing waste from its operations and working with its suppliers and customers to look for innovations to reduce or eliminate plastics. We are taking steps to measure the volume of single-use plastics used in all categories of commercial mail. This critical information, combined with partner collaboration, will enable us to reduce and eliminate single-use plastics in the mail stream.

We continue to provide and share best practices around sustainable mail with our customers and the Direct Mail industry. Working together, we are reducing waste and taking steps to ensure mail is being sourced, printed and delivered sustainably.

In the second year for the Canada Post Smartmail Marketing Partner Environment Award, we received impressive, solutions-oriented submissions. They focused on how to cut GHGs, innovations for customers, how to reduce plastic in the mail system, and more. The award was presented to the winner, Précigrafik, at Canada Post's Partners Conference in March 2022. Précigrafik was recognized for its comprehensive sustainable development charter, providing its customers with best practices to create sustainable mail, for its multiple eco-certifications, and working to offset its CO₂ emissions.

Retail sustainability

We're looking for ways to offer more sustainable products at retail, such as more environmentally friendly packaging for our products. In 2021, we redesigned the packaging on our prepaid value packs: shrink wrap has been replaced with a paper envelope made from 35 per cent recycled-content fibre. By removing the shrink wrap, we can divert approximately 970 kilograms of plastic from landfills annually.

We also launched paper-based padded mailers as 100 per cent recyclable alternatives to traditional plastic bubble mailers. To complement these new paper-based mailers, our shipping boxes have been redesigned with natural fibre paper bands in place of shrink wrap. Just like our flat rate boxes (made from 73 per cent recycled content), the new mailers are convenient packaging solutions for environmentally conscious customers. Next year, we plan to eliminate shrink wrap from all packaging products as part of our corporate strategy for sustainable delivery.

We also replaced shrink wrap with 100 per cent recyclable paper labels on our packaging tape. In total, our retail-based sustainability innovations are saving almost 7,000 kilograms of shrink wrap annually.



Retail signage and fixtures

In 2021 we worked to improve post office design based on the evolving needs of our customers. Our latest enhancement is the new writing desk parcel induction module. Like the mail drop box built into many post office counters, it provides customers with a secure place to drop off pre-staged mailings without waiting in line. The drop box features a mail receive chute (like a street letterbox) that fits small packets and small, flat-rate boxes.

In our larger retail outlets we use digital screens to tell customers about our products and services. This helps to reduce paper printing. We are looking to expand our use of digital signage.

We also installed our first in-wall (six) and in-fixture (43) contactless induction equipment. We'll be expanding this pilot in 2022.



The “Pod image” is our latest Retail outlet fixture format. It features a truncated version of our previous countertops that hosts the point-of-sale system.

International collaboration

Canada Post’s International Relations team is working with foreign postal partners to integrate ESG initiatives in its business and taking other steps to support and promote environmental sustainability and social responsibility within the global postal industry. For example, Canada, represented by Canada Post, is co-Chair with Egypt, of the Universal Postal Union (UPU) committee responsible for postal policy and regulation.

Canada Post’s International Relations team is working with the global postal community to more deeply integrate ESG initiatives and priorities, such as promotion of environmental sustainability and social responsibility, into the global postal industry. Canada (as represented by Canada Post) is co-chair (with Egypt) of the UPU committee tasked with leading member countries in implementing the United Nations’ Sustainable Development Goals during 2022-2025.

Some of our international initiatives include:

- Using recyclable cardboard box receptacles to replace non-recyclable plastic receptacles for some shipments to Canada.
- Optimizing the size of individual mail items and transportation routing to reduce greenhouse gas emissions; and
- Using metal pallet and knitted pallet wrapping to reduce the use of single-use plastic films and plastic packaging waste.

Last-mile delivery impacts

Soaring demand for ecommerce delivery is fuelling considerable increases in greenhouse gas emissions and congestion in Canadian cities.

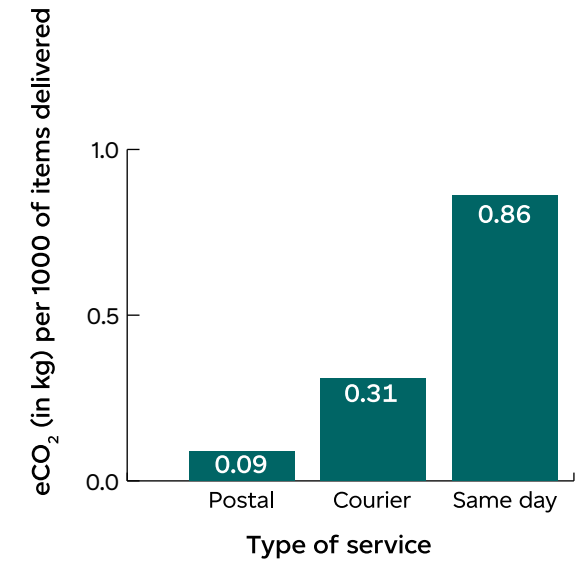
As part of our commitment to help reduce congestion in our cities, we commissioned a [traffic simulation study](#) to help municipal leaders and Canadians understand how last-mile delivery impacts their communities, from mobility to the air they breathe.

The experts found that postal delivery has the lowest carbon footprint per delivery, while same-day delivery has the highest. Three key contributing factors behind postal delivery having the lowest footprint are:

1. Co-delivery of parcels and mail increases delivery density (the number of items delivered).
2. Comprehensive depot network minimizes route distance.
3. Park-and-loop routes involve foot delivery of small items (i.e., mail and small parcels).

The study also found that when each vehicle on the road is optimized to carry as much volume as possible, fewer vehicles are needed to meet delivery demand in a region.

We hope these findings will inform the conversation around the future of last-mile delivery and support other last-mile delivery stakeholders in their efforts to make sound decisions.



What types of last-mile delivery models operate in Canada?

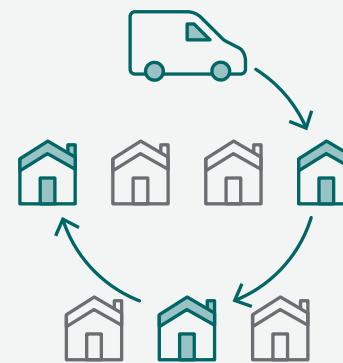


Park-and-loop routes
(postal delivery)

Postal delivery

- National coverage
- Mail and parcel delivery
- Static, park-and-loop routes

Park-and-loop routes involve foot delivery of mail and small parcels, and motorized delivery of larger parcels.



Motorized routes
(courier and same-day delivery)

Courier delivery

- National or international coverage
- Parcel delivery
- Dynamic, motorized routes

Same-day delivery

- Local coverage
- Parcel delivery
- Dynamic, motorized routes

Courier and same-day delivery routes are predominantly motorized and designed daily using dynamic routing technologies.

Urban congestion

The movement of people and goods in dense urban centres often frustrates and creates delays for residents and also adds costs and uncertainty for businesses. Canada Post is an active participant in problem-solving partnerships to address serious congestion across the country.



In 2021, the Pembina Institute-led **Urban Delivery Solutions Initiative (USDI)** received The Canada Clean50 Top Project Award. Granted by Delta Management Group, Clean50 awards Canadian leaders in environmental sustainability for their work over the two prior years.

The USDI is a national network of businesses and an environmental advocacy organization working to create an efficient and low-carbon urban freight system in Canadian cities.

Canada Post is a founding partner of the USDI coalition, launched in 2020 by the Pembina Institute. Its 12 businesses and environmental advocacy members collectively deliver billions of packages and goods annually. The USDI project aims to find ways to reduce emissions during short-haul urban deliveries by building a strong, low-carbon urban freight community, recognizing the significant expansion of the infrastructure that this much-needed shift demands. Through USDI, fleet operators are provided with tools and resources to reduce emissions, and governments at all levels are informed about policies and practices that will achieve results.

Our impact in 2021 included tools and resources, research to inform best practices, and public events that brought together industry, NGOs, government, innovators and academia. We also presented to the Federation of Canadian Municipalities about last-mile delivery. The USDI project is one way we are working toward an efficient and low-carbon urban freight system, without sacrificing our delivery standards or the safety of our employees.



Zero waste

In 2021, we diverted 70 per cent of our waste materials from the landfill through recycling and reuse.

We expanded the number of facilities included in our diversion rate from approximately 500 to 3,000. We used rigorous extrapolation methods for any small, remote facilities unable to share data, to make sure our picture of waste at Canada Post was as complete as possible.

For the first time, we began to track durable goods, such as electronics and operational equipment, and include them in our diversion rate.

