

ANNUAL AND SUSTAIN- ABILITY REPORT 2010

At Norway Post we make both minor and major improvements
every day. Together these make a difference.



03

SUSTAINABILITY

NORWAY POST AND SUSTAINABILITY ▶

WORKING ENVIRONMENT REPORT

ENVIRONMENTAL REPORT

INTEGRITY WORK

DECLARATION IN

SUPPORT OF

GLOBAL COMPACT

GRI INDEX

(reference)



Norway Post and SUSTAINABILITY

As a new member of the UN's Global Compact Norway Post is presenting an integrated annual and sustainability report for the first time.

Through its business activities Norway Post is a prominent member of society and has also been given an important social responsibility with its licence from the Ministry of Transport and Communication - that of ensuring the nationwide operation of delivery services in a proper and cost-effective manner. In recent years Norway Post has developed its business in order to meet new customer demands in a market characterised by internationalisation and increased competition.

Corporate Social Responsibility. Norway Post emphasises the importance of corporate social responsibility in how its operations affect people, the environment and society. For the Group, corporate social responsibility means implementing voluntary measures that are not mandatory legal or licence requirements, which may not necessarily improve short-term profitability, but which have the potential to benefit both the company and society. The main focus

is to reduce the impact of the Group's activities on the external environment as well as to develop the Group as an attractive workplace with a diverse and inclusive working environment.

Goal-oriented work. Norway Post has a good tradition of reporting the measures taken and results we have achieved through our work on and enthusiasm for corporate social responsibility. We have done this with reports on the environment and working environment in previous annual reports. With a separate section on sustainability in this year's report, we are able to document our corporate social responsibility initiatives to a greater extent than before while also focusing on areas in which there is room for improvement. In addition there are two new areas which were not previously the subject of reports; human rights and anti-corruption. Goal-oriented work on sustainability also reduces the risk of corruption and integrity-related risks, and for the damage to reputation connected

STANDARD FOR 2010: GRI G3
LEVEL: C



* THESE TEN PRINCIPLES ARE:

- Human rights**
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
 - Principle 2: make sure that they are not complicit in human rights abuses.
- Labour**
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - Principle 4: the elimination of all forms of forced and compulsory labour;
 - Principle 5: the effective abolition of child labour; and
 - Principle 6: the elimination of discrimination in respect of employment and occupation.
- Environment**
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
 - Principle 8: undertake initiatives to promote greater environmental responsibility; and
 - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Anti-corruption**
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

with breaches of ethical standards in the supplier chain.

Requirements from interested parties. Parties with an interest in Norway Post make increasing demands for systematic work on sustainability and expect Norway Post to work methodically on this in its position as a prominent Norwegian operator. For Norway Post this work concerns how the Group's activities can contribute to sustainable development in line with the demands of customers and the Government's ownership policy. At the same time it is important that the company has an active attitude to corporate social responsibility in its management and its corporate culture. These efforts will secure Norway Post's strong position in society and strengthen its reputation. This will then help to attract and motivate employees, strengthen competitiveness and provide increased freedom to develop the Group's business. Adopting a global initiative such as the Global Compact is therefore a natural extension of our focus on more socially responsible operations.

GLOBAL COMPACT

Norway Post became a member of the UN Global Compact in March 2011. Global Compact is a UN initiative for cooperation with business on sustainable development. As a participant in Global Compact, Norway Post promises to integrate ten basic principles* into its strategy and daily operations. The Group is also committed to report activities and improvements in this regard. The principles are divided into four areas.

REPORTING REQUIREMENTS

As a member of Global Compact, Norway Post is committed to providing social responsibility reports once a year. We provide such reports through our annual and sustainability report.

REPORTING GUIDELINES:

Norway Post uses the globally recognised guidelines, the Sustainability Reporting Guidelines, from the Global Reporting Initiative (GRI) as the basis for its reporting. These guidelines are recommended by Global Compact.

The GRI framework consists of principles and measurement indicators for the reporting of sustainability and describe why, how and

what an organisation should report. The measurement indicators (hereafter called performance indicators) are continuously being developed and improved.

There are currently 80 performance indicators divided into three categories: Economic, environmental and social.

The economic indicators address the direct economic impacts of the organisation's activities on society and the economic value added by these activities. These cover the reporting of salaries, pensions and other benefits to the company's management and employees, payments received from customers and payments made to subcontractors.

