

Canada Post Corporation Follow-up Answers

How have you been able to access and distribute PPE to your employees?

The safety of our employees and the communities we serve continues to be our top priority. To do that, Canada Post has followed the guidance of the Public Health Agency of Canada as we rolled out measures and supplies throughout our operations.

Canada Post has implemented physical distancing in plants, depots and post offices and reminded Canadians to give our delivery employees at least two metres of space at all times. We have also been sourcing and distributing priority safety supplies such as gloves, sanitizer and clear shields for post offices to add ongoing protection while encouraging regular hand washing. We've developed processes to distribute these items once sourced to where they are needed in our network as quickly as possible.

In early April, the Public Health Agency of Canada, through Dr. Theresa Tam, Chief Public Health Officer of Canada, advised that where physical distancing is difficult to attain, wearing a face covering is an additional measure that can be taken to protect others nearby.

With regards to N95 Respirators and face coverings, we are taking the following approach based on the recommendations from public health authorities.

N95 Respirators – Within our operations, N95 Respirators will continue to be provided for the specific tasks and processes that require them. That includes close-contact maintenance procedures in plants where there is an exposure risk to chemicals, responding to unknown powder or substance incidents in our facilities and cleaners working with cleaning supplies that require a mask. Understanding the importance of N95 Respirators to the health-care system, we are securing these items as available only where they are required in our operations.

Face coverings – are typically loose-fitting masks that cover the nose and mouth, and have ear loops, ties or bands. They can be any type of face covering including scarves and bandanas. Physical distancing remains the recommended primary approach and we continue to provide gloves and sanitizer.

- *Company-provided face coverings* – In specific work locations where consistent physical distancing is not possible or sustained two-person work is the norm, we have provided job aids to help conduct this work safely. We have worked to quickly source and distribute face coverings for additional protection and will maintain supplies for priority work areas or processes. These include International Exchange offices at the Pacific Processing Centre and Vista for handling loose loads of bulk mail, sustained lifting of large items or loading/unloading air cans and those RSMCs who use Ergo helpers.
- *Personally-supplied face coverings* – If employees wish to also wear a personally-supplied face covering where they feel physical distancing is not possible, they are free to do so. If a face covering is worn in a mechanized area, it should be properly secured. We have also installed plastic shields in post offices to provide ongoing protection without the need for masks or face coverings.

In early May, Canada Post made face coverings more broadly available to employees. We have been working to source these high-demand items as quickly as possible. Due to the demand, we will receive the face coverings we've ordered in waves, rather than in one bulk shipment.

Prioritizing to distribute as quickly as possible

To distribute these items to employees as quickly as we receive them, Canada Post has prioritized distribution. The first wave of face coverings have been sent to plants for distribution to employees, starting on May 11th, 2020. They will also be provided to employees at prioritized work centres where sustained physical distancing is not possible, and to employees who are designated and certified providers of first aid in their facilities.

Physical-distancing measures are in place in our plants as they are across the network, but it can be more challenging to maintain two metres of separation in plants, especially when carrying bulk or heavy items.

Additional shipments of reusable face coverings were received in mid-May. As the remaining face coverings arrived, they were distributed to employees in Collection & Delivery, Retail and other work locations across the country, in addition to the physical distancing measures and plastic barriers.

Face coverings are not mandatory

It is not mandatory to wear a face covering. Employees who want them have received up to two reusable face-coverings, which will last for a month. It is our intention to provide employees new face coverings each month while necessary. Employees will be responsible for washing the face coverings as they do with their uniforms. The company-supplied face coverings are loose-fitting masks that cover the nose and mouth, and have ear loops.

Wearing a face covering is not a replacement for physical distancing and frequent handwashing, which remain the recommended primary approach. We also continue to provide gloves and sanitizer for employees. We will continue to evaluate our approach based on the guidance of public health authorities and keep our employees informed of any changes.

Update on “pilot project” on postal banking

In 2018, the government of Canada announced a new vision for Canada Post that puts service to Canadians front and centre. This includes reinvesting profits in services and encouraging innovative projects and partnerships to leverage Canada Post offices, to benefit all Canadians no matter where they live — including Canadians in rural, remote, northern and Indigenous communities. Extensive analysis and consultations were conducted in 2016.

It was clearly stated in the review that Canada Post should focus efforts on excellence in service in the core functions offered. Canada Post is committed to work to meet the changing needs of our customers and the communities we serve and currently offers financial services in the form of postal money orders and digital remittances through a partnership with MoneyGram.

During our negotiations with the Canadian Postmasters and Assistants Association (CPAA), Canada Post agreed to consider financial services proof-of-concept projects in select locations through a joint

committee. Unfortunately, in these unprecedented times, the start of the committee's work has been delayed. Once details are available, Canada Post will work with the CPAA as per the agreement.

Parcel costs sent from China (costs around \$1) vs Parcel costs sent by Canadian SMEs (costs \$7, \$11 or \$12/each); do we have a special agreement with China?

Remuneration for parcels, packets, and letters containing goods sent between member countries of the Universal Postal Union (UPU) is set by the terminal dues system. Within this system, base rates for the international exchange of all postal items are set by regulation. Rates that countries pay are governed by the UPU's ranking of countries into four groups ranging from most to least developed based primarily on GDP per capita calculations. Whereas China is in Group 3, Canada is in Group 1. While it was true that under this system items sent from China to Canada were cheaper than vice-versa (or even items exchanged within Canada), significant reforms to the terminal dues system achieved by the UPU at the 2019 Extraordinary Congress following the US threat to withdraw from it means that China's rates (as well as other countries in Groups 2, 3, and 4) will rise significantly over the next five years. Against the backdrop of these fundamental reforms, Canada Post has a commercial bilateral agreement with China Post on the exchange of packets with terms preferable to those under terminal dues, and is party to multilateral agreements (including China Post) that provide similarly preferable terms in the exchange of other priority and premium items.