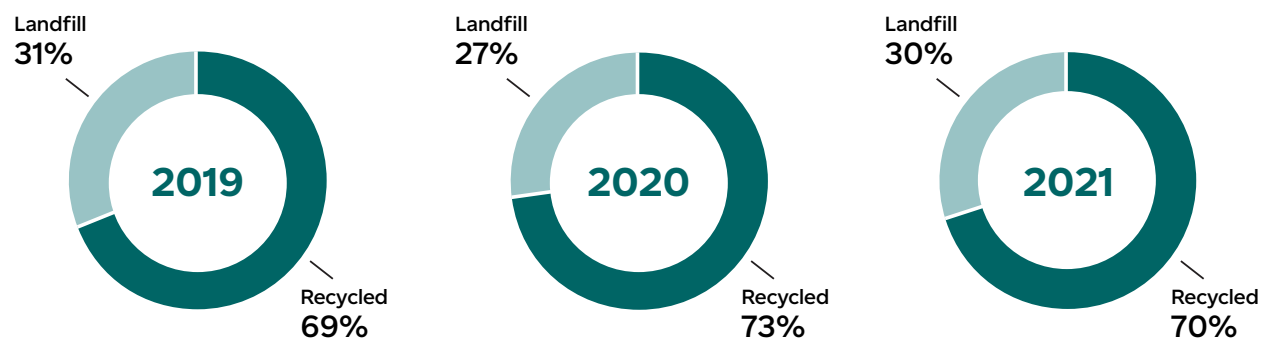
We made great strides in our overall ability to track and measure waste this year, but we continue to seek quality data as the foundation of our zero waste targets.

In 2021, we also began our first zero waste construction project. Our new Albert Jackson Processing Centre has been guided by industry best practice diversion standards and achieved over 90 per cent diversion for every month in 2021. This is a landmark example of what is possible for construction waste at Canada Post.

Single-use plastics

In collaboration with our vendors, we eliminated single-use plastic stir sticks and straws from all our cafeterias and have reduced use in several other categories. We expect to complete the removal of unnecessary single-use plastics from our cafeterias, events and meetings by the end of 2022, in favour of sustainable alternatives.

In 2021, we installed touchless water fountains at 117 facilities (with more to come in 2022) as part of our ongoing effort to reduce the need for single-use plastic bottled water.



New multi-stream recycling bins.

2021 recycling summary

	Total waste generated (tons)	Recycling diverted (tons)
2021		
Operational waste	42,329	27,244
Durable goods waste	11,846	10,456
TOTAL	54,175	37,700

Task Force on Climate-related Financial Disclosures (TCFD)



We recognize the important work of the Financial Stability Board's (FSB's) Task Force on Climate-related Financial Disclosures (TCFD) to establish a framework for companies to develop voluntary and consistent climate-related disclosures. In its 2022 federal budget plan, the Government of Canada announced a requirement for Crown corporations to report on their climate-related financial risks (in alignment with the TCFD) starting in 2024.

These new reporting standards aim to raise awareness of the importance of tracking, managing, and disclosing material climate-related risks and opportunities in a consistent and comparable way. Canada Post strongly believes organizations have a duty to disclose results achieved and forward-looking information across the four themes identified in the TCFD framework of governance, strategy, risk management, and metrics and targets.

Canada Post's first TCFD report is available on our [website](#).

Carbon Disclosure Project

We respond annually to CDP (formerly the Carbon Disclosure Project) at the request of our customers. In 2021, we responded publicly to the climate change disclosure.

We scored a B in our 2021 assessment, improving from a C score in 2020.

We also scored A- on our Supplier Engagement Rating (SER). This separate score measures how an organization engages with its supply chains on climate issues. For both the assessment and SER, we scored higher than the averages captured for North America, the intermodal transport and logistics sector, and all participants globally.

Our improvements from 2020 to 2021 can be attributed to the announcement of our new science-based targets, obtaining verification on our 2020 GHG inventory and senior-level executive approval on our response.

Corporate Knights Top 50 Corporate Citizen

Canada Post was honoured to be named in Corporate Knights' 2021 list of Best 50 Corporate Citizens, recognizing its social and sustainability leadership.

The list of Best 50 Corporate Citizens represents the rising standard and ambition for corporate sustainability leadership in Canada. To determine the ranking, Corporate Knights analyzed 271 large Canadian organizations against Canadian and global industry peers, based on 24 key performance indicators.

Canada Post received top quartile scores in carbon productivity (revenue per tonne of GHG emissions), diversity at the Board and executive levels, and an above-average score on clean revenue, based on its fleet of vehicles.



Our
communities

Accessibility at Canada Post

One in five Canadians experience at least one disability, and as our population ages, the prevalence of disability will increase. Being deeply rooted in communities across the country, we have an important role in fostering an accessible and inclusive Canada. Our vision is to demonstrate leadership in accessibility by promoting disability awareness, removing barriers, and by recognizing the valuable contributions of people with disabilities.

Accessibility strategy

We began to develop a Canada Post Accessibility Strategy in 2019, with input from our external Accessibility Advisory Panel. The strategy aligns with the focus areas of the *Accessible Canada Act*. It sets out concrete actions to ensure that all Canadians can use our products, services and programs with ease, and work with us without barriers. Planning and execution of the strategy is now under way. Its four guiding pillars are:

Creating a diverse and inclusive workforce culture

Our 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.

Our initiatives:

- Embed accessibility and inclusion into our culture through awareness, education and socialization.
- Attract, grow and retain diverse talent that is representative of the fabric of Canada.
- Effectively recruit people with disabilities and ensure they can build a full and meaningful career at Canada Post.

Delighting our customers

Our goal: To create a more welcoming and inclusive experience for all our customers.

Our initiatives:

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

Building accessible barrier-free spaces

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

Our initiatives:

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

Seeking more inclusive business opportunities

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

Our initiatives:

- Create opportunities for businesses that support robust accessibility practices or are owned/operated by people with disabilities.
- Ensure procurement processes are accessible to all potential suppliers, including people with disabilities.
- Collaborate with networks to leverage and share best practices.



Accessibility for our customers

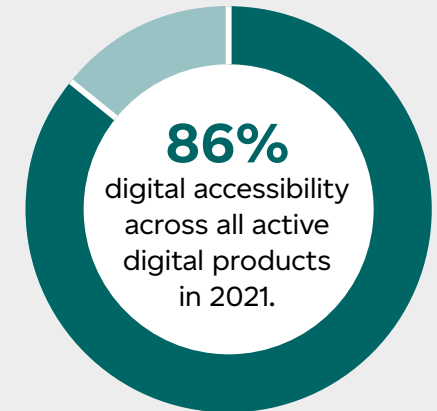
We engaged a third-party expert accessibility consulting firm, Level Playing Field, and the Rick Hansen Foundation to develop corporate accessibility design standards for new buildings, retrofits and new leases. These standards incorporate best practices that go beyond the minimum accessibility requirements in building codes. By developing our own high standards for accessibility, we aim to lead by example.

In 2021, we conducted 261 audits to identify accessibility gaps in our facilities and post offices. This resulted in 10 construction upgrades and identified 36 additional sites that will undergo modification and construction in 2022.

In line with our goal to provide accessible products and services to Canadians, all new public-facing digital products must be built to meet the Web Content Accessibility Guidelines (WCAG) 2.1 at level AA. To meet these standards, we trained 37 digital employees and contractors, and implemented a thorough accessibility testing approach. We achieved **86 per cent** on digital accessibility across all active digital products in 2021, exceeding our 2020 result of **77.3 per cent**.

Accessibility in our communities

Canada Post recognizes the importance of advocating for accessibility, sharing knowledge within the greater community and building strong partnerships. By working with organizations representing the disability community and other supporting stakeholders, we increased our engagement and community involvement through sponsorships that promote disability inclusion.



National Educational Association of Disabled Students (NEADS)

The Canada Post Award for Students with Disabilities (valued at \$10,000) was established in 2020 in partnership with NEADS. It supports outstanding scholarship in higher education for students with disabilities and recognizes contributions made to Canadian society through community development and knowledge-sharing. We and NEADS announced the first recipient in February 2021.

Through our partnership with NEADS, we also established summer work opportunities for students with disabilities to recognize the contributions that people with disabilities bring to the workforce. These initiatives support students with disabilities to reach their full potential through higher education and career-oriented work experience.



Rick Hansen Foundation

Canada Post was a Silver Sponsor of the Accessibility Professional Network (APN) second Annual Conference, #APN 2021: Accelerating Access, organized by the Rick Hansen Foundation (RHF). The APN conference provides a platform to network with accessibility professionals and learn about national and international initiatives to remove barriers and enhance disability inclusion. The Accessibility team continues to be engaged with RHF through building audits and consultations on accessibility upgrades.