Environmental performance indicators concern an organisation's impacts on living and non-living natural systems, including ecosystems, land, air and water. The indicators include environmental impacts of the company's products and services, resource consumption, consumption of hazardous substances and raw materials, emissions of greenhouse gases and other pollutants, waste, the costs of environmental investments and fines and penalties for violations of environmental legislation.

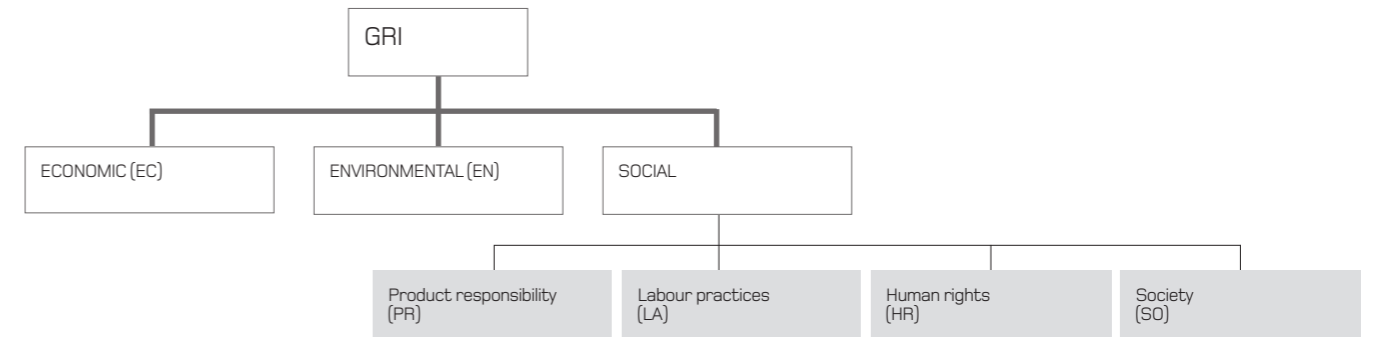
The social indicators are grouped into four categories; issues related to labour, products, human rights and to more general social issues related to consumers, communities and other stakeholders. Such information can be difficult to quantify. This is why it is also possible to provide qualitative descriptions.

WHAT DO WE REPORT?

In accordance with the requirements for application level C, we report within the following GRI indicator categories: economic, environmental and social. We report for the most relevant indicators for our business, which we believe provide the best picture of our continuous work towards more socially responsible operations. We report for the entire Group together, including subsidiaries.

This year we are providing full reports for 11 indicators and partial reports for 2 indicators. We thus qualify for level C in 2010 but eventually aim to report at the highest level.

OVERVIEW OF THE 3 GRI INDICATOR CATEGORIES:



	C	C+	B	B+	A	A+	
STANDARD INFORMATION	G3 Profile disclosures	Report on: 11, 2.1-2.10, 3.1-3.8, 3.10-3.12, 4.1-4.4, 4.14-4.15	EXTERNALLY AUDITED REPORT	Report on all criteria required for level C, and in addition: 1.2, 3.9, 3.13, 4.5-4.13, 4.16-4.17	EXTERNALLY AUDITED REPORT	Same requirements as for level B.	EXTERNALLY AUDITED REPORT
	G3 Information and management approach disclosures	Not required.		Management approach disclosures for each indicator category.		Management approach disclosures for each indicator category.	
	G3 Performance indicators and sector supplement* performance indicators	Report on a minimum of 10 performance indicators, including at least one from each of the following categories: economic, environmental and social.		Report on a minimum of 20 performance indicators, including at least one from each of the following categories: economic, environmental, human rights, labour, society and product responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either a) reporting on the indicator or b) explaining the reason for its omission.	

REPORTING LEVEL: GRI operates with three application levels: A, B and C, where A is the highest and C the lowest reporting level. In addition there are three self-declaration levels: A+, B+ and C+.

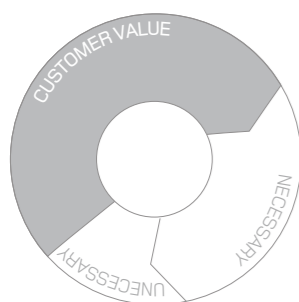
* The sector supplement is a separate set of indicators adapted for different sectors. For example there is a sector supplement for Logistics and Transportation which will be relevant to Norway Post. We have not included indicators for this supplement in this year's report.



