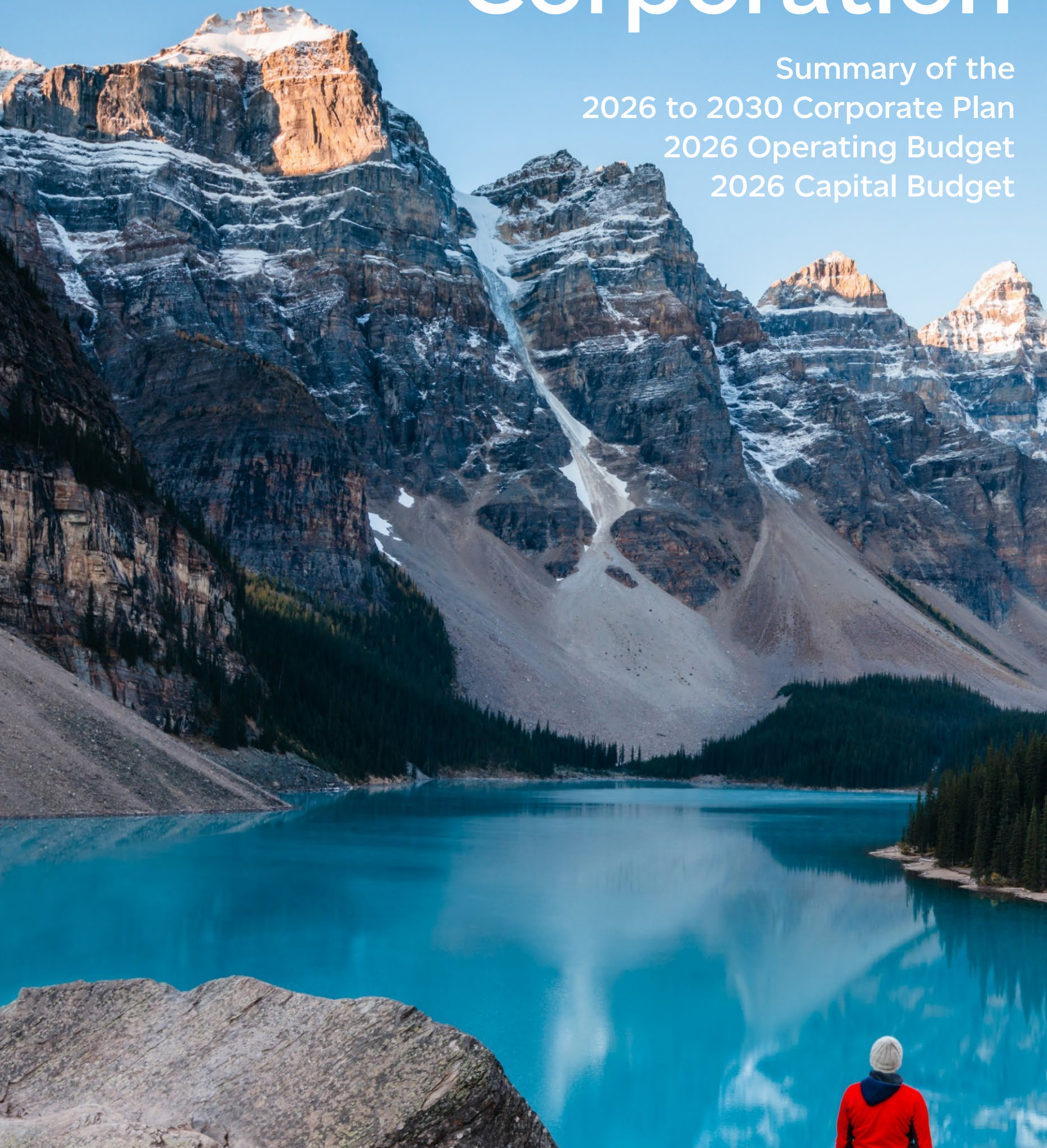




Canada Post Corporation

Summary of the
2026 to 2030 Corporate Plan
2026 Operating Budget
2026 Capital Budget



Disclaimer

This document is being submitted in accordance with section 125 of the *Financial Administration Act* and summarizes Canada Post's 2026 to 2030 Corporate Plan (Plan), its 2026 Operating Budget and its 2026 Capital Budget, as approved by Canada Post's Board of Directors on October 30, 2025. Subsequently, the first year of the Plan as well as the 2026 Operating Budget and 2026 Capital Budget were approved by the Treasury Board. However, at the time of the Plan's approval transformation activities as well as a proposed rate increase in 2026 were pending endorsement, and were therefore not included in this approval.

The assumptions, projections and other forward-looking statements included in this document are made only as of October 30, 2025, and do not include the impact of subsequent events. The financials are as at July 2025, and contain several assumptions: labour stability would be reached by September 2025, a stamp rate increase would take effect in February 2026, and transformation initiatives would begin implementation in early 2026. The financials in this Plan summary do not reflect the tentative collective agreements. Furthermore, the Plan was drafted before the deregulation of Lettermail rates were included in Bill C-15, the *Budget Implementation Act, 2025, No. 1*.

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1 Executive summary

Canada Post is an essential lifeline for Canadians, businesses, organizations and communities from coast to coast to coast. We are the only delivery company with the network, people and commitment to serve the nearly 18 million addresses across our vast country. Our country depends on Canada Post because it delivers everywhere, not just where business is profitable. Our services are vital for many Canadians, such as small and midsize businesses; Canadians in rural, remote and Indigenous communities; charities big and small; and Canadians in urban and suburban communities.

However, Canada Post's decades-old foundation is crumbling, holding the company back in today's hypercompetitive delivery market and threatening its future. The Corporation's long-standing mandate is to deliver to all Canadians and to be self-sustaining, based on revenue generated from its products and services, not taxpayer dollars. It operates on a user-pay model that's meant to keep the postal service attuned to the evolving expectations of Canadians. To do so, Canada Post must be able to change as the needs of the country change. However, the Corporation has fallen behind.

Operating, regulatory and policy constraints have limited our ability to adapt to the changing needs of the country. At the same time, letter mail continues to decline, and competition has rapidly intensified in ecommerce delivery. As a result, the Corporation has posted years of large financial losses and is now at a crisis point in its history. Together, these challenges threaten our ability to serve the entire country and prevent us from keeping pace with the evolving needs of Canadians.

With an unsustainable financial situation and the future of the national postal system at risk, 2025 has been a year of critical developments for the Corporation: In May, Commissioner William Kaplan – appointed to lead an Industrial Inquiry Commission (IIC) to review the key issues in a collective bargaining dispute between Canada Post and its largest bargaining agent – the Canadian Union of Postal Workers (CUPW) – released his report, finding that:

“But for its status as a Crown Corporation, Canada Post could not likely continue as an operating business. Without the January 2025 loan/lifeline from the Government of Canada, sometime in 2025, Canada [Post] would not have been able to meet its current obligations, including payroll, much less redeeming the \$500 million in bonds coming due in the summer (2025). As stated by the Government of Canada: ‘Providing this cash injection will prevent insolvency...’ This was not hyperbole. This was the result of a process in which Canada Post sought government assistance to keep the doors open and the lights on.” (page 55)

Then, in September 2025, the Minister of Government Transformation, Public Works and Procurement – responding in part to the Kaplan Report recommendations – announced a series of measures to help stabilize the Corporation's finances and enable its modernization. He recognized that the Corporation's situation is unsustainable, but that “Canada Post is a vital national institution worth preserving.” He outlined that the Government would be removing long-standing barriers to reform, including:

- **Lettermail Delivery Standards:** Allowing Canada Post to make changes that allow for flexibility to reflect today's lower volumes.
- **Community Mailbox Conversions:** Lifting the moratorium on community mailbox conversions, to allow the Corporation to convert door-to-door customers.
- **Postal Network Modernization:** Lifting the moratorium on the closure of rural post offices, in place since 1994, to allow the post office network to evolve.

The Minister also noted that Government would review the process for increases to stamp rates to modernize and shorten it, in line with Commissioner Kaplan's recommendations.

These changes represent a **watershed moment for Canada Post and the future of the country's postal system**. Canada Post is prepared to respond. The first wave of our response includes the transformational initiatives presented in this Corporate Plan.

But if we want to secure Canada Post's future, our transformation must not stop there: the Minister has also instructed the Corporation to submit a plan with proposals that would place Canada Post on the path to financial solvency and eliminate the need for cash injections from the Government within 45 days of the Minister's announcement. Canada Post welcomes the opportunity to discuss its broader transformation and the challenges that have not yet been addressed. Once alignment is reached on this 45-day plan, the next stage of transformational initiatives will be integrated into a future Corporate Plan.

As we begin, with the Government, the shared journey to restore and renew the postal service, we are committed to providing an affordable, reliable and sustainable service to every Canadian – one that lifts our national pride by strengthening our connections to each other.

2 Overview

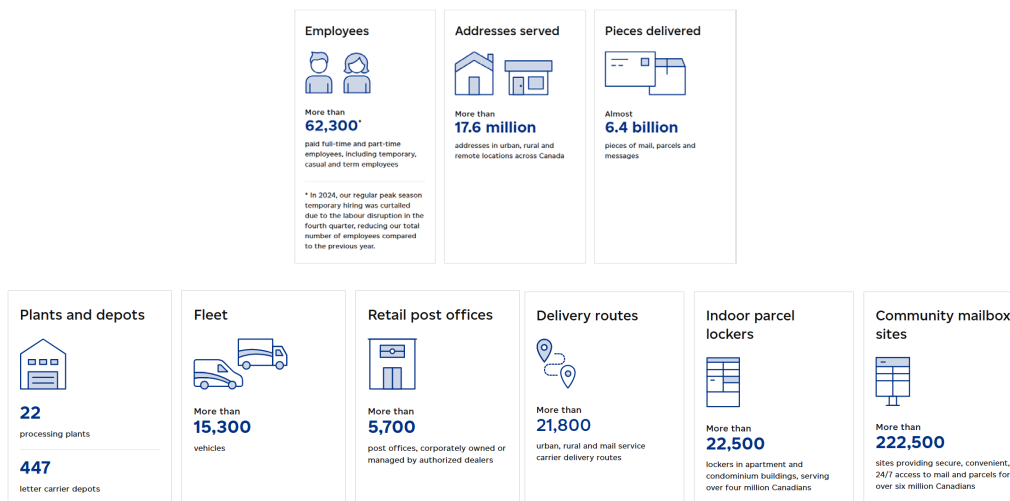
Guided by the *Canada Post Corporation Act* (Act), our mandate is to provide a high-quality postal service at a reasonable price to all Canadians – rural and urban, individuals and businesses – in a secure and financially self-sustaining manner. We report to Parliament through the Minister of Government Transformation, Public Works and Procurement, and have a single shareholder, the Government of Canada (Government). The Government's *Canadian Postal Service Charter* (Service Charter) ensures that postal services remain universal, affordable, reliable, convenient, secure, and responsive to our customers.

Pursuant to the Act, we also deliver certain public policy programs, such as:

- Government mailings free of postage;
- Free mailing of materials for persons who are blind or partially sighted; and
- Reduced postage rates for libraries to move eligible materials between libraries and their patrons.

We also offer a free Regular Parcel service during the holiday season for family and friends of deployed Canadian Armed Forces personnel. We have delivered more than 193,000 parcels to personnel since the program's inception in 2006. We also offer free, year-round, Lettermail™ service for military families.

Canada Post is a parent federal Crown Corporation with a single non-wholly owned subsidiary, Purolator Holdings Ltd. (Purolator), a leading courier and logistics provider. A more detailed overview of the business can be found in the Corporation's 2024 Annual Report available on canadapost.ca.



3 Beginning to restore and renew the postal service

3.1 The Industrial Inquiry Commission (IIC) & Report

On November 15, 2024, the Canadian Union of Postal Workers (CUPW) – Canada Post’s largest bargaining agent, which represents employees in various functions including mail processing and delivery – launched a national strike. The 32-day labour disruption halted Canada Post’s operations during the peak holiday season and had a significant financial impact on the company. It also caused subsequent post-strike impacts in the 2025 outlook.

On December 13, the Minister of Labour asked the Canada Industrial Relations Board (CIRB) to order employees back to work, pausing the strike action, if it agreed with his determination that there was an “impasse” in negotiations. The CIRB agreed with the Minister, extending the terms of the existing collective agreements until May 22, 2025. In addition, the Minister established an Industrial Inquiry Commission to review the key issues in the collective bargaining dispute between Canada Post and CUPW, as well as the company’s broader financial situation and competitiveness. The Commission was led by arbitration and mediation expert William Kaplan. Both Canada Post and CUPW made submissions to the IIC and participated in the hearings, which occurred in January and February 2025. Submissions were also received from the public.

In May 2025, Canada Post and CUPW received the [final report from the Commission](#). It detailed the significant issues facing Canada Post, including its serious financial situation:

“Canada Post is facing an existential crisis: It is effectively insolvent, or bankrupt. Without thoughtful, measured, staged, but immediate changes, its fiscal situation will continue to deteriorate.” (page 14)

The report also highlighted the reasons behind Canada Post’s eroding financial situation:

“...for a long time, the letter mail monopoly – the exclusive privilege – provided Canada Post with a competitive advantage. Declining volumes had changed that, and the declines were continuing and irreversible. At the same time, the parcel business became hyper-competitive. ... This phenomenon, while especially acute in Canada for reasons of geography, was not unique to Canada Post; all over the world national postal services were struggling with the challenges of their own USOs in the face of declining letter mail and growth in demand for same-day/next-day parcel delivery with fully resourced, highly efficient private sector competitors in hot pursuit of market share.” (page 133-134)

“(...) the principal reasons for the financial losses are easy to identify: There was the decline of letter mail caused by electronic substitution and the rise of parcel mail, now mostly delivered by competitors; collective agreement work rules that restrict Canada Post from exercising basic management rights...; and government-imposed fetters, namely the moratoriums on closing rural post offices and ending community mailbox conversions (which need to be reversed if Canada Post is to have any kind of financially sustainable future).” (page 63)

Canada Post welcomed the report’s frank and objective assessment of the Corporation’s collective bargaining issues with CUPW and the company’s broader challenges.