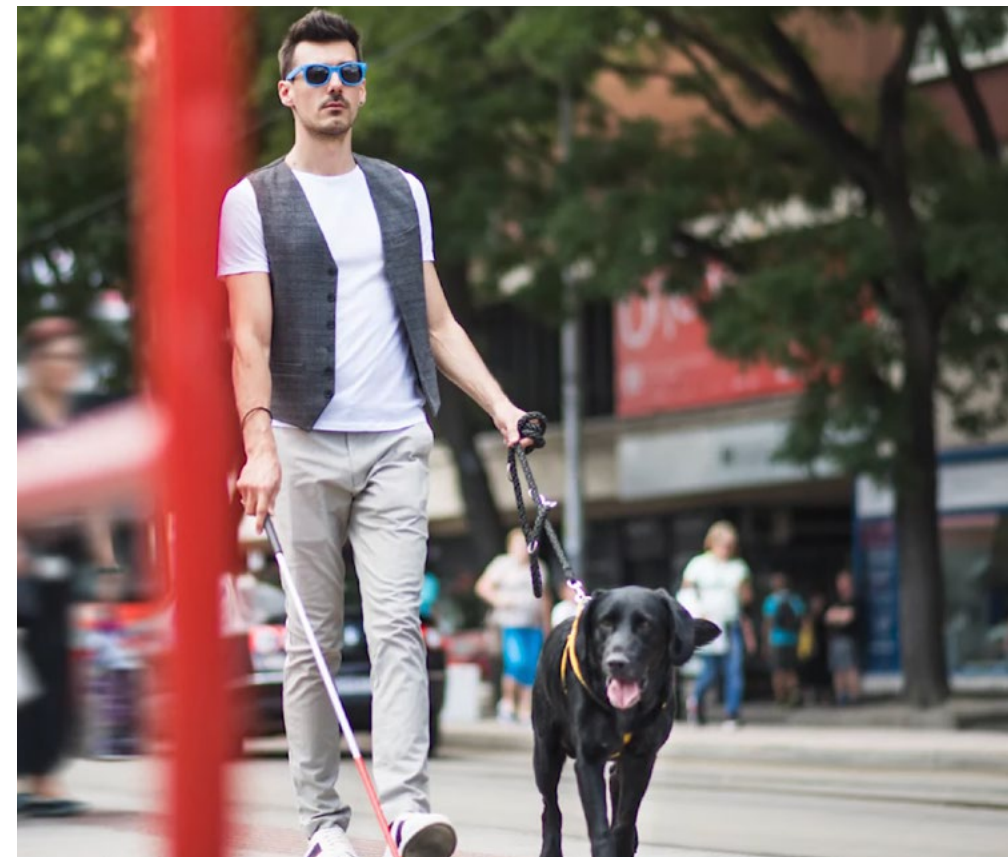


The Valuable 500

To demonstrate our commitment to accessibility more broadly, Canada Post joined The Valuable 500, a global movement that unites 500 of the most influential business leaders and their brands to facilitate systemic change in disability inclusion. By joining, we have access to webinars and global trend report to support the execution of the Accessibility Strategy.

Accessibility Advisory Panel

The Accessibility Advisory Panel is comprised of accessibility experts and advocates in disability and aging issues and includes individuals with lived experience from across Canada. The Panel provides input and advice on our Accessibility Strategy and various aspects of our programs and services. During National AccessAbility Week, the Advisory Panel met virtually to discuss the requirements of the *Accessible Canada Act* and the development of our first Accessibility Plan. Panel members provided input on the actions identified in Canada Posts' Accessibility Plan outline and provided recommendations for improving the accessibility of our consultation survey.



Delivery Accommodation Program

The Delivery Accommodation Program supports residential customers with a functional limitation or health issue to access their mail. The program is offered year-round, temporarily or seasonally. Since its launch in 2014, over 29,000 Canadians have benefited from the Program.

In 2021, we received 1,711 requests for accommodation from Canadians and implemented several accessibility solutions. They included mailbox key turners, sliding mail trays, adjustments to the mailbox compartments, mailbox braille markings, weekly home delivery and mail redirection to a family member or a post office.

To increase awareness about the program, we developed an outreach plan and launched the program’s first social media campaign in November 2021. We consulted with our external Accessibility Advisory Panel before the launch. The outreach materials included an email that could be widely shared, an article that could be incorporated in newsletters and publications, and a video posted on our LinkedIn and Facebook pages – seen by over one million people, with over 20,000 complete views.

After the outreach campaign, there was a 54 per cent increase in the number of application forms requested in December 2021 compared to December 2020. Canadians who need accommodation can access the program online or by calling 1-844 454-3009.

New and total accommodations

Category	2019	2020	2021	2020/2021 change
New approved accommodations	1,523	1,636	1,711	4.6%
Total active accommodations	16,159	17,795	19,524	9.7%

Friends and family connect through free postcards

The COVID-19 pandemic has interfered with birthday celebrations, holiday gatherings and other social time with friends and family. To help Canadians stay in touch and safely connect with their loved ones, Canada Post delivered approximately 13.5 million postage-paid postcards in 2021 – one to every residential address in the country.

The postcards came in six versions, each offering a simple message of love, appreciation or thanks. Every household received one randomly selected postcard. Canadians were invited to send it to anyone they liked, anywhere in Canada, for free – no stamps needed! We encouraged people to share their experiences with the postcards on social media.

The postcards were part of Canada Post’s “Write Here, Write Now” campaign, launched in September 2020 to encourage Canadians to use letters to connect in a heartfelt way.



Indigenous and Northern Affairs

We are committed to renewing our relationships with Indigenous Peoples, recognizing that they and their communities have been historically underserved.

Northern communities rely on Canada Post to deliver items typically ordered online. We are committed to engaging with communities to understand their concerns about gaps in several areas, such as postal services, security and wellness, Indigenous staffing, and procurement opportunities within our supply chain. Through our transportation and retail networks, we strive to provide reliable mail and parcel delivery and offer products and services in our retail outlets that are comparable to those offered in urban centres. We serve roughly 180 remote and northern communities by air.

Indigenous and Northern Reconciliation Strategy

The Indigenous and Northern Reconciliation Strategy aims to renew the relationship between Canada Post and Indigenous Peoples and northern communities.

It supports the interests of Indigenous and northern communities and seeks to ensure the unique rights of Indigenous Peoples are acknowledged, affirmed, and taken into consideration within our obligation to serve all Canadians. The strategy has four pillars:

Improve postal services to Indigenous and Northern communities

With a five-year, community by community approach, we'll strengthen our retail network in Indigenous and Northern communities. In 2021, improvements were made to seven Indigenous post offices. Improvements ranged from retail image upgrades, new postal boxes, implementation of a parcel pickup location and relocation of postal services to a community.

Indigenous Procurement Policy

In 2021, with the Indigenous procurement policy, we adopted a target to buy five per cent of our procured goods and services from Indigenous-owned suppliers or subcontractors by the end of 2025. We made good early progress toward that goal (see the procurement section for more information).



Dogwood 25 Donation

Dogwood 25 Society is a non-profit collaboration of key players in Indigenous education dedicated to increasing the academic success of British Columbia's Indigenous students. Canada Post's Pacific Processing Centre (PPC) raised \$4,455 for Dogwood 25 in 2021, with leadership from the PPC Social Responsibility Team.

Improving Indigenous employment and retention

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

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

As of 2021, we have signed four memorandums of agreement (MOAs) related to special equity measures with our bargaining agents. Each MOA is unique and reflects various exceptions in the staffing processes of a given collective agreement.

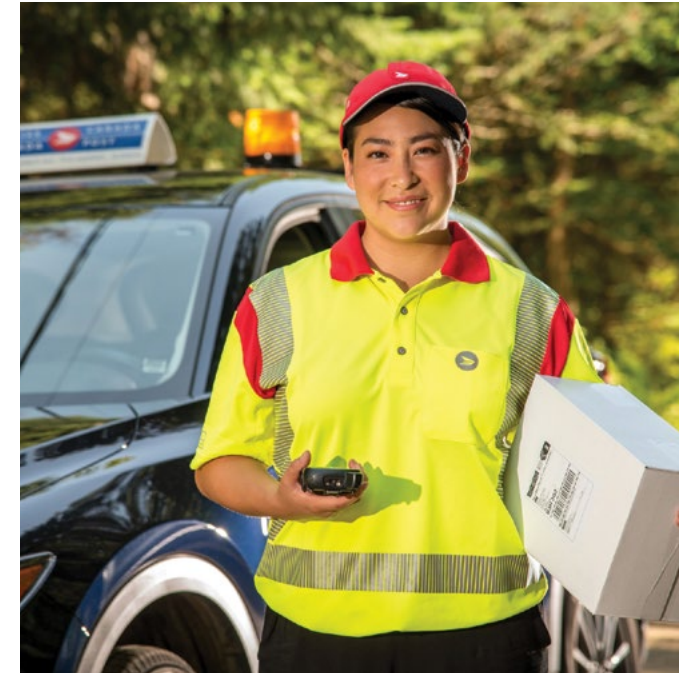
We are also developing an ambitious Indigenous recruitment and retention strategy. Approximately 1,500 Canada Post employees have self-identified as Indigenous, and we are committed to increasing employment opportunities. Several new positions have been designated for Indigenous Peoples across several Canada Post functions, including Procurement, Finance, Human Resources and Security.

Canada Post is committed to creating a welcoming workplace that embraces and celebrates all our differences. We formed a Joint National Equity and Diversity Committee with all our bargaining agents and developed the 2021 Equity and Diversity Action Plan, which listed 40 specific steps we will take to advance equity, diversity and inclusion issues. Our focus of addressing oppression and discrimination includes:

- An Anti-Racism Action Plan and response to social justice movements
- Gender inclusive practices
- Intersectionality: The combined and cumulative effect of multiple forms of discrimination (for example, racism, sexism and classism) on a person
- Identifying and eliminating inequities and barriers for Indigenous Peoples and persons with disabilities
- Improving recruitment and retention with benchmarks for attracting underrepresented groups.