Improved conditions at work result in

LESS ABSENCE FROM WORK

If seven percent of employees are sick then 93 percent are healthy. In 2010 Norway Post has therefore carried out a number of preventive measures for those who are at work.



Improvement: REDUCED SICK LEAVE

Team 2 in Drammen distribution reduced sick leave of 27 percent to seven percent over seven months – a relative reduction of 74 percent. Sick leave costs were thus cut and employee satisfaction surveys show a great improvement in satisfaction among the team. Productivity increased by two percent.

Action: Team 2 followed sick employees using the Post model and the "It Helps" programme. A new employee joined the team, who together with the company health service Synergi Helse worked on attitudes and carried out individual health checks. Employees with a historically high rate of sick leave were moved among other teams.

The Group has also established good systems for following up sick leave. This is reflected both in the sick leave statistics and the H-value for 2010. This provides a further incentive to work on health and well-being in the workplace.

Around the world. The continuous improvement of HSE work has been a common goal throughout the entire Group. Last year Norway Post arranged a get-in-shape campaign for all employees in the Nordic region for the first time. "Around the world" is an internet-based activity where the units in the Group compete against each other as teams. Employees register exercise activities such as running, cycling, weight-training or climbing stairs and are awarded points. Altogether over 6200 employees have taken part.

On icy ground. Each winter employees are injured in by falls due to snow and ice. An important action to prevent such injuries is for couriers and drivers to use shoe crampons. A comprehensive campaign was implemented to provide employees working outdoors with

spiked shoes and shoe crampons. During the campaign the number of injuries through falls fell by 31 percent compared with the same period last year.

Sick leave. A method has been put into use for following up employees with repeated high levels of sick leave. The 'It Helps' method has brought significant improvements to the units in which it has been used. This systematic work on sick leave has helped to produce a record-low level of sick leave of 7.9 percent. This is 0.2 percent lower than in 2009.

Fewer accidents. It is an important goal for the Group to reduce the number of injuries at work that lead to sick leave. The H-value (number of injuries per million working hours) is rapidly falling from an unsatisfactory level. The LTI-ratio was 10 compared with 11.6 for the previous year. The Group CEO rates managers on the reporting of near-accidents. Last year the number of registered near-accidents and undesirable incidents passed 26 750. Such reporting provides valuable information for the implementation of

measures to prevent more serious accidents. The proportion of employees incapacitated for work in Norway Post is the same as in society in general.

Health promotion leadership. The Group CEO has put HSE at the top of the agenda for many years. All management and staff meetings begin with the subject of HSE and managers are rated on their HSE results. In this year's organisational survey employees also scored high for factors such as attractive workplaces, motivation and working environments that promote good health. The philosophy is health promotion leadership, and the goal is a working environment which promotes good health in which nobody is injured or sick as a result of their work.

Improving managers. The Group works on the continuous improvement of leadership through the development of both management groups and individuals. 120 managers completed individual programmes in 2010. Of these 74 took part in the Group's Middle Management Programme while 46 took part in the Group's pro-

gramme for first line managers "The Confident Manager." In addition a pilot programme called "Aspiring Managers" was implemented to mobilise more first line managers from among the Group's own workforce (8 participants in 2010). Two MBA dissertations that discuss the connection between following up managers and employee satisfaction show that those who have taken part in the Group's Middle Management Programme score higher in management evaluations after completing the programme.

Continuous change. A methodology has been established for improvement work in Norway Post that is based on the Lean philosophy. The involvement of employee representatives in this regard was further strengthened throughout last year. Norway Post changed the Group structure in the first half of 2010. The aim is to secure market positions in line with the strategy of growth in the logistics area and the expected further decline in volumes in the mail segment. The reorganisation was carried out with good dialogue with the unions and without layoffs. During the process managers were

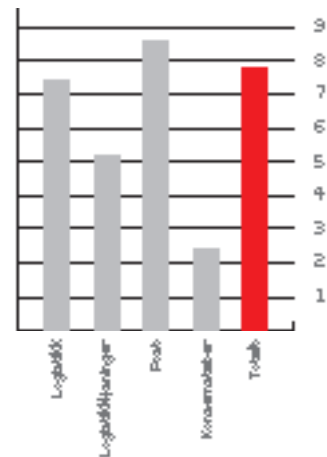
MOST IMPORTANT EVENTS:

- 1 LTI-ratio.** The LTI-ratio (number of injuries per million working hours) is rapidly falling from an unsatisfactory level. The LTI-ratio was 10 compared with 11.6 for the previous year.
- 2 Record-low sick leave.** A method has been put into use for following up employees with repeated high levels of sick leave. This systematic work on sick leave has helped to produce a record-low level of sick leave of 7.9 percent. This is 0.2 percent lower than in 2009.
- 3 Get-in-shape campaign.** For the first time Norway Post arranged a get in shape campaign for all employees in the Nordic region. "Around the world" is an internet-based activity where the units in the Group compete against each other as teams. Altogether over 6200 employees have taken part.