Furthermore, Canada Post agrees with the report’s conclusion that “there is a way to preserve Canada Post as a vital national institution.” The [seven recommendations](#) outlined in the report identified how to – as Kaplan explained – “respond to the present problem: to arrest and then reverse the growing financial losses by putting into place the necessary structural changes both within and outside the collective agreements.”

3.2 September 2025 direction from the Minister responsible

Recognizing that the Corporation's situation is unsustainable and that "transformation is required to ensure the survival of Canada Post and protect the services Canadians rely on," on September 25, 2025, the Minister responsible announced a series of measures to build on the Kaplan Report's recommendations with a goal of stabilizing the Corporation's finances and enabling its modernization:

- Canada Post will introduce flexibility to Lettermail delivery standards to reflect today's lower volumes;
- Canada Post will be authorized to convert the remaining four million addresses that currently receive door-to-door delivery to community mailboxes; and
- The moratorium on rural post offices, in place since 1994, will also be lifted, and Canada Post must return to the government with a plan to modernize and right-size its network.

The Minister also noted that the government would review the process for increases to stamp rates to modernize and shorten the time to implement proposed rate changes.

Once the Minister provides his endorsement, the Corporation will work in partnership with the Government to implement changes that will reduce costs, decrease Government cash injections and transform the mail system to better serve Canadians, in the areas outlined below.

3.2.1 Lettermail delivery standards

In the near term, the Minister's direction to **ease delivery standards** would enable Canada Post to:

- **Implement processing efficiencies** by changing operating strategies to prioritize processing efficiency over time-based cutoffs.
- **Enable processing consolidation** with Lettermail processing operations moving away from certain sites to reduce labour costs.
- **Realize network efficiencies** including reducing our reliance on air network. This would include transitioning a larger portion of Lettermail from air-to-ground transportation, thereby reducing costs and Canada Post's environmental impact.

3.2.2 Community mailbox conversions

Canada Post's **plan to convert customers to community mailboxes from door-to-door delivery** would create significant cost savings, operational efficiency, and a more secure service for customers compared to door-to-door delivery, while providing a safer work experience for delivery agents. Converting the remaining home delivery addresses to community mailboxes would also reduce Canada Post's environmental impact and provide a consistent level of service for Canadian households.

Approximately 3.8 million of Canada's over 17 million delivery addresses would be converted as part of this program, though it is important to note that rural addresses are excluded at this time.

3.2.3 Modernizing Canada Post's retail network

Canada Post has a plan to respond to the government's direction to modernize the rural moratorium; it would allow the postal service to be more responsive to the needs of Canadians, while maintaining service to rural, remote and Indigenous communities, and creating significant cost savings. This plan would be refined based on guiding principles from the Minister, and the Corporation would ensure alignment between Canada Post and the Shareholder before any post offices are closed.

3.2.4 Modernizing the stamp rate process

Canada Post has provided a proposal that would shorten the approval process on regulated rate increases from the current nine-month standard, which would allow the Corporation to be more responsive to market and business trends. The Corporation will work with the Government to refine and implement a modernized approach. Postage is an important source of revenue for Canada Post and changes to the process will be carefully monitored to ensure this lever is not overutilized.

3.2.5 Our guiding principles

As we work to renew and modernize the national postal service and put it on a path to financial sustainability, the following guiding principles – shared with Canadians in October 2025 – represent our commitment to Canadians, customers and employees:

- **Prioritize service:** We will provide **reliable and affordable delivery** for all Canadians while protecting access to vital postal services in **rural, remote and Indigenous communities**.
- **Proceed thoughtfully:** While there's a need to move with urgency, we will **proceed thoughtfully to get it right** and minimize how the changes affect Canadians.
- **Treat employees with respect:** We will continue to be fair and respectful to our employees and prioritize their safety as we implement changes.
- **Keep Canadians informed:** We will provide **regular updates on our transformation** to Canadians, customers, employees and other stakeholders, and give them **as much notice as possible** of any changes affecting them.
- **Be flexible:** We will **adjust our approach** based on the evolving needs of **Canadians**.

3.3 Acting to address Canada Post's financial losses

Canada Post has recorded seven consecutive years of significant losses, including a loss from operations of nearly \$1.3 billion in 2024 alone, with an overall loss before tax of \$841 million in that year. Since 2018, Canada Post's cumulative losses from operations have totaled more than \$4.5 billion. The national strike by CUPW had a significant impact on our lines of business in 2024:

- **Parcels revenue and volumes** – which had already declined through the first three quarters – fell sharply for the full year largely due to the strike, with both revenue and volumes declining by approximately 20 per cent.
- **Transaction Mail** revenue and volumes declined by more than 5 per cent and 9 per cent, respectively.
- Increased sales in **Direct Marketing** until mid-November were offset by the impacts of the labour disruption. Direct Marketing revenue declined by 3 per cent in 2024, while volumes increased slightly by approximately 2 per cent.

Ongoing labour uncertainty in 2025 continues to significantly impact our business. We are forecasting a loss from operations of nearly \$1.6 billion in 2025, with an overall loss before tax of approximately \$1.5 billion.

Canada Post has historically relied on Lettermail rate increases to offset erosion and its other financial pressures. Regulated rate increases – which took effect on January 13, 2025, for stamps, Lettermail items, International Letter-post items, and special services and fees – helped to partially mitigate the impact on revenue from the decline in volumes. The rate change represented a 25-cent increase for stamps purchased in a booklet, coil or pane. However, domestic letter mail rates increased just four times over the last decade, and the severity of the Corporation's financial situation means that rate increases alone are still not sufficient to cover the cash shortfall. As a result, Canada Post will again require a supplementary form of financing. Under the Corporation's legal and regulatory framework, the only options the company can reasonably consider to supplement the cash shortfall is a Government cash injection or additional borrowing – both of which require Government approval.

3.3.1 Government cash injection

In 2025, pursuant to section 31 of the *Canada Post Corporation Act*, Canada Post began receiving repayable funding from the Government of Canada to remain solvent and continue operating. The approved funding of \$1.034 billion was intended to sustain operations through the government's fiscal year ending March 31, 2026. However, the funding was insufficient due to continued labour uncertainty and disruption throughout 2025. In early 2026, the government approved up to \$1.008 billion in additional repayable funding. Until the multi-year transformation and financial benefits can be realized, further government funding is expected to be required to support operations, maintain solvency and invest in modernizing the postal system.

3.3.2 Proposed regulated rate increase

Canada Post has proposed a stamp rate increase to take effect in 2026 and is working with the Government of Canada to obtain approval for the increase. The financial forecasts detailed in this Plan summary reflect a rate increase with a February 2026 implementation date. It is a critical mechanism for generating revenue for the Corporation.

3.3.3 Spending reductions

Amid Canada Post's requirement for a cash injection for the fiscal year ending March 31, 2027, the Corporation continues to manage its finances responsibly, which includes collaborating with the Government to pursue spending reductions that were first announced in its 2023 Budget.

Throughout this exercise, we've noted the importance of ensuring our targeted spending reductions do not impact our ability to maintain service to Canadians. Canada Post's service requirements are outlined in the Service Charter, which include but are not limited to:

- Maintaining a postal system that allows individuals and businesses in Canada to send and receive mail within Canada and between Canada and elsewhere;
- Delivering letters, parcels and publications to the ever-growing number of Canadian addresses while meeting specific delivery standards;
- Providing an extensive network for accessing postal services that includes retail postal outlets, stamp shops and street letterboxes, as well as accessing information and customer service through Canada Post's website, call centres and applications.

In addition, we are reviewing all areas of the business to look for continuous improvement opportunities through our regular forecasting and 2026 target setting exercises. Investment spend will continue to be scrutinized and only business-essential projects will be considered for funding, including the transformation programs (community mailbox conversions and retail modernization) referenced in the Shareholder direction to Canada Post on September 25, once the Minister provides his endorsement. Discretionary spend will also be a continued area of focus for containment, as it has been over the past few years.

4 Operating environment

4.1 Legal and regulatory framework

As a Crown corporation, Canada Post is governed by a complex legal and regulatory framework composed of several parts, with the *Canada Post Corporation Act* and the *Canadian Postal Service Charter* featuring prominently. The *Act* and *Charter* outline service obligations, including the Universal Service Obligation and current delivery standards. The Service Charter also enshrined the 1994 rural moratorium, which applies to the Corporation's retail network, and was recently loosened by direction from the Minister responsible. Policy decisions by the government – including the 2018 decision to stop conversion from door-to-door to community mailboxes, which was also recently loosened by the Minister – also have a broad impact on the Corporation as a whole.

As noted in Section 3, recent direction from the Minister responsible for Canada Post makes significant changes to the Corporation's legal and regulatory framework and will have a meaningful impact on the Corporation and its future. However, further alignment with the Government to streamline the regulated rate-setting process is still required. Canada Post has submitted a proposal to address this and will continue to work with the Government to identify a path forward.

As described in the Kaplan report, Canada Post's collective agreements – particularly with its largest bargaining agents – have created a rigid operating structure that struggles to adapt to the Corporation's extremely competitive business environment. Working through the collective bargaining process to find solutions to

operational issues – including a seven-day-per-week delivery model, greater workforce flexibility, and less rigidity in the collective agreements overall – is key to Canada Post’s long-term success.

4.2 Market update

Like other companies, Canada Post is being impacted by broad economic factors, including lower Canadian GDP growth, inflation and cost-of-living pressures on Canadians. In many industries, including ours, inflation has led to cost-cutting measures, including company-wide layoffs at places like FedEx and UPS. Meanwhile, digital substitution continues to impact our Lettermail and Direct Marketing volumes and revenues. In our Parcels business, we continue to face increasing challenges as competition intensifies and pricing pressures escalate, including:

- Customers continue to use automated rate shopping tools to find the lowest possible shipping cost for every shipment.
- Competitors continue to accelerate the deployment of new delivery and returns capabilities, including in new areas of the country.
- Low-cost, asset-light delivery companies are using sub-contractors (“gig/Uber” model) to offer fast, seven-day-a-week delivery, 365 days per year, and are becoming a large proportion of the delivery market.
- Customers continue to use third-party intermediaries, such as ecommerce sales and shipping platforms, which take advantage of pricing differences due to scale, to manage their relationship with Canada Post.
- Amazon now represents a majority of all online delivery orders and increasingly seeks to control the overall delivery experience for its own deliveries.

The overall ecommerce parcels market is expected to grow modestly in 2025, with most of the growth expected to be absorbed by Amazon and other large multinational platforms. After modest growth in early 2025, the ecommerce parcels market is expected to continue to grow rapidly as spending continues to shift away from brick-and-mortar stores to online.

For Canada Post specifically, Parcel volumes are expected to decline through 2025, as growth in the market is offset by a loss in market share due to intense competition, especially from low-cost providers, as well as volume loss due to labour uncertainty during the second and third quarters. Canada Post volumes are expected to recover in 2026, and increase slightly thereafter, following the labour uncertainty in 2024 and 2025. Canada Post remains the only major delivery carrier in Canada – and the only post in the western world – without a viable weekend delivery service.

Outside the ecommerce market, we continue to see erosion in our Transaction Mail business, at a time when the number of places we deliver to continues to grow each year. In our Direct Marketing line of business, digital substitution continues to have an impact on volumes and revenue.

These market forces and Canada Post’s inflexible regulatory and policy framework continue to make it difficult for the Corporation to maintain market share. Increased flexibility and significant structural changes are urgently required to allow Canada Post to respond to market dynamics.

4.3 Our lines of business

4.3.1 Parcels

Canada Post’s parcels business is comprised of Domestic and International segments. The labour disruption in the fourth quarter of 2024 – our peak season – had a significant impact on our Parcels products.

Domestic

- Domestic Parcels volumes declined approximately 19 per cent in 2024 due to the labour disruption in the fourth quarter as customers moved to alternative parcel delivery carriers for their business. Competitive pressures from new and low-cost entrants, a decline in fuel surcharges (tied to market

rates), and changes in customer and channel mix also contributed to a revenue decline of 20.2 per cent.

International outbound

- Outbound Parcels revenue consists of revenue collected from domestic customers for parcels destined to foreign countries. In 2024, outbound parcel volumes declined 4.3 per cent and generated revenue of \$261 million. Revenue decreased by \$39 million or 13.6 per cent year-over-year due to the labour disruption in the last quarter.

International inbound

- Inbound Parcels revenue includes fees paid to Canada Post by other posts for the delivery of items originating outside of Canada. In 2024, inbound parcel volumes decreased by 32.3 per cent year-over-year, generating \$223 million in revenue. Customers are increasingly using commercial consolidators in place of the traditional inbound postal network. Labour uncertainty in 2024 and 2025 accelerated customers moving their volumes to competitor consolidators.