In 2021, we set a target to make hiring of Indigenous Peoples at least 2.7 per cent of our total hires. We exceeded this goal – achieving 2.9 per cent.

In addition, three regional equity and diversity advisor positions were created to specifically support human resource teams in Indigenous hiring and policy frameworks.



Supporting the viability, wellness, and safety of Indigenous communities

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

In 2021, we inspected more than 2,200 items destined for Indigenous First Nations and northern communities, resulting in the removal of non-mailable matter with an estimated street value of \$2.8 million.

We completed 100 formal outreach and awareness sessions with leaders from Indigenous communities and law enforcement agencies, including leaders from 36 First Nations self-administered police services.

Community Hub launched in High Prairie, Alberta

Canada Post introduced new services to the High Prairie, Alberta Post Office, the first pilot of a community hub post office in Canada.

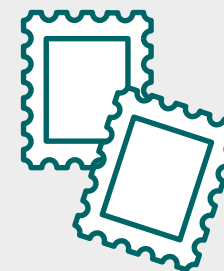
Rural, northern and Indigenous communities in Canada are often underserved when it comes to financial and community services. Access to services may require a lengthy drive and sometimes online access isn't a reliable way to for members of the community to get what they need. Our newest post office concept brings new services to help fill potential gaps in these communities.

The new hub lets residents access some financial and other public services in addition to postal services. It features secure 24-hour parcel drop-off and pickup services, parcel lockers and contactless induction. The site will also provide money services, such as Canada Post MyMoney™ Loans and an ATM, as well as small-business support services. Lessons learned will be used to improve the service throughout the retail postal network.

In addition to universal accessibility enhancements made to parking and customer approach and the upgrading to LED lighting, we are piloting customer facing electric vehicle charging stations, contactless induction, athletic flooring and retail utility carts. As an extension of community and inclusivity, we included a culturally inspired mural and multi-language signage. The High Prairie hub features a large mural on its façade by Indigenous artist Terryn Gauchier, who is from the Peavine Métis Settlement.

The High Prairie Post Office serves roughly 11,000 people, including up to 8,000 Indigenous People in the Métis Settlements and First Nations communities.

We plan to open additional hubs in 2022, which will feature meeting rooms, secure printing and shredding options, and publicly available computers for videoconferencing.



New truth and reconciliation stamp and Signature Grant

In keeping with our commitment to the principles of truth and reconciliation, we are working with Indigenous experts to issue a Truth and Reconciliation stamp in 2022 – the first in what will be an annual series. The stamp issue will help raise awareness about Indigenous truth and reconciliation and aim to support healing.

Beginning in 2022, the Canada Post Community Foundation will award an annual Signature Grant of **\$50,000** to regional and local organizations that offer programming anchored in the principles of truth and reconciliation and that supports Indigenous children and youth across the country. In 2021, the Foundation awarded 17 grants, totalling approximately \$270,000, to programs that support Indigenous youth.

™ Trademark of Canada Post Corporation

Indigenous Student Awards

Created in 2004, the Canada Post Awards for Indigenous Students celebrate the hard work and determination of First Nations, Métis and Inuit students who have embraced a renewed pursuit of learning. The awards are granted annually to selected applicants from across the country; winners receive \$2,000 in recognition of their efforts. There were 25 winners for 2021.

The awards are open to all Indigenous Canadian students who have resumed studies and completed at least one full year of study after being away from school for at least 12 months. Applicants are required to submit an essay outlining the obstacles and challenges they have overcome in pursuit of further education. Each year, up to 25 winners across the country receive a prize. Since 2004, the awards have helped 407 students realize their learning goals.

2021 Canada Post Scholarship Program

The Canada Post Scholarship Program awards college and university scholarships to children of regular full- and part-time employees who are about to enter their first year of college or university. Scholarships valued at \$1,000 for college and \$2,000 for university are awarded annually to young people who demonstrate a strong commitment to community and academic excellence. This past year, 29 new scholarships were awarded, for a total of \$56,000 in funding. An additional \$103,000 was awarded to previous winners who are eligible to renew their award for a total of three years.



Pow Wow Pitch

Pow Wow Pitch is an established grassroots organization serving Indigenous entrepreneurs. We were proud to continue as sponsors of Pow Wow Pitch in 2021. We had a representative on the judging panel, had mentors supporting the entrepreneurs as they prepared their pitches and held a webinar for their members.

More than 1,000 entrepreneurs pitched for their chance to win prizes ranging from \$500 to \$15,000 to bring their ideas to life and take their businesses to the next level.



Community Foundation

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

The Foundation’s grassroots, community-based approach allows us to make a real difference across the country by supporting the small, underfunded projects that often go unnoticed. It is one of the best examples of our commitment to A Stronger Canada – Delivered.

In 2021, we awarded a total of \$1.2 million to 100 organizations across the country. The recipients include grassroots organizations from every province and territory. Since its inception in 2012, the Foundation has distributed more than \$11 million to 1,000 community organizations.

Canada Post is committed to fostering reconciliation with Indigenous Peoples, including through funding of community programs that support Indigenous children and youth. Among the 2021 grants, 17 (totalling approximately \$270,000) went to programs that support Indigenous youth.

\$1.2M in grants to
100 community
organizations

\$900,000
raised in 2021 by
Canada Post employees
and customers at retail to support
2022 projects

\$11M
donated to over
1000 projects
since 2012

Santa Letter-writing program

In November and December 2021, 10,500 volunteer postal elves helped Santa respond to roughly 1.4 million letters from around the world. Since 1982, the program has responded to more than 33 million letters.

10,500
elves replied to over
1,400,000
letters to Santa!



Among the Foundation’s deserving grant recipients in 2021 were:

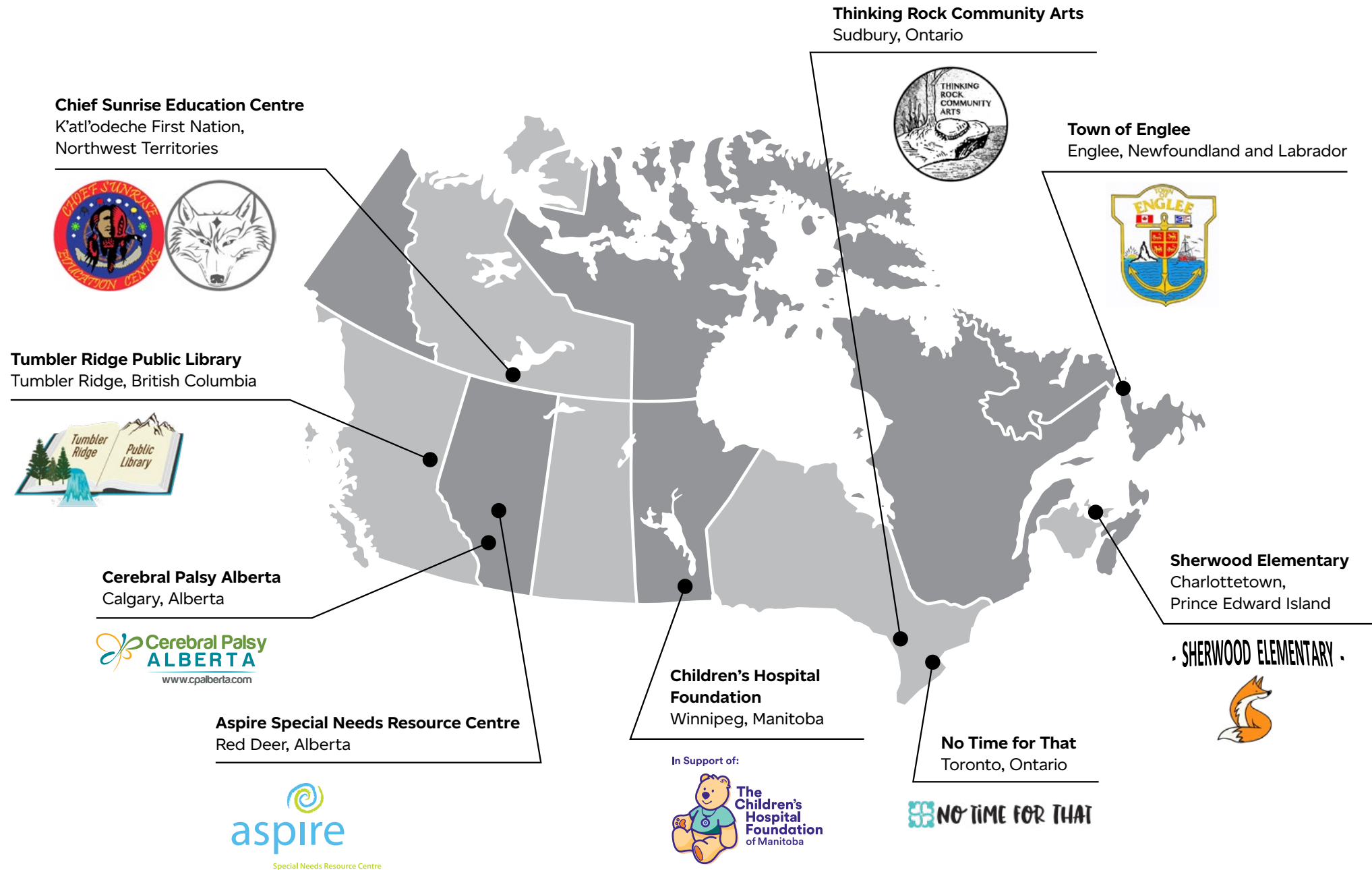
- **Sherwood Elementary School** in Charlottetown, Prince Edward Island (\$5,000) toward a contemporary digital music technology project.
- **Children’s Hospital Foundation of Manitoba** (\$10,000) to purchase Indigenous language books for the early childhood literacy program.
- **Fraser Valley Down Syndrome Society** in Abbotsford, British Columbia (\$2,000) to cover start-up costs for a new playgroup program for children aged 0-5 living with Down syndrome.
- **Roots of Empathy in Toronto** (\$50,000) to help build caring and peaceful societies through the development of empathy in children and adults.