"As a workplace the Group reflects the situation in Norway. 11 percent of employees are immigrants or have two immigrant parents."

SICK LEAVE
(group) in %

7,9%



given training and support so that they were better equipped to handle the changes in an appropriate manner. During the course of 2010 the Group's workforce was reduced by 370 full time equivalents.

Security and predictability. Comprehensive agreements and administrative guidelines create security, predictability and structure during Norway Post's restructuring processes. Norway Post has contractual internal framework conditions at the highest level for the implementation of restructuring processes as well as specific agreements for solving all issues through the internal job market and voluntary solutions. These agreements specify the rules for periods of notice and minimum periods for the provision of information before reorganisations that result in a reduction in the workforce of the parent company. (GRI LA 5)

Attractive workplace. One of Norway Post's main aims is to be an attractive workplace. The annual employee satisfaction survey shows that the Group has a stable and good working environment. In 2010 the Group achieved a total score of 76 which is the same as in 2009. If we include the new companies which were not included in the survey in 2009 the total score for 2010 was 75. Participation in the employee satisfaction survey was extremely high in 2010. In all some 94 percent of employees completed the survey.

Better training. Through collaboration with the Norwegian Ministry of Education and Research and VOX, around 100 employees of the Group completed a course in basis competence dur-

ing 2010 (Norwegian, reading and writing, maths and basic IT). Language tuition is one of the most important ways to integrate employees with a different cultural background into the Group. In 2010, 40 percent of the course participants had immigrant backgrounds.

Pensions and employee insurance. Employees of Norway Post have favourable pension and employee insurance schemes. In 2010 important work was carried out which ensured that Norway Post's employees had their earned pensions safeguarded in accordance with new pension legislation introduced in 2010 in Norway.

Talent and employee development. The further development of the Group's talent programme underscores the continued focus on talent and employee development. The methods of finding and evaluating managers in the Group have been improved. An annual process of management evaluation has been established for the respective management groups (LeaderReview). Despite the financial crisis the programmes for trainees and summer internships were also carried out in 2010 with the recruitment of seven trainees and four candidates for summer internships.

Online training. The Group has a website for courses and training – the Academy. This has been developed further into a new e-learning portal. As one of the first training courses in the new e-learning portal, a Group-wide introduction programme for new employees will be initiated in 2011. The Group continues its focus on certificates of apprenticeship by making arrangements for placement candidates and

bringing in apprentices. In addition, 42 grants were given to employees in 2010 to raise their formal competence.

Improvement award. As part of the Group's focus on promoting a culture of continuous improvement, a specific improvement award was established in 2010 - in total four prizes have been awarded internally for initiatives that have made an excellent contribution to documentable improvement.

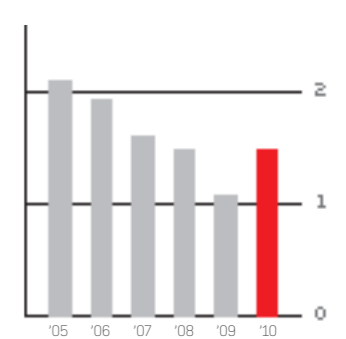
Colourful community. In 2010 Norway Post marked the tenth anniversary of "Racism-free Zone", a collaboration between Norwegian Peoples Aid, Postkom and Norway Post. By being a declared racism-free zone the Group is obliged to work actively against racism and treat all incidences of discrimination seriously. No incidences of discrimination were recorded in 2010. The Group's employee satisfaction survey which measures employees' contentment at work has contained the statement "Discrimination does not take place in my unit" since 2005. The response values have risen from 5.9 to 6.1 on a scale of 1-7. This increase suggests that several more employees must have systematically

responded in a more positive manner for this statement over the five year period. Nevertheless Norway Post also sees room for improvement in this result which demands continued focus. There is to be zero tolerance for discrimination in the Norway Post Group. (GRI HR 4)