4.3.2 Direct Marketing and Smartmail Marketing

Canada Post's Direct Marketing (DM) business consists primarily of Smartmail Marketing™ (SMM), which enables businesses and organizations to send offers, promotions and marketing messages to existing and prospective customers in two forms:

- Personalized Mail™, which is an addressed service (one to one); and
- Neighbourhood Mail™, which is unaddressed (one to many)

The advertising industry is shifting, with new technologies and players affecting our volumes. However, our Neighbourhood Mail service is growing through new customer relationships, sustainable mail formats and expanded distribution.

While our path to financial self-sustainability and our long-term value to Canadian businesses and consumers is primarily tied to parcels, DM is an important revenue generator. It also plays a significant role in maintaining the delivery density of our network as we adapt to the dual challenge of a rapidly evolving ecommerce market and the continued erosion of Transaction Mail.

- In 2024, Direct Marketing revenue decreased by 3.0 per cent, while volumes increased by 1.8 per cent, compared to 2023. The decline in revenue was primarily due to the labour disruption in the fourth quarter, but also driven by economic uncertainty and the continued shift toward digital marketing.

4.3.3 Transaction Mail

We have the sole and exclusive privilege of collecting, transmitting and delivering letters to addresses within Canada. It is a cornerstone of our business, but it has been declining for nearly two decades. Since its peak in 2006, we have lost 60 per cent of our domestic Transaction Mail volume, with associated revenue dropping by nearly 30 per cent. This decline is due to print communications such as letters, bills, invoices, notices, and statements being replaced by digital alternatives. Historically, revenue decline has been worsened by the regulatory framework used to govern regulated rate increases, causing prices to fall significantly behind inflation, a trend that has started to reverse with a significant rate increase in January 2025. This has had a substantial negative financial impact on this line of business and the Corporation as a whole.

At the same time, a growing Canadian population means that more than 200,000 addresses are added each year to our network. These new addresses – which Canada Post must deliver to five days a week – add fixed costs to our network. Today, the average cost of delivery is \$173 per year for each address, with door to door and rural mailboxes significantly more expensive to serve (at \$279 and \$271 per address per year, respectively). Revenue generated by Parcels and Direct Marketing is not enough to offset the gap between Lettermail prices and the cost to deliver. These dynamics underscore the importance of proposed changes to

the process for increasing regulated rates, adjusting service delivery standards and centralizing delivery, as detailed by the Government.

- In 2024, Transaction Mail revenue and volumes fell 5.3 per cent and 9.3 per cent, respectively, compared to 2023.
- In 2024, Transaction Mail generated \$2.2 billion in revenue, \$105 million less than in 2023. Results were driven by the labour disruption in the fourth quarter and a continued increase in digital substitution. 2024 also ended with a 60-per-cent reduction in Transaction Mail domestic volumes since its peak in 2006.

The impact of updating Lettermail service standards

With respect to the impact to service to Canadians, we anticipate that these changes will increase delivery times by one to two days for majority of the population and up to three days for those sending letters mail from coast to coast.

4.4 Our retail network

Our extensive retail network of post offices serves as an essential point of contact for Canadians who rely on Canada Post for important services, parcel and mail pickup, induction and product returns. There are more than 5,700 post offices across Canada, representing more retail locations than any other business in Canada. Corporate locations account for over 3,500 of those, of which over 2,600 are located in rural Canada. Private dealers operate the remaining 2,200 (of 5,700 total) locations, in all areas of the country.

The impact of modernizing the retail network

On September 25, 2025, the Minister responsible announced new flexibility for our retail network. Most of Canada Post's corporate locations are protected by the 1994 *Rural Moratorium*. Over the past three decades, demographics have shifted significantly, with urban sprawl accelerating. Housing developments, retail outlets and other services have spread out, creating suburban communities. Areas that were rural in the 1990s are now urban. We respond to these demographic shifts every year, expanding our urban and suburban networks with community mailboxes and retail locations to serve new addresses and new neighbourhoods, while our rural network of corporation locations are frozen in time.

Today, rural post office protection applies to many communities that are now clearly suburban with more service options nearby. At the same time, Canadians' use of post offices has evolved: a majority of those in rural areas or small towns visit a post office at least once a month, while nearly half of urban residents visit two to three times a year. Increasingly, Canadians are choosing to access services online, underscoring the need for more flexible and cost-effective service models that align with contemporary habits and expectations.

The need for modernization has been recognized by both the House of Commons Standing Committee on Government Operations and Estimates (OGGO) in its report titled "Canada's Postal Service: A lifeline for rural and remote communities" (December 2024) and the IIC Report. Both recommended updating the policies that govern our retail network to improve efficiency, reduce costs and maintain high service standards for all Canadians, including those in rural, remote, and Indigenous communities. The recent announcement by the Government will allow Canada Post to review and adjust its retail network to help the Corporation invest and maintain services where they are needed the most, ensuring sustainable, equitable access to postal services, with a greater focus on underserved rural and remote areas, far from urban centres.

In the meantime, more information on how we're enhancing our retail services can be found in Section 5.1.

4.5 Financial services

For years, Canada Post has played a vital role in meeting the everyday financial needs of Canadians, particularly in underserved and remote communities.

In 2024, we advanced our Financial Services strategy by launching the Canada Post MyMoney™ brand, bringing both existing and new financial services under a unified banner. In 2025, the focus shifted to the commercial launch of the MyMoney Account, a new payments and savings product developed in partnership with KOHO that officially launched on March 17. As Canadians increasingly seek digital and accessible financial solutions, Canada Post remains uniquely positioned to respond to these evolving needs. Moving forward, we aim to reinforce the value we provide to Canadians by continuing to evolve our existing suite of financial services and by introducing new offerings to strengthen our role in communities around the country.

5 Objectives and activities

5.1 Service and capacity

Canada Post has continued to take action to provide the services Canadians need and expect. We have launched projects to increase capacity and improve service across the country. While our transformation is far from complete, we've made important advancements. This Plan includes investments to support continued transformation efforts.

Key highlights and progress:

- Network and capacity:
 - In 2024, we:
 - Completed 18 facility expansions, relocations and modifications; opened eight new facilities and closed five facilities.
 - Received over 750 C-250 right-hand-drive vehicles to replace end-of-life vehicles. These new vehicles include updated features that allow rural delivery agents to deliver mail more safely and ergonomically.
- Product and service innovations:
 - In 2024, we:
 - Introduced box-free, label-free returns at post offices nationally for our ecommerce merchants and their customers.
 - Added over 5,000 customer pickup postal codes across Canada for ecommerce merchants, allowing them to schedule a time for a delivery agent to pickup parcels for induction into the mail stream.
 - Launched the MyMoney Account in March 2025, a new payments and savings product developed in partnership with KOHO.
 - Upgraded the functionality of our quick-drop boxes to support a wider range of self-serve capabilities and transaction types.
- Enhancing our retail model: In late 2024 and early 2025, we have piloted a new store format – Post Point – in Vancouver and Ottawa, which offers Canadian consumers and small businesses with additional service options while maintaining our dealers' financial viability. Post Point locations offer a sub-set of our services geared towards convenience such as pick-up, drop off and prepaid products (i.e. flat-rate boxes and prepaid envelopes). These services represent approximately 75 to 80 per cent of retail transactions. Post Point locations also include self-serve options such as quick-drop boxes
- Technology:
 - Delivered the Enterprise Resource Planning program in early July 2025, enhancing operational efficiency by streamlining processes and unifying information across the entire organization. This was achieved through centralized data management and intelligent automation.
 - Replaced outdated paper-based workflows by transforming the address inventory management tool into a mobile application, empowering field agents with real-time updates and significantly accelerating response times.
 - Launched the national rollout of the MyCare Connect job bidding platform, transforming shift scheduling by streamlining the bidding process and driving operational efficiency.

- Launched the Canada Post Identity+ mobile app on iOS and Android, to enable businesses and government agencies to verify Canadians' identities and communicate with them securely.
- Rebranded and implemented predictive search and smart answers on canadapost.ca, improving functionality, navigation and accessibility.

5.2 Social and environmental leadership

As one of Canada's leading employers with a presence in thousands of communities across the country, Canada Post is expected to assume a broader responsibility that goes beyond its core services. From diversity and inclusion to environmental performance, we embrace these expectations. We are committed to making this country stronger, greener and more inclusive. This Plan includes investments to support these efforts.

Key highlights and progress

- Environmental stewardship:
 - **Emissions reductions and decarbonization:** In 2024, we achieved a 10.2-per-cent reduction in scope 1 and 2 emissions from 2023 emission levels, and a 24.4-per-cent reduction compared to 2019 (our target base year). 2024 scope 3 emissions declined by 11.1 per cent from 2023, and 18.1 per cent compared to 2019. In 2024, 88 per cent of consumed electricity was from non-emitting sources.
 - **Sustainable products and services:** 174 million carbon-neutral shipments were sent in 2024; we rolled out our box-free, label-free returns program nationally and eliminated single-use plastic overwrap from our products and shipping supplies.
 - **Zero waste:** We diverted 66.7 per cent of waste from landfill in 2024, and diverted over 3.5 metric tonnes of waste from landfill.
- Accessibility: Approved 1,728 new accommodations in the Delivery Accommodation Program, for a total of 17,540 active accommodations by December 31, 2024; completed upgrades for accessible, barrier-free spaces; and identified 50 sites for prioritization across our network for further improvements in accessibility.
- Housing: Under the memorandum of understanding just signed between Canada Post, Canada Lands Company (CLC) and Housing, Infrastructure and Communities Canada (HICC), Canada Post will present owned properties that are vacated or intend to be vacated to CLC. Further properties will be presented to CLC on an ongoing basis as they are identified by Canada Post as surplus.

During the plan period, we will remain committed to advancing our ESG initiatives, aligning with the Greening Government Strategy, and working to achieve our Science-Based Target. We will continue to make meaningful progress in emissions reductions, decarbonization, and our journey toward achieving zero waste. In parallel, we are steadfast in our commitment to accessibility, focusing on our Delivery Accommodation Program, the implementation of our accessibility plans, developing targeted engagement strategies, and continuing engagement with our Accessibility Advisory Panel.

A more detailed overview of our ESG efforts can be found in the Corporation's 2024 **Sustainability Report** available on canadapost.ca.

5.3 Our people

With approximately 62,300¹ employees, Canada Post is one of the country's largest employers. Our highest priority is the safety of our employees, customers and the communities we serve. With a diverse workforce located in nearly every urban, rural and remote community across Canada, we are committed to being a leader in workplace health and safety.

¹ In 2024, our regular peak season temporary hiring was curtailed due to the labour disruption in the fourth quarter, reducing our paid headcount to approximately 62,300 employees at December 31, 2024, down from 68,300 in 2023.

Canadian Union of Postal Workers (CUPW)	Association of Postal Officials of Canada (APOC)	Public Service Alliance of Canada (PSAC) / Union of Postal Communications Employees (UPCE)	Canadian Postmasters and Assistants Association (CPAA)
<p>CUPW-UPO</p> <p>Expiration of collective agreement: January 31, 2024</p> <p>Notice to bargain: Received in November 2023</p> <p>Number of regular* employees: 34,620</p>	<p>Expiration of collective agreement: March 31, 2025</p> <p>Notice to bargain: Received in December 2024</p> <p>Number of regular* employees: 4,409</p>	<p>Expiration of collective agreement: August 31, 2024</p> <p>Notice to bargain: Received in May 2024</p> <p>Number of regular* employees: 1,357</p>	<p>Expiration of collective agreement: December 31, 2026</p> <p>Notice to bargain: Earliest either party could issue is September 2026</p> <p>Number of regular* employees: 5,225</p>
<p>CUPW-RSMC</p> <p>Expiration of collective agreement: December 31, 2023</p> <p>Notice to bargain: Received in November 2023</p> <p>Number of regular* employees: 8,820</p>			

*All full-time and part-time employees, including those on unpaid leave, as of December 31, 2024; excludes temporary, casual and term employees.

Key highlights and progress

- **Talent management:** Launched a pilot program for managers to enhance skills, align with organizational goals and strengthen people management capabilities.
- **Employee engagement:** Updated the Hybrid Workplace Practice, which requires all employees to work from their official location at least two days a week, fostering team connections, collaboration, mentorship and creativity.
- **Health, safety and wellness:**
 - In 2024:
 - The total injury frequency rate and lost-time injury frequency rate increased by 1 per cent and 5 per cent, respectively, compared to 2023, underscoring the need for continued vigilance.
 - The new incident management platform has provided greater visibility on incidents and events, and has allowed for better data analysis and more targeted injury reduction programs across the business.
 - A focus on upskilling supervisors on improved incident investigation methodologies is providing better actions and recommendations to reduce the likelihood of a recurrence. This will remain a key focus throughout the next five years.
 - Improved governance process for our Health and Safety Improvement Plan and our Health and Safety Audits continues to highlight where gaps may exist and provides opportunities to reduce risks before an incident.
 - Continued focus on Life Safety risks is helping prevent serious injuries. Increased audits and assessments ensure that the focus remains on controls for these high-consequence events.
 - Vehicle telematics reporting for seat belt and speeding continues to demonstrate improved driving behaviors.
 - Health and safety wellness initiatives that focus on both employees and supervisors continue to assist teams with managing work and life challenges.
- **Equity, diversity and inclusion:**
 - In 2024, we:
 - Achieved a score of 4.17 out of 5 and completed 212 out of 275 Global Diversity, Equity and Inclusion Benchmarks evaluated by Diversio (Canadian Centre for Diversity and Inclusion), trending ahead of our five-year goal.

