Posti Group is negotiating on possible layoffs in certain business areas due to the coronavirus situation

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Posti Group is preparing for the business impact of the coronavirus pandemic and the changes in customer needs and is negotiating on possible layoffs in certain business areas. The objective of the negotiations is to find flexible solutions in order to minimize the impact on personnel. Co-operation negotiations are initiated at Freight Services and potential layoffs are negotiated at Home Services. The co-operation negotiations announced earlier at Transval on possible layoffs have been partly concluded. In addition, the Leadership Team of Posti Group will waive one monthâ€™s pay.

The coronavirus pandemic has had two types of effects on the business operations of Posti Group. First, the company's Parcel and eCommerce business area has been exceptionally busy due to significant growth in the sales volumes of online stores. Posti is currently processing approximately one million parcels each week, which corresponds to the Christmas peak season. Second, the pandemic has had a negative impact on Posti's freight services, the logistics services of Transval, part of Posti Group, and Posti's Home Services. Posti needs to prepare for the short- and long-term business impacts of the declining demand for these services caused by the pandemic.

"The coronavirus pandemic is impacting everyone and society as a whole. Thousands of our employees have worked hard in their respective areas to ensure the delivery of our services and that we can help our customers in this exceptionally challenging situation. I want to thank all our employees for their valuable work. While some of our business areas are very busy, some areas are seeing declining volumes as a result of declining customer needs. As the coronavirus crisis continues, it will inevitably impact also Posti. As a responsible employer, we must prepare for the business impacts of the situation and ensure the viability of our operations also after the crisis," says Turkka Kuusisto, President and CEO of Posti Group.

Co-operation negotiations on possible layoffs at Freight Services, Home Services and Transval

The objective of the negotiations is to find flexible solutions in order to minimize the

impact on our personnel and our customers.

Freight Services will initiate co-operation negotiations on 27 April 2020, with all freight employees, approximately 1,100 persons, in scope of the negotiations. The initial estimate is that the negotiations may result in up to 90 days' staggered layoffs during 2020. Freight volumes have decreased, for example, in the service, manufacturing and construction industries, which has already weakened the demand for freight services. We expect the demand to further weaken in the near future. Therefore, we need to prepare for the changes in customer delivery volumes to secure the preconditions of our business operations.

Home Services is going through co-operation negotiations on possible temporary layoffs for a fixed period in personal assistance functions. The continued pandemic has resulted in customer losses as assisted living facilities and private customers have cancelled visits. Home Services has sought to find replacement tasks for employees to avoid layoffs and will continue to do so. The initial estimate on the need for layoffs minimal. Posti Home Services employed approximately 600 persons in March.

Transval initiated co-operation negotiations on potential layoffs on 24 March 2020. Approximately 3,600 persons were within scope of the negotiations. The negotiations have been concluded for operations personnel. As a result of the negotiations, Transval has the option of initiating staggered layoffs for a fixed period among personnel during 2020. The scope and duration of possible layoffs can vary significantly between business functions, with the possible duration ranging from 1 to 90 days. Transval has carried out several initiatives to mitigate the impact of the coronavirus pandemic and to minimize the need for layoffs.

Posti Group Leadership Team to waive one month's pay

Due to the coronavirus situation, the members of the Leadership Team of Posti Group have decided to waive one month's pay during 2020 while continuing to work in normal manner. The Leadership Team includes 7 members, including the President and CEO.

Source: Posti

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