Mirroring society. As a workplace the Group reflects the situation in Norway. 11 percent of employees are immigrants or born to two immigrant parents. (GRI LA13) It is a goal of the Group to continue to reflect society in the future. The Group has an ambitious target for the diversity of employees in the corporate staff units and management in order to ensure that the Group works to reflect society at all levels. The proportion of immigrants and those born to two immigrant parents working in the staff units and management is currently 3.7 percent. The Group aims for this to be 7.5 percent by the end of 2015. As part of this work to increase the proportion of employees with immigrant backgrounds in the staff units and management positions, an internal development programme "You make the difference" will be initiated in 2011 for a handful of employees with immigrant backgrounds who want to develop their careers.

DEVELOPMENT IN INCAPACITY FOR WORK
(Parent company) in %

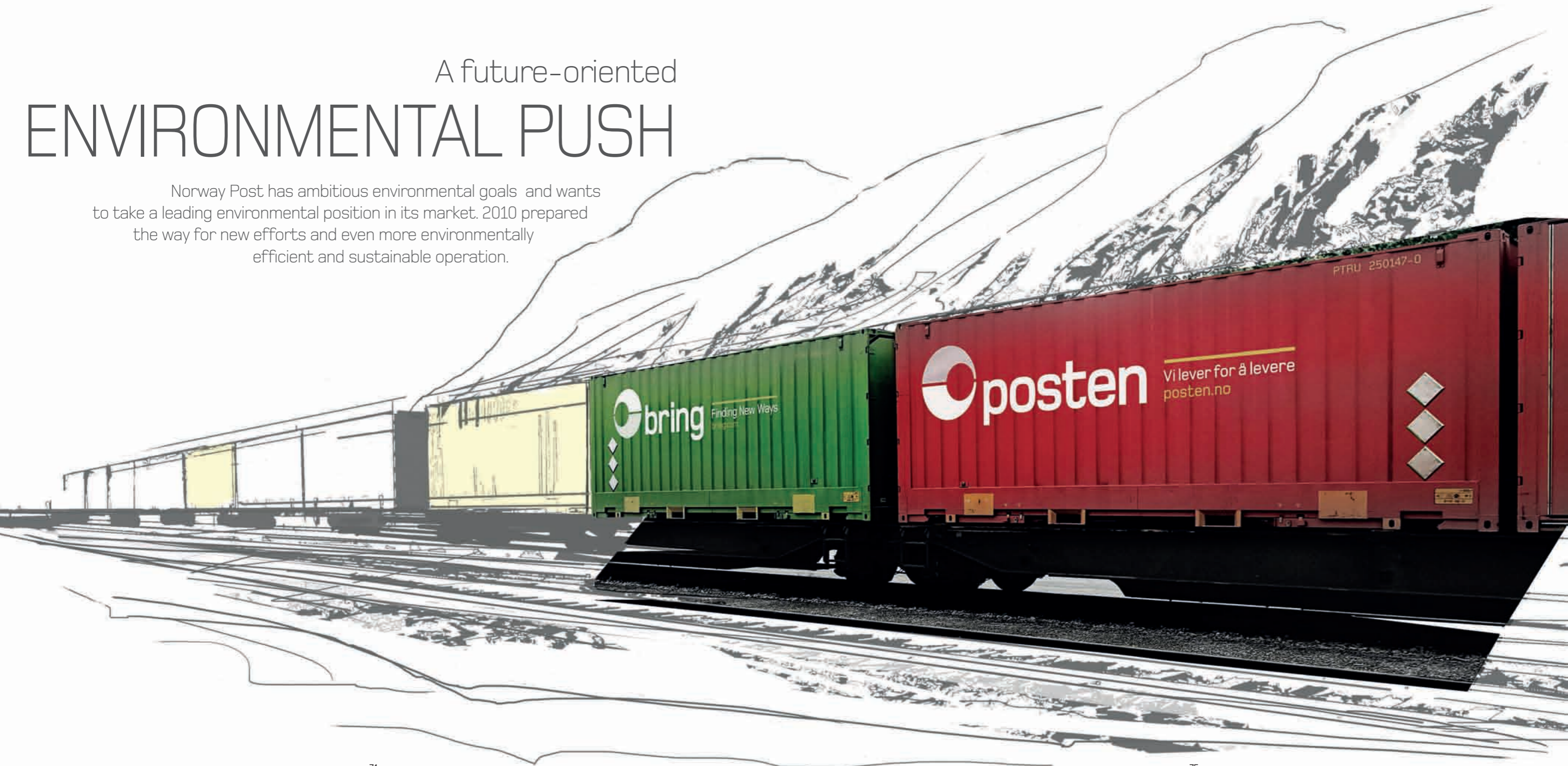
1,47%

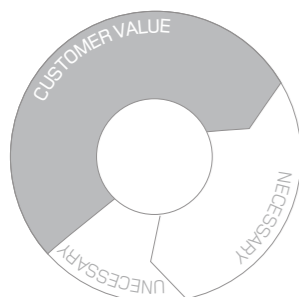


"The continuous improvement of HSE work has been a common goal throughout the entire Group."

A future-oriented ENVIRONMENTAL PUSH

Norway Post has ambitious environmental goals and wants to take a leading environmental position in its market. 2010 prepared the way for new efforts and even more environmentally efficient and sustainable operation.





Improvement:
INCREASED ENVIRONMENTAL COMPETENCE

The environmental competence of the employees at Norway Post's Goods Centre was greatly improved after an increased focus on pre-sorting waste at source and the environmental impact of the centre was reduced significantly.

Action: All managers took the Environmental Diploma, and a '5-S system' was introduced which entailed standardising, structuring, scrubbing, systemising and sorting. A waste sorting poster consisting of 12 sorting fractions was created and the centre followed up with monthly audits of the 5-S system.

The environment is one of the Group's focus areas within corporate social responsibility. As one of the Nordic region's biggest transport operators the impact of CO₂ emissions in particular is significant. We are therefore actively working to reduce the extent to which we affect the environment throughout the Group's value chains. (GRI EN 26) Norway Post's environmental vision is to "work in a goal oriented manner to achieve environmentally efficient operations and sustainable development - leading to our becoming the world's most future-oriented mail and logistics group." 2010 was characterised of the continuing good progress made by Norway Post in its environmental work.

Strategy and action plans. In the autumn of 2009 the Group adopted a new strategy for environmental work with the ambitious goal of reducing CO₂ emissions by 30 percent by the end of 2015 compared with the 2008 figures. In line with this strategy the Group prepared detailed action plans in 2010 for the environmental area for each business area - Mail, Logistics and Logistics Solutions.. The plans apply for the period 2010-2015 and detail the environmental work to be carried out and the effects this work has on CO₂ emissions.