- Completed the Equity, Diversity and Inclusion Mentorship pilot program with three cohorts (Indigenous Peoples, persons with disabilities and members of visible minorities), with 313 total participants in the program.
- Advanced bilingual-inclusive workplace supports: Developed a guide for team leaders who are supporting employees transitioning in the workplace, as well as information and supports for transitioning employees in 2024. We also implemented inclusive washrooms signs, specifications and process.
- Renewing relationships with Indigenous Peoples:
 - In 2025, we launched Canada Post's Pathways of Reconciliation – our refreshed Indigenous and Northern reconciliation strategy for the next five years.
 - In 2024, we:
 - Invested \$885,000 to improve postal services for Indigenous and northern communities.
 - Improved postal services in 28 Indigenous and northern communities, including the opening of dealer post offices in Malahat First Nation, Benoit First Nation and Seton Portage First Nation. Upgrades also included a full image refresh of the Cambridge Bay Post Office and the installation of signage in official community languages in Yellowknife, Whapmagoostui, and both Iqaluit locations.
 - Hosted events to educate talent acquisition specialists on Indigenous recruitment and best practices.
 - Achieved 3.5 per cent Indigenous representation in our workforce, surpassing our target of 3.2 per cent.
 - Intercepted non-mailable matter (including illegal substances and substances deemed banned by receiving communities) with an estimated street value of over \$4.9 million from 3,675 mail items destined for Indigenous and northern communities.
 - Completed 123 engagements with community leaders, law enforcement and post offices servicing Indigenous communities to discuss mail delivery, postal security and non-mailable-matter concerns.
 - Granted 25 Indigenous student awards to help cover the cost of education through the Canada Post Indigenous Student Awards program.
 - Achieved a 4.3 per cent spend with Indigenous suppliers and engaged with suppliers (representing 85 per cent of our non-Indigenous spend) to encourage the use of Indigenous-owned subcontractors and suppliers for Canada Post projects.

Throughout the plan period, our focus will continue to be on building alignment with our bargaining agents, embedding health and safety into our culture, creating a fair and respectful workplace and renewing relationships with Indigenous Peoples.

5.3.1 Labour negotiations update

In 2024, Canada Post was in active negotiations with its four bargaining agents, namely CUPW (representing both the Urban and Rural and Suburban Mail Carriers [RSMC] units), the Canadian Postmasters and Assistants Association (CPAA), the Association of Postal Officials of Canada (APOC) and the Public Service Alliance of Canada/Union of Postal Communications Employees (PSAC-UPCE).

Canadian Union of Postal Workers – Urban Postal Operations (CUPW-UPO) and Rural and Suburban Mail Carriers (CUPW-RSMC)

Following months of discussions between the parties, and despite conciliation and a special mediation process, Canada Post and CUPW remained at an impasse. On November 15, 2024, CUPW commenced a national strike that lasted 32 days, leading the Minister of Labour to intervene on December 13, 2024. The Minister imposed several measures, including a review by the Canada Industrial Relations Board (CIRB) to determine whether a collective agreement could be achieved by December 31 in restarted bargaining. This resulted in the CIRB confirming an impasse existed and ordering employees to return to work effective December 17. Collective agreements were extended to May 22, 2025. The Minister also appointed arbitrator William Kaplan to lead an Industrial Inquiry Commission (IIC). The Commission's [broad mandate](#) included investigating the causes of the negotiations impasse, recommending changes to collective agreements, and exploring structural reforms to Canada Post. The report that resulted from the IIC provides a frank and objective assessment of our challenges and the fundamental obstacles facing Canada Post and CUPW. The report also offers a series of recommendations for a financially sustainable path forward for our company, noting that they were based on the commissioner's conclusion that "...there is a way to preserve Canada Post as a vital national institution," and were "designed to respond to the present problem: to arrest and then reverse the growing financial losses both within and outside the collective agreements."

Recommendation 1: Amend the Postal Charter. It cannot continue to require impossible-to-meet delivery standards. Daily door-to-door letter mail delivery for individual addresses should be phased out and community mailboxes established wherever practicable. Daily delivery to businesses should be maintained.

Recommendation 3: Include in the two collective agreements all items agreed to in collective bargaining prior to the labour dispute. Parties should attempt to narrow differences in all partially agreed upon items. New collective agreements should include and reflect tentative agreements (subject to agreement as a whole) reached in Commission-facilitated mediation (RSMC and STDP).

Recommendation 4: Negotiate changes to the collective agreements. Canada Post must have the flexibility to hire part-time employees working part-time hours to deliver parcels on the weekend and to assist with volume during the week. These employees should be paid the same rates and be subject to the same terms and conditions as regular employees, including access to pro rata benefits, or payments in lieu, and pension. Priority for these positions should be given to existing employees.

Recommendation 5: Negotiate changes to the Urban collective agreement. There is no justification for collective agreement provisions that preclude an employer from assigning work for hours already paid (except by voluntary overtime).

Recommendation 6: Negotiate changes to the collective agreements. Pilot and then introduce dynamic routing. Canada Post must also be able to change routes daily to reflect volumes to avoid trapped time and overtime.

On May 23, 2025, the Union instituted a nationwide overtime ban, marking the start of another legal strike action across both Urban and RSMC units. This resumption of strike activity caused a significant drop in business, with delivered parcel volumes down 65 per cent from the previous year, adding financial strain to the Corporation.

The Corporation presented its best and final offers to the union on May 28, 2025. The offers for the Urban and RSMC bargaining units continued to protect what is most important to employees including defined benefit pension, job security provisions, health and post-retirement benefits, vacation and pre-retirement leave, and cost of living allowances. In addition, the Corporation proposed important enhancements that built on the company's previous offers, including higher wages and a signing bonus. The final offers also acted on the

collective agreement recommendations of the IIC report with much-needed changes to the company's delivery model, including:

- New part-time roles to support delivery flexibility and the company in competing in parcel delivery seven days per week
- Dynamic routing and load leveling to manage workloads and increase efficiency in the Corporation's delivery operations - best practices and industry standard used by all other major couriers.

Given the bargaining impasse, the Corporation requested an employee vote on the final offers, which was approved by the Minister of Jobs and Families under section 108.1 of the *Canada Labour Code*. The vote, which was administered by the CIRB, allowed employees in the Urban and RSMC bargaining units to decide on Canada Post's final offers. On August 1, 2025, the CIRB announced that a majority of voting employees rejected Canada Post's final offers for the Urban (68.5 per cent) and RSMC (69.4 per cent) bargaining units.

On August 20, CUPW provided revised global offers to Canada Post across both the Urban and RSMC bargaining units. CUPW either maintained or hardened its positions across a wide range of bargaining demands, including reopening many issues previously settled between the parties in relation to the RSMC bargaining unit. On August 27, Canada Post responded by urging CUPW to revisit its position and present amended offers that reflect the reality of the situation in which Canada Post finds itself.

CUPW declined to do so and communicated this in a national press conference hosted on September 12. On September 18, Canada Post informed the Union that it would present fresh global offers.

On September 25, Canada Post received direction from the Shareholder to implement the recommendations listed in the Kaplan report.

Immediately following the direction, CUPW commenced a full national strike, impacting all Canada Post operations. Canada Post, in turn, indicated to CUPW that it would need to review its proposed global offers in light of the Shareholder direction and amend those offers accordingly. Updated offers were shared on October 3. On October 11, CUPW moved from a full, national strike to rotating strikes.

Canadian Postmasters and Assistants Association (CPAA)

Following 18 months of negotiations, Canada Post and CPAA were able to reach a new collective agreement within the final offer selection arbitration process. The arbitrator's final award incorporates the settlement that both sides negotiated and it acknowledged that collective bargaining can be successful, even in the challenging circumstances outlined in the Kaplan report. The new collective agreement is effective from January 1, 2024, to December 31, 2026. It addresses numerous issues that are important to employees, while also reflecting our current realities.

Public Service Alliance of Canada / Union of Postal Communications (PSAC/UPCE)

Canada Post and PSAC/UPCE have agreed to defer negotiations for a new collective agreement until August 2026 or until both parties mutually agree to resume talks.

Association of Postal Officials of Canada (APOC)

Similarly, Canada Post and APOC have agreed to defer negotiations on a new collective agreement until March 1, 2026.

Potential impacts of labour negotiations

The outcome of our recent and upcoming labour negotiations is critical to our short- and long-term success. Canada Post remains committed to building trust and transparency through early and appropriate engagement with our bargaining agents. We value and respect the role of our bargaining agents and will ensure there is an ongoing focus on our employee-specific relationships.

Within this context of collaboration and respect, it is important to note that the negotiations have the potential to significantly impact Canada Post:

- **The negotiation process itself adds risk to our plan:** Maintaining labour stability is critical to our parcels business, with merchants seeking stable providers. A labour disruption – or even the threat of one – significantly impacts Canada Post’s parcels revenue, volumes and market share, and accelerates Direct Marketing and Lettermail erosion.
- **Our productive hourly rate (wages and benefits) is higher than our competition:** Given the high base pay, generous overtime policies and benefits we offer, Canada Post’s productive hourly rate for CUPW employees remains well above industry standards, including against other unionized competitors.
- **Long-standing collective agreement rules with CUPW limit our ability to compete in today’s dynamic parcel delivery market:** Legacy collective agreement rules, initially created when Lettermail was our primary business, limit our ability to operate in a productive and cost-efficient way in a parcel-centric future. These impede our ability to transform delivery services to meet the changing needs of Canadians. Gaining increased flexibility in our overall model, such as the ability to profitably offer a seven-day delivery service, is critical to remaining competitive and innovative in a rapidly evolving market.

Successful labour negotiations will be essential to securing Canada Post’s short- and long-term future.

5.4 Corporate and back-office enhancements

Canada Post’s Experience Transformation (XT) project is a significant, multi-year transformation to modernize outdated technical platforms and processes across the Corporation. In July 2025, Canada Post entered the final phase of its transformation by launching a new SAP system, establishing the technical foundation to drive performance, standardize processes, reduce manual work, and enhance customer experiences.

The XT program is reshaping how customers interact with Canada Post by addressing long-standing challenges and redefining the customer experience. It will deliver streamlined onboarding, enhanced online and self-serve capabilities, and end-to-end process improvements to reduce billing delays. Tools like Salesforce are equipping our sales, marketing, and customer service teams with world-class intelligence and capabilities to better serve our customers, while MyCare Connect is empowering employees with faster, easier ways to report safety incidents, bid for jobs, and more. Work and key deliverables continue until the first quarter of 2026.

6 Our subsidiary

6.1 Purolator

Purolator is one of the largest integrated courier and freight providers in Canada, with extensive infrastructure that includes 175 facilities, 14,000 employees, 104 retail shipping centres (spanning all provinces), and a dedicated air fleet (via CargoJet). Leveraging this infrastructure, Purolator offers best-in-class shipping and logistics services to a diverse customer base across both business-to-business (B2B) and business-to-consumer (B2C) segments. The company is backed by a disciplined capital allocation track record, a broad and diversified service offering, best-in-class margins, and established domestic performance.

Purolator is committed to helping businesses deliver on their promises through its renowned service levels, breadth of capabilities and broad reach. It is a staple Canadian household brand and a strategic national asset providing critical supply chain infrastructure across Canada.

In addition to its traditional courier and freight network, Purolator leverages its logistics expertise to provide additional services such as returns management, global supply chain solutions, mission critical and dangerous goods handling, and overweight/oversized item handling. The company has strengthened its presence in key sectors and expanded its value proposition through recent strategic acquisitions.

7 Financial overview and pension

7.1 Financial overview

The Canada Post segment is forecasting a loss before tax of \$1,509 million for 2025, compared to a loss of \$841 million in 2024. This will be the largest loss in our history and our eighth consecutive year of significant losses. Combined, losses from 2018 to 2025 are expected to be close to \$5.3 billion. Given our current financial difficulties and the business challenges that we are facing, significant losses are expected to continue throughout the Plan period.

Parcels volume is forecasted to decrease by more than 52 million pieces in 2025 compared to 2024, and Parcels revenue is expected to decrease by \$552 million to almost \$2.3 billion. These decreases are due to post-2024 strike impacts and ongoing labour uncertainty in 2025 that continues to drive customers to find more stable and competitive carriers for their ecommerce shipments. Increased competition from disrupters is also contributing to the volume declines. We continue to focus on recovery measures with our customers, reclaiming lost volume and restoring market confidence. Revenue from the Parcels line of business for 2024 was \$2.8 billion, a decrease of close to \$700 million or 20.3 per cent when compared to 2023.

For Transaction Mail, we forecast that 2025 revenue will be \$2.9 billion, an increase of over \$700 million versus 2024, due to the regulated rate increases in January 2025 and May 2024, of 25 per cent and 8 per cent, respectively. Transaction Mail volumes are expected to grow by 117 million pieces, or 6.2 per cent, in 2025 due to the Ontario provincial election and federal election as well as backlogs processed following the 2024 labour disruption. In 2024, volumes declined by 187 million pieces, or 9.3 per cent, while revenue decreased by \$105 million or 5.3 per cent, versus 2023.

For Direct Marketing, we forecast that 2025 revenue will be \$983 million, an increase of \$53 million, or 6.1 per cent, compared to the prior year, mainly due to post-2024 labour disruption recovery. In 2024, revenue was \$930 million, a decrease of \$21 million compared to 2023.