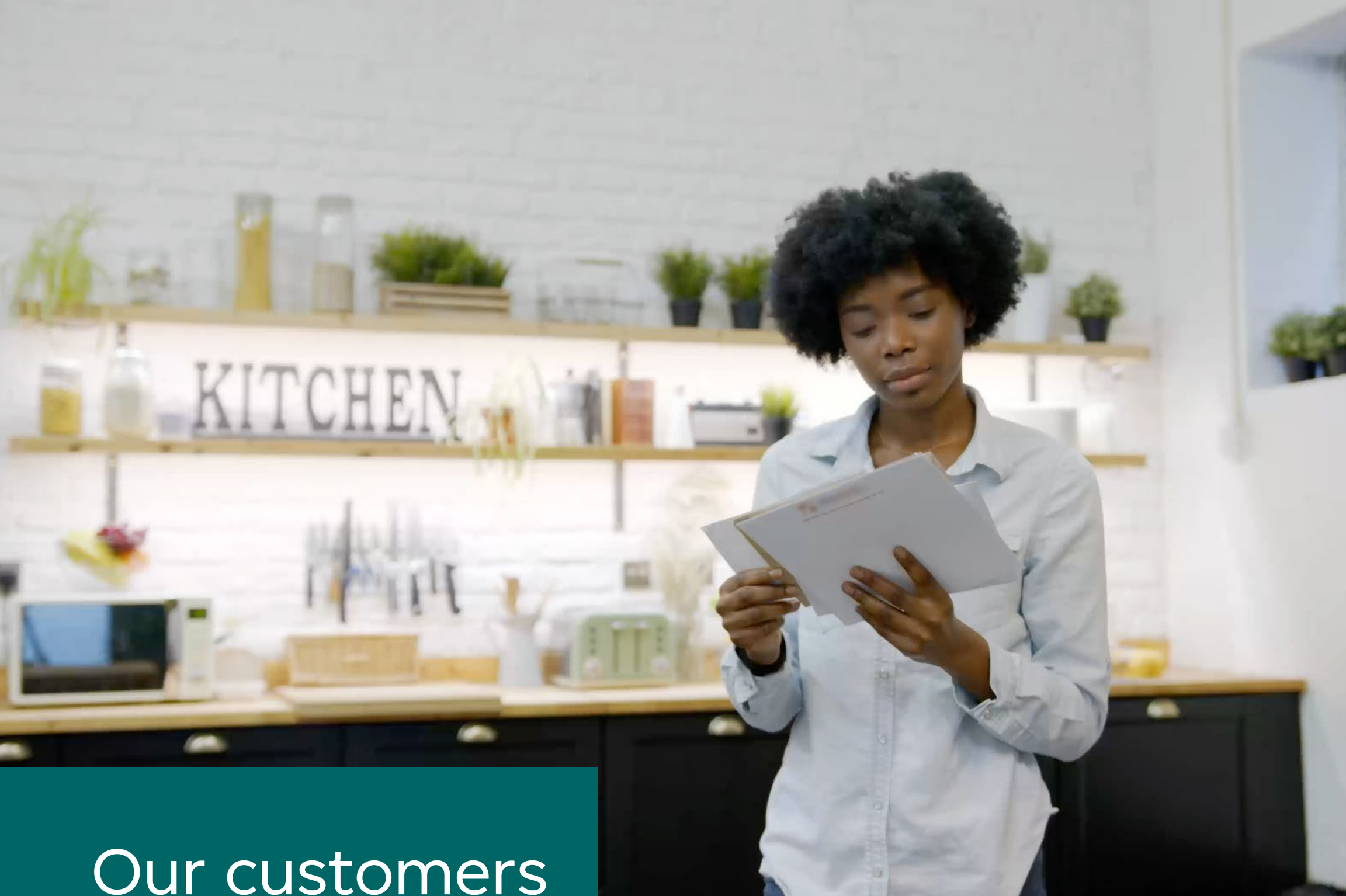


As well, the Canada Post Community Foundation created the Indigenous Truth and Reconciliation Signature Grant in 2021 to support the goals and recommendations outlined in the Final Report of the Truth and Reconciliation Commission of Canada. It is valued at \$50,000 and will be awarded annually. Each year, the Signature Grant will support educational initiatives for children and youth that increase the understanding of Indigenous culture and foster meaningful conversations in the spirit of reconciliation.

Category	2019	2020	2021	2021/2020 change
Donations (in millions)	\$1.1	\$1.3	\$1.2	(7.7)
Projects funded	118	118	100	(15.3)

A Snapshot of organizations supported by the Community Foundation in 2021





Our customers

Financial services help underserved communities

Canada Post piloted an important new service in 2021 that is improving access to banking services for many underserved communities.

The Canada Post MyMoney Loan service enhances Canada Post's retail offerings with personal loans that can be difficult to access in many rural, remote and Indigenous communities. The simple, flexible personal loan product can help with personal lending needs, such as home emergencies, car repairs or other unexpected life events. The loans are available in smaller dollar amounts starting at \$1,000, with flexible repayment terms at competitive rates.

Launched in partnership with TD Bank in September 2021, the Canada Post MyMoney Loan service ran as market test in 36 locations. By the end of year, the successful pilot program had expanded to more than 200 retail sites, including Indigenous communities. Canada Post worked closely with its bargaining agents to release the new loan product.

Canada Post employees simply direct customers on how to apply to TD for the financial product, through an online application or a toll-free number. TD manages the rest, supporting customers through the application and funding process. Customers also have access to financial literacy resources and online banking.

Following the encouraging market test, Canada Post is working with TD to optimize the service and prepare for a potential national launch in 2022.

“Canada Post’s strength is its vast national network and reliable service for all Canadians. Our new Canada Post MyMoney Loans, delivered in partnership with TD, leverage this strength by improving financial services access for Canadians, including for many underserved rural, remote and Indigenous communities. We will continue to look for ways that our financial services offerings can better meet the evolving needs of Canadians.”

– Rod Hart, Chief Customer and Marketing Officer



Privacy

In 2021, our public-facing online privacy centre matured as we updated existing materials and added more pertinent information and resources. We also procured third-party tools to better enable users of our website to set and keep current their website-related privacy preferences. The capabilities supported by these tools will be implemented in 2022. Consistent with our privacy-by-design approach to all initiatives that involve personal information of our employees and customers, we completed privacy assessments to ensure the timely identification and mitigation of privacy risks before launching new services and programs. These steps modernize our privacy practices to better align with the evolution of ecommerce, enhanced data analytics and new digital marketing techniques.

In the context of COVID-19, Canada Post was deemed an essential service. In 2021, the Canada Post Privacy Office continued to provide critical advice to the Corporation with respect to COVID-19-related changes to business operations, occupational health and safety protocols, and human resource issues.

Privacy complaints and breaches

Category	2019	2020	2021	2020/2021 change
Total complaints	33	51	61	20%
Well-founded complaints	15	13	11	(15%)
Privacy breaches (including well-founded complaints)	30	31	22	(29%)



Access to information

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

We embrace the principles of openness and transparency expected of us as a Crown corporation that serves Canadians. We demonstrate our commitment in several ways, including publishing a comprehensive annual report about our business and financial performance and the Canada Postal Guide. We are always looking at ways to enhance transparency and build trust with our customers, the public and our employees. Canada Post strongly believes that organizations have a duty to provide users of financial information with results achieved and forward-looking information across the four themes identified in the TCFD framework of governance: strategy, risk management and metrics and targets.

In 2020, despite the challenges of COVID-19, we ensured that Canadians continued to access the information they requested with as little delay as possible by leveraging technology and implementing efficient processes.

Access to information request and complaints

Category	2019	2020	2021	2021/2020 change
Total requests	158	79	97	23%
Total complaints	15	12	16	33%
Well-founded complaints	8	2	4	100%



Security of the mail

Canada Post is responsible for the security of the mail and for protecting the privacy of its customers and employees. In a world with constantly evolving physical and cyber security threats, we're committed to maintaining the privacy of our customers. Towards this goal, we comply with relevant legislation and had adopted stringent policies and practices.