Organisation. A Group-wide network works together to ensure focused environmental practices. In addition, there is a corporate environmental team that ensures a systematic and intergrated approach to this work.

Collaboration. To solve the major environmental challenges the Group faces, interaction between companies, organisations, and research institutes is key. Norway Post takes part in the secretariat of the Business Climate Panel and has adopted a Climate Promise. We safeguard industry collaboration through our representatives in the International Post Corporation and Post Europ. Both fora include the reporting of climate impact for sector benchmarking and sharing of best practice amongst members.

In 2010 Norway Post also became a member of the Swan Purchasers' Club, which will help the Group make the most environmentally conscious choices when purchasing products and services.

Better city climate. As one of many actors the Group wishes to contribute to a better city climate. In August 2010 Norway Post's Group CEO launched CO₂-free postal delivery in Trondheim - the first of its kind. In December Norway Post, together with several other companies, signed a Business for a Better Environment agreement under the auspices of Oslo Municipality. This collaboration shall contribute to Oslo Municipality achieving its environmental goals. Norway Post also takes part in Cities of the Future which is a collaboration between the authorities and the 13 biggest town in Norway to reduce greenhouse gas emissions. Bring is represented in Clean Truck. This is an EU initiated cooperation between transport companies, vehicle manufacturers, fuel suppliers and Stockholm Municipality.

In addition the Group is represented in the Network for Transport and Environment (NTM) that works on the development of standardised emission calculation methods for the transport industry.

Environmental certification and ISO 14001
Environmental certification provides clear documentation of the environmental work carried out by the individual unit and is an important contribution to building the culture of continuous improvement in Norway Post. Norway Post has a total of 11 units that have Eco-Lighthouse certification, 8 of these were certified in 2010 including four large terminals. The Group plans to have more certifications in 2011. During 2010 the Group experienced a large number of enquiries from units in Norway Post wanting to be certified and trained 4 Eco-lighthouse consultants to meet this demand. 7 units have been certified in accordance with the ISO 14001 standard. Bring Express certified its operations in Stockholm in 2010 and plans to certify the rest of the Swedish operations of Bring Express in 2011.