Expenses are forecasted to increase by \$502 million, or 7.2 per cent, in 2025. The increase in expense is primarily driven by higher labour and non-labour costs, and employee benefit costs. Lower labour costs in 2024 attributed to the work stoppage, along with wage increases and anticipated contract settlement costs in 2025, contributed to the increased labour costs in 2025 compared to the prior year. Higher non-labour costs are primarily due to inflationary pressures, while higher employee benefit expenses are mainly due to a drop in the discount rate used to measure the expense.

In 2024, expenses decreased by \$358 million compared to 2023, mostly due to the impact of the labour disruption. Labour costs decreased by \$240 million due to the work stoppage and volume-related cost savings partly offset by wage increases. Non-labour costs decreased by \$289 million, mainly due to lower program expense as we refocused our investment priorities, and also due to lower volume-related collection, processing and delivery costs. These decreases were partly offset by higher employee benefit costs which increased by \$171 million primarily due to a decrease in the discount rate used to measure the expense. In 2025, Canada Post was provided with access to up to \$1,034 million of cash injections from the Government of Canada to provide sufficient liquidity to meet its operating requirements. The Government of Canada approved total cash injections of \$1,034 million for its fiscal year April 1, 2025 to March 31, 2026.

At the end of 2025, our cash position is estimated to be approximately \$320 million. This would be a drop of approximately \$500 million compared to 2024, mainly due to operating losses, repayment of a \$500-million bond maturing in July 2025, and funding capital acquisitions required to maintain the network and improve service and capacity. The drop would have been substantially greater if not for the cash injections received from the Government during the year and the contribution holiday on defined benefit regular employer current service contributions of an estimated \$270 million for 2025.

The Plan assumes solvency relief during the five-year period (2026-2030) and therefore does not reflect any pension solvency special payments. The Plan does assume that the contribution holiday will end in 2027 and regular employer current service contributions will resume. However, this is subject to market conditions and the funding valuation results at December 31, 2025. Further details on the pension can be found in Section 7.2.

7.2 Pension

Canada Post has one of the largest single employer-sponsored defined benefit pension plans in Canada, with more than 106,000 members and assets with a fair value of \$32.5 billion as of December 31, 2024. We are required to maintain sufficient funding to finance the pension plan and file annual actuarial valuations with the Office of the Superintendent of Financial Institutions (OSFI) to establish the plan's funded status on a solvency and going-concern basis.

The solvency valuation assumes that the pension plan is terminated on the date of valuation and consequently has a short-term view. The result of the valuation is therefore strongly affected by the long-term interest rates (the discount rate) on that date. The discount rate used to calculate plan liabilities is derived using a replicating portfolio approach, based on a bond portfolio established by the plan actuary and is based on guidance from the Canadian Institute of Actuaries and OSFI. The actuarial valuation, as at December 31, 2024, disclosed a solvency surplus (using the three-year average solvency ratio basis) of \$2.2 billion (ratio of 107 per cent) and a solvency surplus of \$2.7 billion (using market value of plan assets; ratio of 109 per cent). As a result of the three-year average surplus, no special solvency payments are required for 2025. No special solvency payments are projected during the five-year Corporate Plan period, as there is sufficient solvency relief available under the Pension Benefits Standards Act, 1985, to absorb any such payments.

The going-concern valuation assumes that the pension plan will continue to operate indefinitely, so this method determines if there are enough assets in the plan for pension benefits to be paid in the future for accumulated service to date. It also assesses whether the level of contributions made by plan members and Canada Post, the plan sponsor, is sufficient to cover the current service cost. The actuarial valuation, as at December 31, 2024, disclosed a going-concern surplus of \$7.8 billion (using the smoothed value of pension plan assets; ratio of 131 per cent). As the going-concern ratio of 131 per cent and the solvency ratio of 109 per cent (using market value of plan assets) exceeds the legislative thresholds of 125 per cent and 105 per cent, respectively, Canada Post is not permitted to make employer current service contributions for 2025, which is projected to continue for 2026 based on Corporate Plan assumptions. However, this position will be determined when the December 31, 2025 valuation is completed in 2026.

Year-over-year changes in discount rates and investment returns are major drivers in determining the financial position and contribution requirements for the pension plan. Discount rates and investment returns cannot be predicted with certainty and can be volatile. Given the size of our pension plan, a discount rate change of half a percentage point (or 50 basis points) would change the solvency obligations by approximately \$2 billion.

8 Appendices

8.1 Other Direction from the Government

Canadians expect Canada Post and the Government to work together as stewards of the national postal service, ensuring it is keeping pace with their changing needs. By actively engaging with the Government, Canada Post seeks to pave a shared path forward, emphasizing transparency and accountability. Notably, Canada Post is advancing efforts in the areas listed below.

8.1.1 Continuing to be a “service first” organization

Canada Post is committed to being a “service first” organization and continues to deliver on this expectation. Our country depends on Canada Post because it delivers everywhere, not just where business would be profitable. Our services are vital for many Canadians, including small and midsize businesses, Canadians in rural, remote and Indigenous communities, and Canadians in urban and suburban communities. Service is guided by the [Canadian Postal Service Charter](#), which has not seen a major update since it was implemented in 2009. To build upon the important work announced by the Minister in September 2025, Canada Post looks forward to collaborating with the government to update the Service Charter. In the interim, Canada Post strives to meet its service obligations.

8.1.2 Improving labour-management relations

Canadians count on Canada Post to work collaboratively with its bargaining agents for the benefit of its employees, customers and communities served. This was reiterated in the Minister's instructional letter dated September 25, 2025, where he noted a healthy and productive relationship between Canada Post and workers as an essential element of success. Despite the labour challenges we faced in 2024 and continue to face in 2025, we are committed to improving labour-management relations by cultivating positive relationships with our bargaining agents and working together to build a stronger postal service for Canadians.

Our work with our bargaining agents on joint committees is central to promoting open dialogue. The committees serve as a forum for discussing critical issues, providing business updates and general engagement to improve our relationships. Alongside these committees, we have a robust consultation and communication process, as outlined in our collective agreements, which ensures our employees and bargaining agents receive timely notice of any relevant announcements or important issues. Details on our labour relations and an update on collective bargaining can be found in Section 5.3.

8.1.3 Fostering privacy-responsible Direct Marketing

Canada Post takes a proactive approach to protecting the privacy of customers and employees. We are trusted to handle Canadians' personal information every day, and maintaining that trust with Canadians is critical.

In May 2023, the Office of the Privacy Commissioner of Canada (OPC) released its findings resulting from an investigation into a customer complaint, which raised privacy concerns about the Canada Post Smartmail Marketing™ (SMM) program. In response, Canada Post conducted an internal review of its SMM products, which resulted in Canada Post taking the following actions:

- We will no longer offer aggregated online shopping trends at the postal code level, or otherwise, to retailers. The effectiveness and use of the data had greatly diminished over time.
- Canada Post will discontinue using data from publicly available telephone directories combined with our operational data to validate incomplete addresses.
- We will work to further increase transparency and awareness of our Direct Mail marketing program through our more than 5,700 post offices and our digital channels, while providing greater visibility on how individuals can opt out of receiving advertising mail.

In June 2024, the OPC tabled its annual report to Parliament, which included an update on the SMM investigation. Among other things, the report stated that the OPC was satisfied with the measures taken by Canada Post to address the specific concerns that were raised in its investigation.

8.1.4 Aligning with the Greening Government Strategy

As noted in Section 8.9.3, Canada Post is committed to the greener good and protecting the environment for future generations. Our commitment to environmental leadership includes ambitious science-based emissions reduction targets, including reducing our operational greenhouse gas (GHG) emissions by 50 per cent by 2030 and achieving net-zero emissions across our value chain by 2050. These targets are aligned with the Greening Government Strategy (GGS).

To meet these targets, Canada Post has been taking concrete steps to reduce emissions and foster a sustainable future for all Canadians. In 2024, we achieved a 10.2-per-cent reduction in scope 1 and 2 emissions from 2023 emission levels, and a 24.4-per-cent reduction compared to 2019² (our target base year). 2024 scope 3 emissions declined by 11.1 per cent from 2023, and 18.1 per cent compared to 2019. In 2024, 88 per cent of consumed electricity was from non-emitting sources.

² Canada Post began its emissions reduction journey by committing to a target with the Science Based Targets Initiative (SBTi), which established the Corporation's baseline. The baseline aligns with industry practice and reflects the Corporation's current situation; while ensuring accurate, third-party verified data is used to ensure we are on track to meet our science-based target commitments. It is also important to note that the science-based target institute (SBTi) requires a baseline year to be more recent than the GGS baseline of 2005.

Reduced investment in GHG-reduction initiatives continues to present challenges that will likely jeopardize the organization's ability to meet mandated environmental targets. This could lead to adverse impacts on long-term sustainability goals, will damage Canada Post's reputation, and will lock in fossil fuel assets that will increase operating costs in the future. Proposed investment by the government to support Canada Post's alignment with the GGS will help address this challenge.

Other areas of Canada Post alignment to the GGS include our:

- Real estate portfolio – with plans for decreasing emissions and waste;
- Fleet – where Canada Post's target of electrifying all last-mile delivery vehicles by 2040 is broadly aligned with the GGS fleet conversion targets. We're also aligned with the GGS in efforts to explore fleet rationalization, fuel use efficiency and employing telematics to collect data;
- Procurement – where Canada Post's procurement process includes expectations around supplier commitments to the Science Based Targets Initiative, weighted procurement questions regarding ESG, and questions about resource use and waste that generally meet GGS expectations. Canada Post continues to work to bring other areas of the business into alignment with the GGS.

8.1.5 Supporting the Government's accessibility objectives

With a presence in thousands of communities across the country, Canada Post has a responsibility to provide accessible programs and services to Canadians. Recognizing and delivering on that responsibility is an important part of fulfilling our purpose and the needs of the people and communities we serve. Our Accessibility Strategy, launched in 2021, aligns with the focus areas of the *Accessible Canada Act* (ACA). The strategy was established to adopt a proactive approach to identifying, removing and preventing barriers and to integrate accessibility improvements across our offerings. Our goal is to support the creation of a barrier-free Canada by 2040, and we have made important progress toward doing so.

However, like the challenges we face with the Greening Government Strategy, our financial situation is putting at risk the investments required to align with the ACA and to reach our 2040 goal. Without sufficient capital to support these important efforts, we will not be able to meet our legislated obligations under the ACA.

8.1.6 Housing

The 2024 federal budget announced a program to support affordable housing, including on disposed or leased Canada Post properties. We continue to closely collaborate with our portfolio department, Public Services and Procurement Canada (PSPC), and Canada Lands Company Limited (CLC) and other stakeholder organizations on the federal housing initiative. Canada Post has made six properties available in the Public Lands for Homes Plan published by the Government of Canada in August 2024. These properties are located in Ontario, Alberta and British Columbia. In addition to the initial six properties, we continue to explore various opportunities with Canada Lands Company and the Government of Canada in support of the program goal of achieving affordable housing for Canadians.

Under a memorandum of understanding signed between Canada Post, CLC and Housing, Infrastructure and Communities Canada (HICC) in 2025, Canada Post will present owned properties that are vacated – or intend to be vacated – to CLC. Further properties will be presented to CLC on an ongoing basis as they are identified by Canada Post as surplus.

8.2 Corporate governance structure

The Board of Directors supervises the management of the business and affairs of the Corporation, including the relationship between the Corporation, our affiliates and the Government. The tables below reflect the current composition of the Corporation's Board of Directors, as well as the most recent full-year (2024) meeting attendance details.

Current Board of Directors composition and terms (as of June 30, 2025)

Members of the Board of Directors	First appointment date	Current term start date (if re-appointed)	Current term end date
Hudon, André (Chair)	July 1, 2021 (June 18, 2024 – Chair)	June 18, 2024	June 18, 2028
Champoux-Paillé, Louise C.M., C.Q.	October 20, 2022		October 20, 2026
Collinson, Krista	July 1, 2021		July 1, 2025
Cuthbertson, Ron	March 4, 2022		March 4, 2026
Ettinger, Doug (President and CEO)	March 4, 2019 (original term ended March 4, 2023)	March 4, 2023	March 4, 2027
Fontaine, Ricky	April 21, 2023		April 21, 2027
Germain, Claude	May 31, 2018	November 25, 2022	November 25, 2026
MacKenzie, Ann	July 1, 2021		July 1, 2025
Ruth, Tom	April 21, 2023		April 21, 2027
Sonberg, Melissa	April 21, 2023		April 21, 2027

2024 Board of Directors meeting attendance

Members of the Board of Directors	First appointment date	Start/end date if in year 2024	Attendance ³
Sanatani, Suromitra (Chair up to June 7, 2024)	May 1, 2018 (July 29, 2020 – Acting Chair) (October 26, 2020 – Interim Chair) (June 1, 2021 – June 7, 2024 – Chair)	Resigned effective June 7, 2024	10 / 10
Champoux-Paillé, Louise C.M., C.Q.	October 20, 2022		17 / 17
Collinson, Krista	July 1, 2021		17 / 18
Cuthbertson, Ron	March 4, 2022		17 / 17
Fontaine, Ricky	April 21, 2023		16 / 16
Germain, Claude	May 31, 2018		18 / 18
Hudon, André (Chair as of June 18, 2024)	July 1, 2021 (June 18, 2024 – Chair)	Appointed Chair effective June 18, 2024	19 / 20
MacKenzie, Ann	July 1, 2021		22 / 22
Ruth, Tom	April 21, 2023		18 / 18
Sonberg, Melissa	April 21, 2023		17 / 18

As of December 31, 2024, there are four committees that assist the Board of Directors in fulfilling its oversight and decision-making responsibilities. Below are the primary duties and responsibilities of each committee (including key ESG-related activities) as well as membership in 2024:

Committee	Duties and responsibilities	Members
Human Resources and Compensation Committee	<ul style="list-style-type: none"> Human resources (including HR policies), compensation and development, including recommending to the Minister responsible for Canada Post Corporation the compensation of the President and Chief Executive Officer. Recruitment and retention. Various aspects of workplace culture, including equity, diversity and inclusion, employee engagement and desired behaviours. Collective agreement negotiations and corresponding labour matters, including contingency planning and implementation plans; the relationship between Management and the bargaining agents. 	Melissa Sonberg (Chair), André Hudon, Ann MacKenzie, Ron Cuthbertson, Louise Champoux-Paillé
Environmental, Social and Governance Committee	<ul style="list-style-type: none"> Environmental and social responsibility policies, programs, practices, and procedures. Composition and structure of the Board and committees and terms of reference of all committees; Corporate values and the elements which facilitate Board effectiveness. Corporate and subsidiary governance. 	Krista Collinson (Chair), Louise Champoux-Paillé, André Hudon, Ricky Fontaine, Tom Ruth

³ Attendance reflects the number of Board and Committee meetings attended over the number of meetings scheduled for each member. For example, if a member sat on the Audit and Pension Committees as well as the full Board, the number of meetings scheduled would be the total number of Board, Audit and Pension meetings held in 2024.