To support safer communities, the Canada Post security team launched the Safety and Wellness program in 2021 as part of our transformation plan. Postal inspectors facilitated formal presentations to nearly 100 organizations and met with local Indigenous community leaders in several remote northern communities to foster reconciliation, including efforts to remove alcohol for Indigenous and northern communities across the country. Our Postal inspectors continue to leverage significantly improved relationships with law enforcement partners and screening technologies to detect and remove non-mailable matter from the postal system. Some of the safeguards we continue to employ include:

- Using high-security locks, cameras and electronic access controls, intrusion detection systems and radar technology to protect the mail, our plants, depots and retail outlets.
- Holding over 900 security awareness sessions annually to continuously review the security of the mail protocols with frontline employees.
- Inspecting 165 postal facilities in 2021 to ensure the security of the mail protocols are understood by frontline employees.
- Employing a records management system with security controls and oversight.
- Reviewing safety controls on new renewable and sustainable technologies and providing recommendations for e-cargo trikes and low-speed electric vehicles.
- Employing a formal process to escalate breaches of sensitive information to the relevant authorities.
- Working with our third-party contractors to ensure they also have adequate security controls in place.
- Requiring mandatory security clearance and COVID-19 vaccination for all employees and contractors.
- 24/7 in-house intrusion alarm monitoring through the internal state-of-the-art National Security Operations Centre.
- Proactively detecting and disrupting known physical and digital threats.
- Researching and developing best-in-class technological advances to proactively address potential security threats (e.g., drones, X-rays and illicit material detection) and keep the mail safe.



Official languages

As a Crown corporation that proudly serves all Canadians, we aim to provide high-quality services in both official languages. Every day, we are working to maintain and build trust with our customers, communities, and our employees.

The annual number of complaints received about official languages increased in 2021, compared to previous years. The shifting situation regarding the COVID-19 pandemic played a role as it created staffing issues and impacted our operations and retail services. Despite these challenges, we remain fully committed to fulfilling our obligations under the *Official Languages Act* (the Act).

We are continuously improving and standardizing our policies, processes, and guidelines to ensure integration of our official languages' requirements throughout the Corporation. Our goal is to reduce complaints and improve service in both official languages.

Among our 2021 initiatives, we enhanced our monitoring mechanisms and data analytics to help us identify opportunities for improvement. Training, awareness and education are key to understanding and respecting our obligations under the Act. We therefore developed new reference materials and supporting tools for our network of bilingual post offices. We also deployed a series of three official languages training videos and explored a new language training program for our employees.

We have also been working with external and internal stakeholders to prepare for the upcoming Official Languages Regulations Re-application exercise, which updates the linguistic obligations of federal offices every 10 years.

Official language complaints

Category	2019	2020	2021	2021/2020 change
Complaints	39	22	44	100%

Environmental Action Plan progress

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



1. Develop a climate strategy and signature target in line with our long-term vision of net-zero emissions by 2050.

Completed 1.1 Establish GHG reduction targets for scopes 1, 2 and 3 transportation and building emissions.

2. Prioritize alternative propulsion vehicles as we progressively renew and grow our fleet.

On track 2.1 Pilot new models of zero emission delivery vehicles.

On track 2.2 Continue deploying alternative propulsion vehicles.

3. Design and build new buildings to be net-zero carbon-ready.

On track 3.1 Pilot on-site renewable energy generation, net-zero carbon-ready concepts and certifications for new plants and depots.

Delayed 3.2 Pilot on-site renewable energy generation and zero-carbon building features for a new rural corporate post office concept.

4. Establish a long-term plan to reduce GHG emissions from buildings across the real estate portfolio.

Not started 4.1 Establish key energy-conservation tasks that reduce GHGs in plants and depots.

On track 4.2 Develop and implement a retrofit strategy for existing buildings in the real estate portfolio.

On track 4.3 Implement a renewable energy procurement & management strategy working with partners in government.

5. Implement initiatives to reduce emissions from Scope 3 subcontracted transportation, rural fleet, employee conveyance and business travel.

On track 5.1 Engage key transport vendors with highest contribution to Canada Post's carbon emissions.

Not started 5.2 Update business travel policy to encourage low-carbon transportation options such as rail, public transit, teleconferencing and video conferencing.

Not started 5.3 Develop a program that incentivizes Rural and Suburban Mail Carriers to reduce their vehicle GHG emissions.

Environmental Action Plan progress

Zero waste



Divert at least 90% by weight of non-hazardous operational waste by 2030 and 90% of all construction and demolition waste by 2030. Eliminate the unnecessary use of single-use plastics in Head Office, corporate events and meetings by 2020 and eight Canada Post operations by 2022.

6. Conduct waste audits at key facilities.

Delayed 6.1 Review waste audit results and work with local sites to identify and implement opportunities for improvement.

7. Establish waste diversion targets for key facilities and track performance.

Delayed 7.1 Work with key sites to understand current diversion performance and set 2022 improvement goals.

Delayed 7.2 Optimize existing composting services and extend to key facilities where municipal services exist.

8. Track and log materials diverted from landfills.

Not started 8.1 Implement an ongoing tracking process at key sites to capture all materials diverted from landfills through reuse, recycling or donation practices.

9. Pilot reuse strategies in operations.

Not started 9.1 Develop and implement reusable equipment management strategies that reduce the need for disposable options.

Not started 9.2 Refurbish mechanical parts for plant equipment and machines.

Not started 9.3 Collect and aggregate smaller materials for reuse or recycling.

10. Phase out unnecessary single-use disposable plastic from all Canada Post activities, events and operations.

Completed 10.1 Establish and communicate a policy to discourage the use and procurement of unnecessary single-use disposable plastics.

Delayed 10.2 Phase out single-use plastics and bottled water from all Canada Post and bargaining agent meetings and events.

Not started 10.3 Test and implement solutions that reduce, reuse or recycle single-use plastics used in Canada Post daily operations.

On track 10.4 Work with vendors to find solutions to eliminate or replace unnecessary single-use disposable plastics in on-site cafeterias, vending machines, catered events and the Corporate Pride catalogue.

11. Work with major vendors on disclosure of environmental performance.

Delayed 11.1 Establish zero-waste policy and contract specifications to reduce construction waste.

On track 11.2 Engage third-party cleaning and waste management services to ensure alignment with zero-waste policy and goals.



Implement and promote sustainable solutions for parcels and mail (material selection, packaging and shipping) by 2022.

12. Reduce the environmental footprint of our retail and ecommerce packaging by sourcing more sustainable materials and phasing out plastic film.

On track 12.1 Replace virgin plastic packaging with recycled content and explore the use of compostable and fibre-based materials.

Completed 12.2 Discontinue packaging bundles merchandized in retail with single-use plastics.

Completed 12.3 Improve consumer facing Canada Post packaging communication to increase recycling awareness.

13. Engage customers and industry on environmental and sustainable best practices for parcels and mail through thought leadership.

Completed 13.1 Recognize and celebrate ecommerce and mail industry success in sustainable environmental practices at the Canada Post E-commerce Innovation Awards and Expert Partner Conference.

On track 13.2 Work with the mail industry to create and promote best practices for the creation of sustainable mail.

14. Test and act on market interest for carbon neutral shipping, low-carbon shipping and circular economy solutions.

On track 14.1 Launch a smart carbon shipping option.

On track 14.2 Launch a reusable packaging model that leverages the postal network.

15. Develop partnerships to reduce plastic packaging waste and plastic in the mail stream, ease urban congestion and support sustainable cities.

On track 15.1 Support the sustainable cities agenda by testing future delivery models.

Not Started 15.2 Map the volume of plastic in the mail stream.

On track 15.3 Work with industry and subject-matter experts on innovations to reduce plastic in the mail stream.



Canada Post is recognized as an environmentally sustainable employer by 60% of its workers by the end of 2022.

16. Engage our workers on taking climate action.

Not Started **16.1** Promote sustainable modes of commuting such as carpooling, public transit, active transportation.

On track **16.2** Pilot electric vehicle charging stations for our workers and host an electric vehicle day with purchase incentives.

17. Empower our workers with the tools and training to make responsible decisions that reduce Canada Post's environmental footprint.

Not Started **17.1** Develop and implement general and job-specific environmental training, guidelines, job aids and peer-to-peer training with input from bargaining agents.

Completed **17.2** Establish national funding and approval mechanism called the Sustainability Action Fund that allows our workers to tap into resources to launch local environmental initiatives.

18. Build pride and culture through participation in local environmental initiatives and collective activities.

Not started **18.1** Share success stories and best practices to engage our workers to participate in local environmental initiatives.

Not Started **18.2** Host marquee events to encourage environmental action in the community such as tree planting and shoreline clean-ups.

19. Communicate our progress regularly to our workers to increase awareness.

Not started **19.1** Develop and implement a plan for joint internal communications on environmental goals, initiatives and progress.