Improving land-use efficiency. Norway Post's South-East Norway terminal opened in February 2010 and processes more than 60% of mail volumes in Norway. The South-East Norway terminal has enabled Oslo Akershus Region to achieve a net improvement in land-use efficiency approximately 10 000 m² in 2010. The terminal also has a geo-energy plant (thermal energy) that provides a significant reduction in environmental emissions. This is the first time that this type of technology has been used in an industrial project of this size in Norway. District heating from a nearby bioenergy plant can also be used as peak heating.

Rail initiative. To help reduce the impact on the environment the Group has long focused on moving freight from air to road and from road to rail. Norway Post achieved an 80 percent share for rail in 2010 on those Norwegian routes where it is possible to replace trucks with trains. We are continuously working with customers to identify rail transport solutions instead of road.

"As one of many actors the Group wishes to contribute to a better city climate."

ENERGY CONSUMPTION (GRI EN 3 AND 4)

(GigaJoules)

Source	Energy carrier	2010	
		Direct	Indirect
Vehicles ¹	Diesel	1 660 574	
	Petrol	15 667	
	Biodiesel (B100)	4 061	
	Biodiesel (B30)	4 061	
Buildings	Electricity		63 256
	District heating		8 631
	Fuel oil	17 900	
	Gas	2 444	
Total		1 704 707	71 887

¹ Only includes vehicles owned by the Group

EMISSIONS TO AIR (GRI EN 20)

in tonnes

Source	SO2	NO	NM VOC	CO	PM
Own vehicles	2,3	741,6	221,2	852,5	37,3
Buildings	0,4	1,4	0,2	0,9	0,1
Subcontractors ¹	45,2	4 704	508,2	1 310,5	161,5
Total	47,9	5 446,9	729,6	2 163,9	199

¹ Includes leased vehicles and air, sea and rail freight.

OWN VEHICLES

Parent company

	2008	2 009	2 010
Vans > 7,5 t	4755	4 601	4 876
Euro 2	55	14	3
Euro 3	263	272	124
Euro 4	249	141	249
Euro 5	51	105	83
Mopeds	120	123	234
Electric mopeds	3	47	100
Electric jeeps			10
Electric trolleys			80
Biogas cars			1
Other (Electric cars)	2	2	
Total	5576	5 351	5 760

MOST IMPORTANT EVENTS:

- 1 **Action plans.** The Group has drawn up detailed plans for environmental action each business area: Mail, Logistics and Logistics Solutions. The plans apply for the period 2010-2015 and detail the environmental work to be carried out and the effects this work has on CO₂ emissions.
- 2 **CO₂-free postal delivery.** As one of many actors the Group wishes to contribute to a better city climate. In August 2010 Norway Post's Group CEO launched CO₂-free postal delivery in Trondheim - the first of its kind.
- 3 **Environmental training.** In 2010 the number of people who completed the Environmental Diploma grew by 2000, and 3500 employees are currently taking part in the programme. The Environmental Diploma is an e-learning program that provides a fundamental introduction to different environmental issues.

Alternative vehicle strategy. The Group is actively working to make use of vehicles and fuel that emit less greenhouse gases. Norway Post is focused on the continuous upgrading of its vehicle fleet, a measure that helps to reduce emissions. With regard to the age of the total vehicle fleet, in the Group 18 percent of our own vehicles are from 2009 and 2010 while 24 percent of leased vehicles are from 2009 and 2010.

The Group collaborates with suppliers on the development and testing of new and more environmentally efficient vehicles. The plan is for Norway Post to replace the car with alternative means of transport on 1300 routes by the end of 2015. This work has progressed well in 2010 with the introduction of 80 electric trolleys and 100 electric mopeds. In addition 10 electric jeeps, an electric van and a biogas distribution vehicle are being tested to evaluate expanded use in other areas.

Bring Express in the Nordic area uses bicycles for express deliveries in cities and has a total of 63 bicycle couriers; 30 in Denmark, 15 in Sweden, 13 in Norway and 5 in Finland.