Canada Post Corporation
2026 to 2030 Corporate Plan Summary

<p>Pension Committee</p>	<ul style="list-style-type: none"> • Canada Post Pension Plan (approximately \$30 billion). • Corporation's responsibilities as pension plan sponsor and administrator. • Investment decisions in accordance with the Statement of Investment Policies and Procedures and approach to ESG and climate change risk-related matters as they relate to the pension plans. • Pension plan matters and policies, including pension plan liabilities. • Pension plan strategies. 	<p>Ann MacKenzie (Chair), André Hudon, Claude Germain, Ron Cuthbertson, Melissa Sonberg</p>
<p>Audit Committee</p>	<ul style="list-style-type: none"> • Audit process. • Corporation's financial performance against its corporate plan. • Financial information, which is provided to Parliament and other stakeholders. • Risk management framework. • Systems of corporate controls, which management and the Board have established. • Meetings of the Audit Committee are attended by the President and Chief Executive Officer, the Chief Financial Officer, the Internal Auditor, as well as by the representatives of the appointed external auditors of Canada Post. 	<p>Claude Germain (Chair), Ann MacKenzie, André Hudon, Krista Collinson, Ricky Fontaine, Tom Ruth</p>

8.3 Financial statements

Canada Post Corporation Pro Forma Consolidated Statement of Financial Position

As at December 31 (in millions of Canadian dollars)			Corporate Plan				
	2024 Actual	2025 Forecast	2026	2027	2028	2029	2030
Assets							
Current assets							
Cash and cash equivalents	802	401	387	400	400	401	588
Marketable securities	290	-	-	-	-	-	-
Trade, other receivables and contract assets	900	1,167	1,226	1,269	1,305	1,343	1,372
Income tax receivable	2	0	0	0	0	0	0
Other assets	139	180	174	169	165	168	169
Total current assets	2,133	1,748	1,787	1,839	1,870	1,911	2,110
Non-current assets							
Property, plant and equipment	4,053	4,126	4,350	4,596	4,881	5,171	5,341
Intangible assets	248	491	503	498	478	467	512
Right-of-use assets	1,451	1,571	1,632	1,696	1,763	1,831	1,895
Segregated securities	337	308	278	245	209	170	127
Pension benefit assets	4,462	4,265	1,784	2,273	2,803	3,374	3,982
Deferred tax assets	-	-	631	523	396	258	116
Goodwill	161	807	807	807	807	807	807
Other assets	61	61	59	57	56	54	52
Total non-current assets	10,773	11,629	10,044	10,696	11,392	12,130	12,832
Total assets	12,906	13,376	11,831	12,535	13,262	14,041	14,942
Liabilities and equity							
Current liabilities							
Trade and other payables	830	1,353	1,404	1,442	1,484	1,520	1,549
Salaries and benefits payable and related provisions	537	537	490	504	532	539	577
Provisions	68	70	71	72	73	74	75
Income tax payable	30	-	-	-	-	-	8
Deferred revenue	200	209	197	196	200	202	203
Loans and borrowings	500	57	41	45	45	45	45
Demand notes payable to Government of Canada	-	1,004	1,902	2,880	3,986	5,150	6,221
Lease liabilities	100	116	120	125	130	135	139
Other long-term benefit liabilities	54	59	54	54	55	56	57
Total current liabilities	2,319	3,405	4,280	5,319	6,505	7,721	8,875
Non-current liabilities							
Loans and borrowings	498	1,035	993	913	759	621	621
Lease liabilities	1,567	1,709	1,775	1,843	1,912	1,984	2,048
Pension, other post-employment and other long-term benefit liabilities	3,229	3,277	3,403	3,526	3,626	3,710	3,769
Deferred tax liabilities	147	88	81	81	81	81	85
Other liabilities	46	49	53	56	61	65	65
Total non-current liabilities	5,487	6,157	6,305	6,419	6,438	6,461	6,588
Total liabilities	7,806	9,562	10,585	11,738	12,943	14,182	15,463
Equity							
Contributed capital	1,155	1,155	1,155	1,155	1,155	1,155	1,155
Accumulated other comprehensive income	5	5	5	5	5	5	5
Accumulated surplus (deficit)	3,849	2,562	(15)	(473)	(962)	(1,432)	(1,824)
Equity of Canada	5,009	3,721	1,144	686	197	(272)	(665)
Non-controlling interests	91	93	102	111	121	132	144
Total equity	5,100	3,815	1,247	797	318	(140)	(521)
Total liabilities and equity	12,906	13,376	11,831	12,535	13,262	14,041	14,942

Numbers may not add due to rounding.

Canada Post Corporation
2026 to 2030 Corporate Plan Summary

Canada Post Corporation
Pro Forma Consolidated Statement of Comprehensive Income

For the year ended December 31 (In millions of Canadian dollars)	Corporate Plan						
	2024 Actual	2025 Forecast	2026	2027	2028	2029	2030
Revenue from operations	8,904	9,551	10,333	10,758	10,983	11,299	11,536
Cost of operations							
Labour	4,764	5,311	5,454	5,554	5,656	5,788	5,882
Employee benefits	1,356	1,472	1,425	1,685	1,705	1,737	1,753
	6,120	6,782	6,879	7,238	7,361	7,526	7,634
Other operating costs	3,261	3,452	3,554	3,627	3,737	3,865	3,943
Depreciation and amortization	510	620	628	649	675	698	716
Total cost of operations	9,891	10,854	11,061	11,514	11,774	12,089	12,294
Profit (loss) from operations	(987)	(1,303)	(729)	(757)	(791)	(790)	(758)
Investing and financing income (expense)							
Investment and other income	425	54	57	46	53	73	87
Financing costs and other expense	(103)	(133)	(150)	(150)	(146)	(145)	(134)
Investing and financing income (expense), net	322	(79)	(93)	(104)	(92)	(72)	(46)
Profit (loss) before tax	(665)	(1,381)	(822)	(861)	(883)	(862)	(804)
Tax expense (recovery)	(246)	(30)	9	35	58	74	81
Net profit (loss)	(419)	(1,352)	(831)	(896)	(941)	(935)	(886)
Other comprehensive income (loss)							
Items never reclassified to net profit (loss)	953	88	(1,719)	466	483	499	515
Items that may subsequently be reclassified to net profit (loss)	-	-	-	-	-	-	-
Other comprehensive income (loss)	953	88	(1,719)	466	483	499	515
Comprehensive income (loss)	534	(1,264)	(2,551)	(430)	(458)	(437)	(371)
Net profit (loss) attributable to							
Government of Canada	(435)	(1,362)	(845)	(911)	(958)	(954)	(906)
Non-controlling interests	16	11	14	15	17	19	21
	(419)	(1,352)	(831)	(896)	(941)	(935)	(886)
Comprehensive income (loss) attributable to							
Government of Canada	513	(1,275)	(2,565)	(446)	(476)	(457)	(392)
Non-controlling interests	21	12	15	16	18	20	21
	534	(1,264)	(2,551)	(430)	(458)	(437)	(371)

Numbers may not add due to rounding.

Canada Post Corporation
2026 to 2030 Corporate Plan Summary

Canada Post Corporation
Pro Forma Consolidated Statement of Cash Flows

For the year ended December 31 <i>(in millions of Canadian dollars)</i>	Corporate Plan						
	2024 Actual	2025 Forecast	2026	2027	2028	2029	2030
Cash flows from operating activities							
Net profit (loss)	(419)	(1,352)	(831)	(896)	(941)	(935)	(886)
Adjustments to reconcile net profit (loss) to cash provided by (used in) operating activities:							
Depreciation and amortization	510	620	628	649	675	698	716
Pension, other post-employment and other long-term benefit expense	604	564	521	746	711	684	667
Pension, other post-employment and other long-term benefit payments	(217)	(220)	(227)	(507)	(513)	(522)	(529)
(Gain) loss on sale of capital assets and investments	9	(10)	(13)	(3)	(5)	(19)	(33)
(Gain) loss on dilution of subsidiary share capital	(346)	-	-	-	-	-	-
Tax expense (recovery) and other items affecting net income tax receivable	(244)	(30)	9	35	58	74	81
Net interest expense (income)	16	114	149	149	145	144	132
Change in non-cash operating working capital:							
(Increase) decrease in trade and other receivables	63	45	(59)	(43)	(35)	(39)	(29)
Increase (decrease) in trade and other payables	17	42	51	38	42	37	29
Increase (decrease) in salaries and benefits payable and related provisions	(119)	(0)	(47)	14	28	7	38
Increase (decrease) in provisions	6	1	1	1	1	1	1
Net (increase) decrease in other non-cash operating working capital	(27)	(10)	6	6	5	(2)	(1)
Other income not affecting cash, net	(16)	(46)	(62)	(53)	(56)	(61)	(60)
Cash provided by (used in) operations before interest and tax	(163)	(282)	126	136	113	67	127
Interest received	89	31	13	12	11	9	8
Interest paid	(91)	(120)	(108)	(107)	(102)	(94)	(81)
Tax received (paid)	(59)	(91)	(71)	(78)	(87)	(98)	(98)
Cash provided by (used in) operating activities	(224)	(462)	(39)	(37)	(66)	(116)	(43)
Cash flows from investing activities							
Net cash inflow (outflow) of securities	90	290	-	-	-	-	-
Proceeds on sale of subsidiary shares	424						
Acquisition of capital assets	(588)	(500)	(748)	(773)	(818)	(853)	(811)
Proceeds from sale of capital assets	1	27	16	4	5	19	33
Other investing activities, net	21	(252)	32	35	38	41	44
Cash provided by (used in) investing activities	(52)	(435)	(700)	(734)	(775)	(793)	(734)
Cash flows from financing activities							
Proceeds from notes payable to Government of Canada	-	1,034	893	975	1,111	1,166	1,071
Repayments of lease liabilities	(105)	(107)	(110)	(111)	(113)	(115)	(116)
Net cash inflow (outflow) of loans and borrowings	-	(425)	(57)	(77)	(154)	(138)	-
Dividend paid to non-controlling interests	(8)	(8)	(6)	(7)	(8)	(9)	(10)
Other financing activities, net	(2)	2	4	4	5	5	-
Cash provided by (used in) financing activities	(115)	496	725	784	841	909	945
Net increase (decrease) in cash and cash equivalents	(391)	(401)	(14)	13	0	0	168
Cash and cash equivalents, beginning of year	1,185	802	401	387	400	400	401
Effect of exchange rate changes on cash and cash equivalents	8	-	-	-	-	-	-
Cash and cash equivalents, end of year	802	401	387	400	400	401	568

Numbers may not add due to rounding.

8.4 Operating forecast and budget

2025 Operating Forecast Canada Post Segment - Income Statement

(in millions of Canadian dollars)	2025		Better/(Worse)	
	Forecast	2024	\$	% ¹
Revenue from operations	6,368	6,142	225	4.1%
Cost of operations				
Labour	4,153	3,712	(440)	
Employee benefits	1,145	1,108	(38)	
Other operating costs	2,263	2,238	(25)	
Depreciation and amortization	370	371	1	
Total cost of operations	7,931	7,429	(502)	(7.2)%
Profit (loss) from operations	(1,563)	(1,287)	(277)	
Investing and financing income (expense), net	54	446	(392)	
Profit (loss) before tax	(1,509)	(841)	(668)	
Tax expense (recovery)	(86)	(349)	(263)	
Net profit (loss)	(1,423)	(492)	(931)	
Other comprehensive income (loss)	76	884	(807)	
Comprehensive income (loss)	(1,346)	392	(1,738)	

May not add due to rounding

1. Percentages adjusted for trading/paid days

The Canada Post segment is forecasting a loss before tax of \$1,509 million in 2025, compared to a loss before tax of \$841 million in 2024. The \$668-million decline compared to the prior year is primarily due to income generated in 2024 from the divestitures of two of its subsidiaries (SCI and Innovapost) and higher operating losses in 2025.