GRI Standards Content Index

General disclosures

Organizational profile		
Disclosure number	Disclosure title	Response
2-1	Organizational details	See 2021 Canada Post Annual Report , Core Business and Strategy, p. 7.
2-2	Entities included in the organization's sustainability reporting	The report prepared is for the Canada Post segment of the Canada Post Group of Companies and does not include our subsidiaries. See 2021 Canada Post Annual Report , "Core Business and Strategy", p. 7.
2-3	Reporting period, frequency and contact point	This report is prepared annually and covers the calendar year from January 1, 2021 to December 31, 2021 as does our 2021 Canada Post Annual Report . Canada Post's <i>2021 Sustainability Report</i> was published on June 10, 2022. Please reach out to ESG@canadapost.ca for questions on the report or reported information.
2-4	Restatements of information	Minor restatements were made to correct values in our 2019 and 2020 GHG Inventories. See the " Carbon footprint " section for restatements made. The restatements were not material to the historical inventories.
2-5	External assurance	The greenhouse gas inventory contained within this report has undergone a limited assurance review in accordance with the ISO 14064-3 International Standard.
2-6	Activities, value chain, and other business relationships	See 2021 Canada Post Annual Report , "Core Business and Strategy", p. 7. There have been no significant changes to our activities, value chain and other business relationships in the reporting year.
2-7	Employees	See 2021 Canada Post Annual Report , "Our employees", p. 20. See " Employee equity, diversity and inclusion ".
2-8	Workers who are not employees	Our contracted employees are included in our total number of full-time employees. Canada Post contracted employees provide on-call support to support our operational demands. See 2021 Canada Post Annual Report , "Our employees", p. 20. See " Employee equity, diversity and inclusion ".

Disclosure number	Disclosure title	Response
2-9	Governance structure and composition	See “Leadership and governance” . Board tenure and responsibility: Canada Post website: Role of the Board . Board gender and diversity: Board of Directors' biographies , Board diversity . Stakeholders: See “About this report” .
2-10	Nomination and selection of the highest governance body	See Role of the Board .
2-11	Chair of the highest governance body	The Chair is an independent member of the Board of Directors. See Corporate governance .
2-12	Role of the highest governance body in overseeing the management of impacts	Canada Post senior management receives advice and feedback from ongoing stakeholder consultation with joint union committees as well as external subject matter experts, which include non-profit organizations and an advisory panel of Canadian accessibility leaders. See “Leadership and governance” . See Corporate governance . See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.
2-13	Delegation of responsibility for managing impacts	See “Leadership and governance” .
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors approves the <i>2021 Sustainability Report</i> before publishing externally. See “Leadership and governance” . See “About this report” .
2-15	Conflicts of interest	See Responsibilities of the Directors of Canada Post Corporation .

Disclosure number	Disclosure title	Response
2-16	Communication of critical concerns	Canada Post handles critical concerns from stakeholders, citizens, and customers through corporate correspondence, escalating critical issues to senior management. Canada Post also handles concerns from municipal, provincial and federal governments through established government and community affairs channels, escalating critical issues to senior management who in turn communicate critical issues to the Board of Directors. See “Message from the Chair of the Board of Directors” . See “Leadership and governance” .
2-17	Collective knowledge of the highest governance body	See “Leadership and governance” .
2-18	Evaluation of the performance of the highest governance body	See Corporate governance . See Role of the Board .
2-19	Remuneration policies	See 2021 Canada Post Annual Report, Corporate governance . See Performance Management Program for Chief Executive Officers of Crown Corporations . See Salary ranges and maximum performance pay for Governor in Council appointees .
2-20	Process to determine remuneration	See 2021 Canada Post Annual Report, Corporate governance . See Performance Management Program for Chief Executive Officers of Crown Corporations .
2-21	Annual total compensation ratio	CEO Average Employee Pay Ratio: 8.7. Calculation: CEO compensation/average employee compensation.
2-22	Statement on sustainable development strategy	See “Message from the Chair of the Board of Directors” . See “Joint message from the President and CEO and Chief Sustainability and Legal Officer” .
2-23	Policy commitments	See Canada Post Code of Conduct .

Disclosure number	Disclosure title	Response
2-24	Embedding policy commitments	<p>Corporate policies outline Canada Post's commitments or expectations on issues of importance to its business operations and reputation.</p> <ul style="list-style-type: none"> • are intended to guide decisions, actions, conduct and practices and are necessarily broad to enable the Corporation to address issues consistently across its entire operation. • apply to every employee • define the parameters (standards/expectations) within which present and future management decisions should be made, as well as guide actions and conduct within Canada Post and outsiders. <p>Policies address internal needs (e.g., conflict of interest), external trends (e.g., contributions, marketing and competitive practices) and legislated requirements (e.g., official languages, access to information, privacy).</p> <p>Policies provide a foundation for internal operational and administrative decisions. They are consistent with the direction of the Code of Conduct and provide information for a specific area of business.</p> <p>Business practices standardize the way Canada Post operates and applies policies, rules and relevant decisions. By describing how something should be done, business practices allow for consistent operation across the entire Corporation. Business practices are directed to specific groups of employees. For example, the hiring practice is directed to team leaders.</p>
2-25	Processes to remediate negative impacts	<p>See Canada Post Code of Conduct.</p> <p>See "Labour relations".</p>
2-26	Mechanisms for seeking advice and raising concerns	<p>See Canada Post Code of Conduct.</p> <p>See "Labour relations".</p>
2-27	Compliance with laws and regulations	<p>In 2021, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.</p>

Disclosure number	Disclosure title	Response
2-28	Membership associations	Canada Post's memberships include: PAC Global, the Canada Green Building Council, Climate Engagement Canada, Climate Action 100+, Canadian Council for Aboriginal Business, Canadian Aboriginal and Multicultural Supply Council, Women Business Enterprises Canada, Sustainable Mail Group, Urban Delivery Solutions Initiative (USDI) and the Rick Hansen Foundation, among others.
2-29	Approach to stakeholder engagement	See “Material topics” . See 2021 Canada Post Annual Report , “Executive Summary”, p. 1.
2-30	Collective bargaining agreements	See 2021 Canada Post Annual Report , “Capabilities”, p. 20, “Labour and employee relations”, p. 24.

Material topics

Disclosure number	Disclosure title	Response
3-1	Process to determine material topics	See “Material topics” .
3-2	List of material topics	See “About this report” and “Material topics” .

Economic performance

Disclosure number	Disclosure title	Response
3-3	Management approach	See 2021 Canada Post Annual Report , “Core Business and Strategy”, p. 7 and “Risks and Risk Management”, p. 49.
201-1	Direct economic value generated and distributed	See 2021 Canada Post Annual Report , “Executive Summary”, p. 1.
201-2	Financial implications and other risks and opportunities due to climate change	See Canada Post 2021 Sustainability Report Task Force on Climate-related Financial Disclosures.

Disclosure number	Disclosure title	Response
201-3	Defined benefit plan obligations and other retirement plans	See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.
201-4	Financial assistance received from government	No financial assistance was received during the reporting period.

Procurement practices

Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Responsible procurement ”.
204-1	Proportion of spending on local suppliers	Not reported.

Anti-corruption

Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post has an internal policy in place for anti-fraud. Employees are required to adhere to these policies as laid out in our Code of Conduct . For more details see Canada Post Code of Conduct .
205-1	Operations assessed for risks related to corruption	Security and Investigation Services (S&IS) is responsible for oversight and interpretation of Canada Post's Anti-Fraud Policy and is accountable for maintenance. S&IS will conduct investigations in accordance with established investigative processes and procedures consistent with regulatory and legislative requirements. In addition, S&IS will investigate other categories of fraud that have failed to be captured by the legislative requirements, such as cyber-fraud, data breach, suspicious money laundering activities, insider threat, mail forward fraud, etc., to ensure that all emerging categories of fraud continue to be monitored or prevented. Investigation results will not be disclosed or discussed other than with those persons who have a legitimate right and need to know. Canada Post will seek restitution for any losses incurred from an act of fraud against Canada Post.

Disclosure number	Disclosure title	Response
205-2	Communication and training about anti-corruption policies and procedures.	Canada Post has an internal policy in place for anti-fraud. Employees are required to adhere to these policies as laid out in our Code of Conduct . For more details see Canada Post Code of Conduct .
205-3	Confirmed incidents of corruption and actions taken.	In 2021, Canada Post did not have any incidents of corruption.

Anti-competitive behaviour

Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post has an internal policy in place for fair competition. Employees are required to adhere to these policies as laid out in our Code of Conduct . For more details see Canada Post Code of Conduct .
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2021, Canada Post did not have any legal actions taken against it relating to anti- competitive behaviour, anti-trust, and monopoly practices and their outcomes.

Materials

Disclosure number	Disclosure title	Response
3-3	Management approach	See “Responsible mail” . See “Retail sustainability” .
301-1	Materials used by weight or volume	Not yet reported. EAP Goal 15.2 Map volume of plastics in the mail stream.
301-2	Recycled input materials used	See “Responsible mail” . See “Retail sustainability” .
301-3	Reclaimed products and their packaging materials	See “Responsible mail” . See “Retail sustainability” .

Energy		
Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post has an energy management plan with its property management partners. Canada Post also engages in regular touch points with its Real Estate team and Property Management teams on energy performance and consumption. Canada Post works closely with property management partners to identify opportunities for energy savings. See “ Carbon footprint ”.
302-1	Energy consumption within the organization	See “ Carbon footprint ”.
302-3	Energy intensity	See “ Carbon footprint ”.
302-4	Reduction of energy consumption	See “ Carbon footprint ”.

