

## Posti invests in its Baltics parcel business: Construction of the new logistics center in Estonia begins

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The logistics center to be built for Itella in Estonia, is a major investment in Posti's parcel business in the Baltics.

When completed, the new unit in Rae Parish, close to Tallinna, will be one of Posti's largest sorting centers in the Baltics.

Construction work on the 3-hectare site starts in the beginning of May 2024. The logistics center will be approximately 7500 m2 in size, and it is expected to be ready for use in the beginning of 2025. The site allows for additional expansion of the center up to 2400 m2 in the future.

This is a significant investment in Posti's parcel business in Estonia, as the total investment is around EUR 14 million.

## Serving customers with quick and reliable parcel deliveries

"According to our estimates, online shopping growth in Estonia continues strong, as does the popularity of parcel lockers as the most preferred delivery method. As our parcel handling capacity almost triples with the new center, we ensure maintaining our quality leader position even during the busiest shopping holidays. We want to not only maintain but exceed the high standards set by our customers," said Gediminas Mickus, responsible for Itella's operations in the Baltics.

Itella is serving eCommerce customers in Estonia with Smartpost parcel lockers. Smartpost was recently chosen as one of the most recommended Estonian services. The number of parcels delivered to Smartpost parcel lockers have increased constantly as the number of parcels Estonian people order to the parcel lockers have increased 17% during the last 12 months (source: Estonian E-Commerce Association).

## Sustainable parcel sorting operations with focus on employee experience

With the construction of the new center, the automation level of Itella's parcel processes will increase, and the parcel sorting capacity will increase significantly. The center is based on the smart house concept. This means that the building's sensor system allows remote controlling and continuous monitoring of e.g., energy efficiency.

The center is also characterized by a significant electric vehicle charging capability.

"The new center will have the capacity to charge up to 82 electric cars, and we will implement this in stages by 2030. This will help us in reaching Posti's ambitious zero carbon targets. We have planned the center with the objective of enhancing the employee experience and upholding high standards of work safety," said Erich Jeerik, who is working as operations manager at Itella in Estonia.

The construction is being carried out by the Estonian construction company NOBE.

(Posti)