Revenue is forecasted to increase by \$225 million or 4.1 per cent in 2025, versus 2024. Transaction Mail revenue is expected to increase, mainly due to the January 2025 regulated rate increase and domestic Lettermail volume growth. Domestic parcel volumes and revenue are forecasted to decrease due to the 2024 labour disruption and ongoing labour uncertainty in 2025 which continues to push volumes to the competition. Direct Marketing volumes are expected to grow due to higher Neighbourhood Mail volumes from existing customers.

Total cost of operations is forecasted to increase by \$502 million or 7.2 per cent, mainly due to lower labour costs in 2024 attributed to the labour disruption as well as wage increases and expected one-time negotiation costs in 2025. Increased operating costs are primarily driven by inflationary pressures.

Investing and financing income is forecasted to decrease by \$392 million, mostly due to income generated from the sales of SCI and Innovapost in 2024.

The forecasted other comprehensive income of \$76 million, versus \$884 million in 2024, represents a decrease of \$807 million and is primarily due to 2025 remeasurement losses on pension and other post-employment plans due to a decrease in discount rates.

2025 Operating Forecast
Canada Post Corporation Consolidated Income Statement

(in millions of Canadian dollars)	2025 Forecast	2024	Better/(Worse)	
			\$	% ¹
Revenue from operations	9,551	8,904	647	7.7%
Cost of operations				
Labour	5,311	4,764	(547)	
Employee benefits	1,472	1,356	(116)	
Other operating costs	3,452	3,261	(190)	
Depreciation and amortization	620	510	(110)	
Total cost of operations	10,854	9,891	(962)	(10.2)%
Profit (loss) from operations	(1,303)	(987)	(316)	
Investing and financing income (expense), net	(79)	322	(400)	
Profit (loss) before tax	(1,381)	(665)	(716)	
Tax expense (recovery)	(30)	(246)	(216)	
Net profit (loss)	(1,352)	(419)	(932)	
Other comprehensive income (loss)	88	953	(865)	
Comprehensive income (loss)	(1,264)	534	(1,798)	

May not add due to rounding

1. Percentages adjusted for trading/paid days

The Group of Companies is forecasting a loss before tax of \$1,381 million in 2025, which is \$716 million worse than the prior year. The year-over-year decline is attributable to the Canada Post segment, as discussed above.

2026 Operating Budget Canada Post Segment - Income Statement

(in millions of Canadian dollars)	2026 Plan	2025 Forecast	Better/(Worse)	
			\$	% ¹
Revenue from operations	6,991	6,368	624	9.8%
Cost of operations				
Labour	4,177	4,153	(25)	
Employee benefits	1,122	1,145	23	
Other operating costs	2,359	2,263	(96)	
Depreciation and amortization	375	370	(5)	
Total cost of operations	8,033	7,931	(102)	(1.3)%
Profit (loss) from operations	(1,042)	(1,563)	521	
Investing and financing income (expense), net	13	54	(42)	
Profit (loss) before tax	(1,030)	(1,509)	479	
Tax expense (recovery)	(61)	(86)	(25)	
Net profit (loss)	(968)	(1,423)	455	
Other comprehensive income (loss)	(1,731)	76	(1,807)	
Comprehensive income (loss)	(2,699)	(1,346)	(1,353)	

May not add due to rounding

1. Percentages adjusted for trading/paid days

The Canada Post segment is projecting a loss before tax of \$1,030 million for 2026, which is \$479 million better compared to the 2025 forecasted loss of \$1,509 million.

Revenue is projected to increase by \$624 million or 9.8 per cent in the 2026 plan versus the 2025 forecast. Domestic Lettermail revenues are projected to increase due to a rate increase. Direct Marketing volumes and revenue are projected to be flat.

Total costs of operations are projected to increase by \$102 million, or 1.3 per cent, in the 2026 plan versus the 2025 forecast. This is primarily driven by an increase in other operating costs tied to volume growth and inflationary pressures, and higher labour costs from annual wage increases.

Employee benefit costs are expected to increase in 2026 compared to 2025. Given the size of the pension plan (\$32.5 billion as of December 31, 2024), fluctuations due to pension returns and discount rates can have a significant influence on employee benefit costs.

Other comprehensive loss of \$1,731 million, a forecasted decrease of \$1,807 million compared to 2025, is mainly due to remeasurement losses on the pension and other post-employment plans from forecasted discount rate decreases.

2026 Operating Budget
Canada Post Corporation Consolidated Income Statement

(in millions of Canadian dollars)	2026 Plan	2025 Forecast	Better/(Worse)	
			\$	% ¹
Revenue from operations	10,333	9,551	782	8.2%
Cost of operations				
Labour	5,454	5,311	(144)	
Employee benefits	1,425	1,472	47	
Other operating costs	3,554	3,452	(103)	
Depreciation and amortization	628	620	(8)	
Total cost of operations	11,061	10,854	(207)	(1.9)%
Profit (loss) from operations	(729)	(1,303)	574	
Investing and financing income (expense), net	(93)	(79)	(15)	
Profit (loss) before tax	(822)	(1,381)	559	
Tax expense (recovery)	9	(30)	(39)	
Net profit (loss)	(831)	(1,352)	520	
Other comprehensive income (loss)	(1,719)	88	(1,807)	
Comprehensive income (loss)	(2,551)	(1,264)	(1,287)	

May not add due to rounding

1. Percentages adjusted for trading/paid days

In 2026, the Group of Companies' loss before tax is expected to be \$822 million, which is \$559 million better than 2025, mainly due to forecasted parcel volume recovery and Lettermail rate increase in the Canada Post segment.

8.5 Capital forecast and budget

2025 Capital Forecast

The total capital spend for the Canada Post segment is forecasted to be \$145 million in 2025.

	2025 Capital Forecast (\$M)
<p>STRATEGIC PILLARS</p> <p><i>Initiatives to provide a high-quality postal service at a reasonable price and to do so in a manner that is financially prudent and environmentally and socially responsible. Investments support employee and customer safety, ensuring our workforce and culture reflect Canada and the priorities of Canadians; expanding our network capacity, improving service and enhancing our retail experience; and prioritizing our environment, ensuring a workplace that reflects equity, diversity and inclusion, and fostering reconciliation with Indigenous Peoples, among others.</i></p> <p><i>Timing and breadth of our strategic and transformational investments were reviewed, where several initiatives were deferred or paused considering our financial situation, resulting in a significant decrease in our strategic investments.</i></p>	35
<p>INFRASTRUCTURE AND OTHER</p> <p><i>Initiatives that focus on the replacement of operational assets (e.g., vehicles, street furniture) and other operational equipment. Includes investment to maintain and upgrade existing facilities and for support and compliance functions.</i></p>	110
Canada Post segment	145

2026 Capital Budget

The 2026 Base Capital Budget has been further adjusted and right sized considering our financial challenges and our infrastructure aging critical assets, while remaining committed to our purpose: A Stronger Canada – Delivered. Investments will be largely focus on replacing critical infrastructure throughout the network and ensure replenishment and maintenance of assets, including vehicles, street furniture, systems and equipment reaching their end of life.

In addition to the base capital budget, the Plan also includes strategic capital investments for a centralised delivery program (community mailboxes [CMBs]), modernisation to our retail network and modifications to Canada Post’s Lettermail delivery standards and additional ESG investments. By investing in these ESG measures, Canada Post can achieve 50 per cent of GHG emissions reductions, in line with the GGS target (net-zero by 2050) by 2030, which aligns with the Corporation’s science-based target (based on Canada Post’s emissions baseline of 2019).

All investment decisions will be guided by the strategy and the needs of customers, employees and Canadians, while continuing our focus on safety, social and environmental leadership.

	2026 Capital Budget (\$M)
<p>STRATEGIC PILLARS</p> <p><i>Initiatives to provide a high-quality postal service at a reasonable price and to do so in a manner that is financially prudent and environmentally and socially responsible.</i></p> <p><i>Timing and breadth of our strategic and transformational investments were reviewed, where several initiatives were deferred or paused considering our financial situation, resulting in a significant decrease in our strategic investments. In 2026, investments include the following strategic initiatives: centralised delivery program (community mailboxes [CMBs]), modernisations to our retail network and modifications to Canada Post's Lettermail delivery standards.</i></p> <p><i>Investments support employee and customer safety, ensuring our workforce and culture reflect Canada and the priorities of Canadians; expanding our network capacity, improving service and enhancing our retail experience; and prioritizing our environment, ensuring a workplace that reflects equity, diversity and inclusion, and fostering reconciliation with Indigenous Peoples, among others.</i></p>	137
<p>INFRASTRUCTURE AND OTHER</p> <p><i>Initiatives that focus on the replacement of operational assets (e.g., vehicles, street furniture) and other operational equipment. Includes investment to maintain/upgrade facilities and systems, including back-office activities.</i></p>	237
Canada Post segment	374

Due to the nature of Canada Post's operating environment, most of the capital proposed for this Plan's period is considered as part of multi-year projects. These multi-year projects, their costs and associated benefits may fluctuate, particularly in the outer years of this Plan. They will be reviewed on an annual basis and will continue to be included in future corporate plans and capital budgets.

Five-year Capital Plan

The Capital Plan for the five-year planning period is set out below (in millions of Canadian dollars).

Including strategic initiatives requiring approvals, we estimate the capital associated with these projects will cost \$374 million in 2026 and \$2.5 billion over the course of this Plan.

Area of Responsibility	Capital Projects for 2026 to 2030	2026	2027	2028	2029	2030	Total
Strategic initiatives	Initiatives to provide a high-quality postal service at a reasonable price and to do so in a manner that is financially prudent, environmentally sound, and socially responsible.	137	199	297	303	273	1,209
Infrastructure and other	Initiatives that focus on the replacement of operational assets (e.g., vehicles, street furniture) and other operational equipment. Includes investment to maintain/upgrade facilities and systems, including ERP and other back-office systems.	237	252	253	254	242	1,238
Canada Post segment		374	451	550	557	515	2,447

Capital Plan – Mandatory Disclosure

Based on an assessment using the value of our asset base, no individual planned capital expenditure meets the threshold set out in the guidelines. As a result, no additional disclosure is required.

8.6 Borrowing Plan

8.6.1 Borrowing

Borrowing authority

Our funding activities are governed by:

- Section 28, Section 29 and Section 31 of the *Canada Post Corporation Act*
- Sections 101 and 127 of the *Financial Administration Act* (FAA)
- *Appropriation Act No. 4, 2009-10*

Under *Appropriation Act No. 4, 2009-10*, we are authorized to borrow otherwise than from the Crown not exceeding from time to time an aggregate outstanding amount of \$2.5 billion in accordance with the terms and conditions approved by the Minister of Finance.

In accordance with *Appropriation Act No. 4, 2009-10* and 127(3) of the FAA, we require the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction.

The following outlines our Borrowing Plan:

Short-term borrowings

We request:

- **Approval to maintain our existing \$95 million credit facility.** This could be used for general corporate purposes, including the issuance of letters of credit, which are essential for supporting changes in our extensive retail network and complying with contractual insurance obligations. Although we do not anticipate drawing on these letters of credit in 2025, they are vital as a payment guarantee when needed.
- **Approval to maintain our existing \$500 million credit facility.** The newly established short-term borrowing facility will ensure we have the necessary liquidity to meet our obligations if unforeseen circumstances arise.

The actual borrowing mechanism can take various forms and we are currently collaborating with our shareholder to explore and define potential options. Given the volatility of our cash flows – impacted by seasonal revenue variations, substantial payroll obligations and unforeseen events – we require the flexibility to access additional funds on an immediate basis as required.

To further ensure we have the necessary liquidity to meet our obligations if unforeseen circumstances arise, Canada Post could request access of up to \$500 million in loans from the Government of Canada pursuant to section 29 of the *Canada Post Corporation Act*, subject to approval from the Minister of Finance and Governor in Council.

Our cash resources are expected to decline further in 2025, making it critical for Canada Post to have the ability to access additional funds to manage our liquidities.

Maintaining the increased borrowing capacity would provide an essential buffer against the financial pressures that could arise from disruption while running the business. Canada Post could be dealing with potential revenue losses along with added cost pressures.

8.6.2 Leases

To sustain operations, we lease industrial buildings, retail stores, administrative buildings and land. Below are existing leases by asset class included in the Plan.

	Estimated lease liability (\$M) ^{4,5}					
	2025	2026	2027	2028	2029	2030
Total	1,180	1,250	1,321	1,394	1,468	1,544

8.7 Enterprise risk management (ERM)

Canada Post's ERM practice includes semi-annual reporting to provide an overview of top risks and associated mitigation plans and controls. Updates on key risks are also provided as part of quarterly MD&A (Management Discussion and Analysis) disclosures.

Risk owners and key stakeholders at the senior management level are engaged to develop a comprehensive view of the top risks facing the Corporation and to determine the likelihood of a risk occurring, its impact, and mitigating actions being undertaken for identified risks. The consolidated results, approved by senior executives, are presented to the Executive Strategic Committee and Board of Directors twice a year and to the Audit Committee once a year.

8.8 Compliance with legislative and policy requirements

The following section contains information about Canada Post's compliance with legislation, Treasury Board policies, Governor-in-Council and ministerial directives:

8.8.1 Public policy programs

In addition to our universal service obligation (USO) and core postal services, we deliver certain public policy programs on behalf of the Government. We receive an annual appropriation of \$22.2 million from the Government for the delivery of parliamentary mail and materials for persons who are blind or partially sighted. This amount has been in place since January 2000 and has since remained constant. It is not linked to changes in volume or cost.