Emissions		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Climate action ” goals. See “ Carbon footprint ”.
305-1	Direct (Scope 1) GHG emissions	See “ Carbon footprint ”.
305-2	Energy indirect (Scope 2) GHG emissions	See “ Carbon footprint ”.
305-3	Other indirect (Scope 3) GHG emissions	See “ Carbon footprint ”.

Disclosure number	Disclosure title	Response
305-4	GHG emissions intensity	See “ Carbon footprint ”.
305-5	Reduction of GHG emissions	See “ Carbon footprint ”.
305-6	Emissions of ozone-depleting substances (ODS)	Canada Post does not currently have any ODS emissions through the operations of its business. See “ Carbon footprint ” for halocarbon fugitive emissions.
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Other significant air emissions in metric tonnes: <ul style="list-style-type: none"> • Nitrogen oxides (NOx): in 2019, 37.4; in 2020, 36.8; in 2021, 38. • Sulphur oxides (SOx): in 2019, 5.2; in 2020, 5.1; in 2021, 5.3. • Particulate matter (PM): in 2019, 2.3; in 2020, 2.2; in 2021, 2.3.

Waste

Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post conducts waste audits of its facilities in conjunction with its property management partners to identify opportunities for waste diversion or reduction. In 2021, we expanded the number of facilities included in our diversion rate from approximately 500 to 3,000. We also began to track durable goods, such as electronics and operational equipment, and include them in our diversion rate. See “ Zero waste ”.
306-1	Waste generation and significant waste-related impacts	See “ Zero waste ”.
306-2	Waste by type and disposal method	See “ Zero waste ”.
306-3	Waste generated	See “ Zero waste ”.
306-4	Waste diverted from disposal	See “ Zero waste ”.
306-5	Waste directed to disposal	See “ Zero waste ”.

Supplier environmental assessment		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Responsible procurement ”.
308-1	New suppliers that were screened using environmental criteria	See “ Responsible procurement ”.
308-2	Negative environmental impacts in the supply chain and actions taken	See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.

Employment		
Disclosure number	Disclosure title	Response
3-3	Management approach	See 2021 Canada Post Annual Report , Our employees, p. 20
401-1	New employee hires and employee turnover	See 2021 Canada Post Annual Report , Our employees, p. 20 See “ Employee equity, diversity and inclusion ”.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	See 2021 Canada Post Annual Report , “Pension, and other post-employment benefits and other long-term benefit plans”, p. 41. See “ Wellness ”.
401-3	Parental leave	Leave taken in 2021: <ul style="list-style-type: none"> • Maternity leave: female 418; male 0; total maternity leave 418. • Parental leave: female 396; male 375; total parental leave 771. • Adoption leave: female 5; male 3; total adoption leave 8. • Total leave: female 819; male 378; total of all leave 1,197.

Labour/management relations		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Labour relations ”.
402-1	Minimum notice periods regarding operational changes	Approximately 95% of Canada Post's employees are covered by collective agreements that include provisions for notification of changes, such as technical or technological changes (normally 120 days) and reorganization or restructuring (normally 30-90 days). The status of those collective bargaining agreements is reflected in the 2021 Canada Post Annual Report , Labour and employee relations, p. 24.

Occupational health and safety		
Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post has collaborative health and safety policy committees with each bargaining group that meet all federal requirements for membership. Committees meet on a monthly-to-quarterly basis depending on Collective Agreement stipulations. See “ Safety ”.
403-1	Occupational health and safety management system	See “ Safety ”.
403-2	Hazard identification, risk assessment, and incident investigation	See “ Safety ”.
403-3	Occupational health services	See “ Safety ”. See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.
403-4	Worker participation, consultation, and communication on occupational health and safety	See 2021 Canada Post Annual Report online component, Our People .
403-5	Worker training on occupational health and safety	See “ Safety ”.

Disclosure number	Disclosure title	Response
403-6	Promotion of worker health	See “ Safety ”. See “ Wellness ”.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See “ Safety ”. See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.
403-8	Workers covered by an occupational health and safety management system	Canada Post has collaborative health and safety policy committees with each bargaining group that meet all federal requirements for membership. Committees meet on a monthly-to-quarterly basis depending on Collective Agreement stipulations. See “ Safety ”.
403-9	Work-related injuries	See “ Safety ”.
403-10	Work-related ill health	See “ Safety ”.

Training and Education

Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Learning and development ”.
404-1	Average hours of training per year per employee	See “ Learning and development ”.
404-2	Programs for upgrading employee skills and transition assistance programs	See “ Learning and development ”.
404-3	Percentage of employees receiving regular performance and career development reviews	See “ Learning and development ”.

Diversity and equal opportunity		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Employee equity, diversity and inclusion ”.
405-1	Diversity of governance bodies and employees	See “ Employee equity, diversity and inclusion ”. Board gender and diversity: Board of Directors’ biographies , Board diversity .
405-2	Ratio of basic salary and remuneration of women to men	See “ Pay equity ”.

Non-discrimination		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Employee equity, diversity and inclusion ”. See “ Human rights ”.
406-1	Incidents of discrimination and corrective actions taken	See “ Human rights ”.

Freedom of association and collective bargaining		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Labour relations ”.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Over 95% of our employees are covered by a collective agreement. The status of those collective bargaining agreements is reflected in the 2021 Canada Post Annual Report , “Labour and employee relations”, p. 24.

Child labour

Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post operations are conducted solely within Canada and the Corporation deems that there is no risk for incidents of forced or compulsory labour. No supplier was identified as having significant risk for incidents of forced or compulsory labour.
408-1	Operations and suppliers at significant risk for incidents of child labour	<p>Canada Post has issued guidelines that require suppliers to comply with and uphold all applicable international standards and domestic laws related to human and labour rights. During an RFP process, due diligence is carried out through rated requirements, customer references, and site visits to evaluate supplier experience and expertise for all contracts that warrant it. For projects where a subcontractor performs the majority of the work, CPC's contractors are required to perform the same due diligence, and are held responsible for the quality and punctuality of the work performed.</p> <p>See Canada Post Supplier Code of Conduct.</p>

Forced or compulsory labour

Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post operations are conducted solely within Canada and the Corporation deems that there is no risk for incidents of forced or compulsory labour. No supplier was identified as having significant risk for incidents of forced or compulsory labour.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<p>Canada Post has issued guidelines that require suppliers to comply with and uphold all applicable international standards and domestic laws related to human and labour rights. During an RFP process, due diligence is carried out through rated requirements, customer references, and site visits to evaluate supplier experience and expertise for all contracts that warrant it. For projects where a subcontractor performs the majority of the work, CPC's contractors are required to perform the same due diligence, and are held responsible for the quality and punctuality of the work performed.</p> <p>See Canada Post Supplier Code of Conduct.</p>

Rights of Indigenous Peoples		
Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post's new Indigenous and Northern Reconciliation Strategy aims to renew the relationship between Canada Post and Indigenous Peoples. It is guided by the principles of acknowledgement, opportunity, rectification, improvement of service and inclusion. See “Indigenous and Northern Affairs” .
411-1	Incidents of violations involving rights of Indigenous Peoples	In 2021, Canada Post did not have any legal action or complaint registered against it involving the rights of Indigenous Peoples. See “Indigenous and Northern Affairs” .

Human rights assessment		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “Human rights” .
412-2	Employee training on human rights policies or procedures	See “Human rights” .

Local communities		
Disclosure number	Disclosure title	Response
3-3	Management approach	See 2021 Canada Post Annual Report .
413-1	Operations with local community engagement, impact assessments, and development programs	See “Accessibility at Canada Post” . See “Indigenous and Northern Affairs” . See “Community Foundation” .

Supplier social assessment		
Disclosure number	Disclosure title	Response
3-3	Management approach	See “ Responsible procurement ”.
414-1	New suppliers that were screened using social criteria	See “ Responsible procurement ”.
414-2	Negative social impacts in the supply chain and actions taken	See 2021 Canada Post Annual Report , “Risks and Risk Management”, p. 49.

Public policy		
Disclosure number	Disclosure title	Response
3-3	Management approach	Canada Post is a federal Crown corporation and does not make financial or in-kind contributions to political parties or politicians.
415-1	Political contributions	See Canada Post Code of Conduct .

Marketing and labelling		
Disclosure number	Disclosure title	Response
417-2	Incidents of non-compliance concerning product and service information and labelling	In 2021, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.
417-3	Incidents of non-compliance concerning marketing communications	In 2021, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.

Customer privacy		
Disclosure number	Disclosure title	Response
3-3	Management approach: security and privacy	Security and privacy: Canada Post upholds the privacy of Canadians by strictly adhering to the federal <i>Privacy Act</i> , as well as by following leading privacy practices. Canada Post is committed to fulfilling our obligations under the <i>Access to Information Act</i> while protecting the information received from its partners, suppliers and customers.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See “ Security of the mail ”. See “ Privacy ”.

Socioeconomic compliance		
Disclosure number	Disclosure title	Response
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, Canada Post did not receive any material fines relating to non-compliance with laws and regulations.

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