Government (parliamentary) mail: Section 35 of the Act allows for mailing of letters free of charge between citizens and certain members of Parliament. Members of the House of Commons (MPs) can also send up to four flyer mailings (through our Neighbourhood Mail service) free of charge to their constituents in any calendar year.

⁴ Where it is reasonably certain that the option to renew will be exercised, this option is included in the lease term.

⁵ Lease payments were discounted using the incremental borrowing rate (IBR) of the Corporation. The IBR represents Government of Canada bond yields with a spread to adjust for the Corporation's liquidity premium.

Materials for persons who are blind or partially sighted: The Act, through the *Materials for the Use of the Blind Regulations*, provides for free mailing privileges for certain materials for persons who are blind or partially sighted, such as braille material, talking books and DVDs. These services date back to the 19th century and are part of Canada's obligations under the Universal Postal Union (UPU). The regulations and international agreements extend beyond domestic mail, and cover materials sent internationally.

Library materials: We offer a library materials service that is accessible to recognized public libraries, university libraries, or other libraries maintained by non-profit organizations or associations, and which are for public use in Canada. We receive no appropriation or compensation from the Government to offset the discounted postage.

8.8.2 Canadian Human Rights Act (CHRA)

Canada Post is committed to providing a safe, caring, respectful and inclusive environment for employees, candidates and customers across Canada. To support this, the Corporation adheres to a comprehensive set of policies, practices, guidelines, and other support mechanisms that foster a safe, equitable and respectful environment. Our policies are reviewed annually and reported to the Board of Directors. We also deliver human rights training to employees and strive to ensure that customer and employee accommodation requests are evaluated on a case-by-case basis, based on individual needs.

8.8.3 Pay Equity Act (PEA)

At Canada Post, we recognize that pay equity is a fundamental human right and that compensation disparity based on gender is unacceptable. We are committed to ensuring that pay equity is embraced in accordance with our corporate values of fairness and respect, while acting with the highest degree of integrity. To this end, we are dedicated to fulfilling our obligations under the *PEA*, which introduces proactive requirements to achieve and maintain pay equity.

8.8.4 Employment Equity Act

Workforce representation of the four currently legislated equity groups is measured through voluntary employee participation in the Corporation's Equity Census. Our goal is to achieve 80 per cent of the Canadian Labour Market Availability (CLMA) per designated equity group. We also published the 2024-2026 Corporate Employment Equity Plan in consultation with our bargaining agents. This plan provides action items geared toward improving employment equity and inclusion in the workplace.

8.8.5 Official Languages Act (OLA)

Upholding the country's laws and principles on official languages is essential to providing a service all Canadians can count on. We are committed to fulfilling our obligations under the *OLA* to ensure we provide high-quality communications and services in both official languages. Our commitment to provide a safe and respectful workplace includes a work environment where the use of both official languages reflects their equal status. We also aim to support the development and vitality of official language minority communities and promote the full recognition of both official languages in Canadian society through several corporate initiatives.

8.8.6 Privacy Act (PA)

Our employees, customers and the public expect Canada Post to properly manage and protect the personal information that is entrusted to it. We have consistently demonstrated strong compliance with the *PA* and continue to evolve our privacy practices to incorporate national and international best practices as well as guidance from our regulators. Canada Post is committed to transparency about how data is collected and used in a responsible manner that ensures adequate protection of the privacy interests of all Canadians.

8.8.7 Access to Information Act (ATIA)

The *ATIA* gives individuals and corporations in Canada the right to request records under Canada Post's control (subject to certain exceptions). We are committed to fulfilling our obligations under the *ATIA* while protecting information received from partners, suppliers and customers. It is of paramount importance to balance requesters' right of access with the protection of commercially sensitive corporate and third-party information. This commitment is fundamental to respecting customer relationships, to retaining the trust customers place

in the Corporation, and to protect information that could potentially harm Canada Post's position in the marketplace.

8.8.8 Conflict of Interest Act (COIA)

Our employees are expected to conduct themselves with personal integrity, honesty and diligence in performing their duties, and to act in ways which preserve and enhance our reputation and business integrity. Our Conflict of Interest Policy reflects requirements under the COIA, ensures awareness of – and compliance to – the COIA, and sets out our expectations of employees. All management, APOC and PSAC/UPCE new hires receive training regarding their obligations. In addition, members of the executive team must formally verify their adherence to the Conflict of Interest Policy every year. Annual audits are conducted by the Talent Acquisition and Employment Policy team to ensure ongoing compliance.

8.8.9 Fighting Against Forced Labour and Child Labour in Supply Chains Act

Under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which came into effect in 2024, Canada Post is required to report annually on steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used in its activities and global supply chains. We submitted our first annual report to the Minister of Public Safety on May 29, 2024, and our second annual report on May 30, 2025.

Building on our efforts in 2023, we introduced training for employees working in procurement, formalized a monitoring process using the new technology, and engaged more regularly with suppliers' issues of concern specifically related to forced labour and/or child labour in 2024. In 2025, we will be rolling out updated training and continuing our monitoring and engagement processes, as well as assess the program's effectiveness. Should there be a change to the overall risk profile or to the reporting requirements, we will adjust the training program or other compliance mechanisms in place, as required.

8.8.10 Accessible Canada Act

Canada Post is committed to ensuring that accessibility and inclusion are top of mind when it comes to our customers, employees, buildings, products and services, and the partners we do business with. As noted in Section 8.1, Canada Post's accessibility strategy aligns with the focus areas of the ACA. Our goal is to be recognized as a leader in accessibility and inclusion in Canada, and we are committed to our goal of supporting the creation of a barrier-free Canada by 2040.

In 2024, we published our second annual progress report, which highlights the advancements we have made in our efforts to improve accessibility, challenges we faced and how we are continuing to apply feedback and lessons learned to achieve our goals. At the same time, we developed a five-year Delivery Accommodation Program strategy, with a specific focus on growing the program to continue to meet the needs of Canadians as we move forward. For further details, please refer to our **2024 Accessibility Progress Report** available on canadapost.ca.

8.8.11 Trade agreements

As a named government procurement entity, a state-owned enterprise with both monopoly and competitive services, and as a transnational delivery service provider, Canada Post is keenly aware of the many provisions in the various trade agreements that apply to our business activities. Accordingly, we have teams – including our Legal Affairs and Sourcing Management groups – specifically tasked with ensuring that the Corporation has up-to-date awareness of, and conducts our activities in full compliance with, our and Canada's obligations under the various trade agreements.

8.8.12 Directive for Crown corporations on travel, hospitality and conferences

On July 16, 2015, the Governor in Council issued a directive (P.C. 2015-1114) to Crown corporations to align their travel, hospitality, conference, and event expenditure policies with those of the Treasury Board. As of July 2019, Proactive Disclosure reports are posted monthly on our website. We continue to comply with the directive issued.

8.8.13 P.C. 2013-1354

Compensation for our management and exempt employees is subject to *Directive for Setting Terms and Conditions for Management and Exempt Employees* (P.C. 2013-1354 [Bill C-60]), which has applied to Canada Post since 2015. The directive requires us to obtain Treasury Board approval before we can fix the terms and conditions of employment for non-unionized employees who are not appointed by the Governor in Council. Canada Post confirms it is following this directive.

8.8.14 Office of the Auditor General special examinations

The most recent special examination of Canada Post Corporation was conducted in 2018 by the Office of the Auditor General of Canada and KPMG. It found that good practices were in place to oversee the running of the Corporation and to manage its operations, and that there was reasonable assurance that there were no significant deficiencies in the systems and practices they examined.

8.9 Government priorities and direction

8.9.1 Community investment

Beyond delivering for all Canadians, Canada Post and its employees strive to make a difference in the lives of children and youth across the country. Since 2012, the Canada Post Community Foundation has granted nearly \$13.5 million to more than 1,100 initiatives supporting children and youth nationwide. Funds are raised through customer donations in post offices, voluntary employee payroll deductions and the sale of a special stamp issued each year. A more detailed overview of our community investment efforts can be found in Corporation's **2024 Sustainability Report** available on canadapost.ca.

8.9.2 Canadian Postal Service Charter

The *Canadian Postal Service Charter (Service Charter)* sets out the Government's expectations for our service standards and related activities when providing postal services that meet the needs of Canadians. These expectations are not intended to derogate, nor modify, our obligations under the *Canada Post Corporation Act* or any other legislation. We have reported our performance against each of our expectations in our 2024 Annual Report as required by the Service Charter.

In his letter of instruction dated September 25, 2025, the Minister responsible for Canada Post provided policy direction on amending current delivery service standards to a three-to-seven-day standard. Canada Post will work with the Government to implement this policy directive in a way that respects Canadians while making good business sense, and amend the Postal Service Charter, as needed. In the interim, we strive to meet the service standards described in the Charter.

8.9.3 Greening Government Strategy

As noted in Section 8.1, Canada Post is committed to the greener good and protecting the environment for future generations. Our commitment to environmental leadership includes ambitious science-based emissions reduction targets, including reducing our operational greenhouse gas (GHG) emissions by 50 per cent by 2030 and achieving net-zero emissions across our value chain by 2050. These targets are aligned with the Greening Government Strategy (GGS). To meet these targets, Canada Post has been taking concrete steps to reduce emissions and foster a sustainable future for all Canadians.

Other areas of Canada Post alignment to the GGS include our:

- **Real estate portfolio:** With plans to decrease emissions and waste, and to increase climate resilience;
- **Fleet:** Where Canada Post's target of electrifying all last-mile delivery vehicles by 2040 is generally aligned with the GGS fleet conversion targets. Our overall fleet strategy is also aligned with the GGS in efforts to explore fleet rationalization and fuel use efficiency
- **Procurement:** Where Canada Post's procurement process includes expectations around supplier commitments to the Science Based Targets Initiative and weighted procurement questions regarding ESG; and
- **Climate resilience:** With continued enhancement of climate risk assessments to support resilience planning.

Similar to the non-compliance risk identified for the *Accessible Canada Act*, reduced investment in GHG-reduction initiatives continues to result in non-compliance risks as it relates to the GGS, jeopardizing the organization's ability to meet mandated environmental targets. This could lead to adverse impacts on long-term sustainability goals, will damage Canada Post's reputation, and will lock-in fossil fuel assets that will increase operating costs in the future.

8.9.4 Transparency and open government

Canada Post is committed to demonstrating its accountability by being transparent with its customers, employees and the Canadian public. Canada Post understands Canadians' expectation for increased transparency, which helps build and maintain trust in the Corporation and its services. Our commitment to transparency is demonstrated by the extensive information that is made available to the public.

Through its public disclosures, Canada Post demonstrates openness and transparency with the public about its business and financial performance. In addition to its legislated requirements to publish annual and quarterly reports, the Corporation publishes a comprehensive Sustainability Report annually. On a monthly basis, travel and hospitality expenses of senior executives and members of the Board of Directors are disclosed, with similar corporate statistics released annually. It is also imperative that the Corporation protects its proprietary and commercially sensitive information as well as the information of our partners, suppliers and customers. This accountability is fundamental to these relationships and the trust placed in the Corporation. Canada Post continues to balance the important principles of openness and transparency with its business imperatives to remain financially self-sustaining.

8.9.5 Gender-based Analysis Plus+ (GBA Plus+)

Canada Post's gender diversity exceeds our goal of 80 per cent of the CLMA. As a result, there is limited need to leverage the GBA Plus+ process. The Corporation is committed to gender inclusivity and is continuously monitoring the need for additional gender-inclusive practices based on input from employees and our bargaining agents via our Joint Equity and Diversity Committee. Our employee resource groups also work to identify and address barriers. Canada Post also monitors for greater gender inclusivity through responsive means under human rights, employment equity, and multiculturalism/diversity. While not a legislated requirement, we provide training (and reporting if applicable) on gender-related matters.

In addition, Canada Post is in the process of supporting inclusive pronoun usage, inclusive language practices, gender-neutral washrooms, and the UN's Women's Empowerment Principles (WEPIs). We continue to monitor gender representation to ensure that our numbers remain over 80 per cent of the CLMA, as shown in our **EquiVision report**, available on equivision.services.gc.ca.

8.9.6 Canada Post's Commitment to the Buy Canada Policy

Canada Post is dedicated to fostering strong relationships with Canadian suppliers and is committed to adopting the policies and regulatory requirements to be outlined in the Buy Canada Policy, including the Policy on Reciprocal Procurement, expected to be released in 2026. This commitment involves ensuring that our tendering processes adhere to the procedural rules and market access obligations of these policies and relevant trade agreements.

Potential applications of this policy include incorporating evaluation criteria that support the Buy Canada Policy and exercising our rights as a Crown corporation to determine participant eligibility in Canada Post's tendering processes. Throughout this process, we will maintain our principles of fair, open and transparent procurement. Canada Post currently complies with the trade agreements signed by Canada, including the Canadian Free Trade Agreement (CFTA), the World Trade Organization (WTO) agreements, and the Comprehensive Economic and Trade Agreement (CETA), as well as Canadian public procurement law. As the details of the Buy Canada Policy become clearer in 2026, Canada Post will align its policies accordingly while upholding its existing obligations.

8.9.7 Universal Postal Union Negotiating Mandate

The Minister responsible established the Canadian delegation's negotiating mandate for the 28th Congress of the Universal Postal Union (UPU) and subsequent four-year cycle (2026-2029), which included advocating for reforms to the UPU's contribution system, and informing the UPU of Canada's reduction in contribution units, bringing Canada's contributions into closer alignment with the UN scale of assessment in support of the Refocusing Government Spending exercise.