In Sweden Bring also has 35 biogas-fuelled cars. In addition Bring Frigo is taking part in the testing of a Volvo biogas/diesel hybrid in Skåne.

CO₂. In 2010 the Group has worked to improve data capture and reporting methods. This primarily applies to foreign companies, subcontractors and more precise vehicle distribution. This means that the carbon footprint now includes emissions from all* operations and that we report higher CO₂ emissions than in previous years. Nevertheless there is an underlying reduction in CO₂ emissions within the areas we have previously reported. Using the same reporting scope and methods as in 2008, emissions were reduced by 6% up to the end of 2010. As a result of the increased reporting scope and improved methods, the Group has established a new baseline based on a total of 723 649 tonnes of CO₂ in 2010*. This forms the basis for further work on goals and initiatives. The majority of emissions from the Group come from transport subcontractors. The Group has therefore worked to im-

"The Group collaborates on a continuous basis with suppliers on the development and testing of new and more environmentally efficient vehicles".

prove cooperation with subcontractors which entails environmental requirements for purchasing and follow-up work during contract periods.

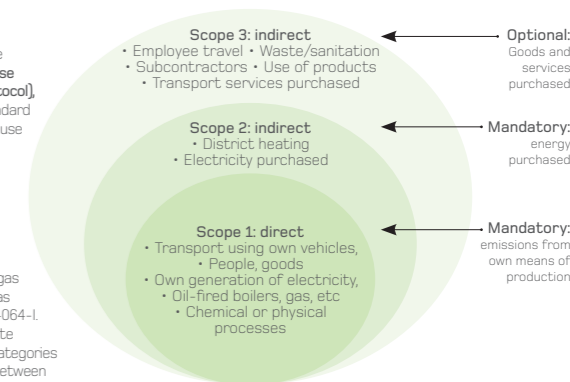
Energy. The Group recorded a 7 percent reduction in electricity consumption from 2008. The proportion of district heating is rising and is now 12 percent of total energy consumption. This is based on the same reporting scope as in 2008. Large parts of the Group record their energy consumption through the EOS log which provides a detailed picture of electricity consumption even as far as on an hourly basis. This makes it possible to compare consumption for terminals and in the coming year will help to put a greater focus on energy efficiency measures including the use of competitions in connection with saving electricity. Norway Post has signed a contract with LOS AS to guarantee that 100 per cent of the electricity supplied to all Group companies in Norway, Sweden and Denmark is renewable energy.

Bring Frigo is testing LED lighting in its cold store in Helsingborg – this has a double positive effect as LED technology uses less electricity and generates less heat in the cold store. LED lighting will also be tested in the Mail Division.

*Does not include newly-acquired companies and Bring Cargo Sweden

EMISSION REPORTING IN ACCORDANCE WITH THE GREENHOUSE GAS PROTOCOL

The accounts are based upon the international standard **Greenhouse Gas Protocol Initiative (GHG protocol)**, which is the most important standard for the measurement of greenhouse gas under the auspices of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG protocol consists of two accounting standards which explain how to quantify and report greenhouse gas emissions and in 2006 was used as the basis for the ISO standard 14064-1. The GHG protocol bases its climate reporting on three "scopes" or categories of emissions and differentiates between direct and indirect emissions.



CARBON FOOTPRINT (GRI EN 16 AND 17)

	GROUP				NORWAY POST			
	2008 ¹	2009 ²	2010 ³	2010 ³	2008 ²	2009 ²	2010	2010 ³
Scope 1								
Road	79,645	97,783	96,592	123,372	49,226	47,857	49,626	49,626
Buildings	1,927	2,342	1,625	1,638	285,375	814	814	
Subtotal scope 1	81,571	100,124	98,217	125,010	49,511	48,232	50,439	50,439
Scope 2								
Electricity ⁴	17,345	16,915	21,127	22,762	8,997	8,567	8,277	10,925
District heating	1,306	1,394	2,006	3,076	703	730	1,351	1,783
Sum scope 2	18,651	18,309	23,133	25,838	9,700	9,297	9,627	12,708
Scope 3								
Road	239,472	207,109	205,503	482,573	3,937	2,066	804	804
Rail	3,580	4,869	4,154	5,525	1,028	1,235	938	938
Air	48,214	40,337	52,131	55,380	31,497	29,180	31,812	31,953
Sea	34,507	37,398	15,519	25,543	9,132	9,293	7,776	7,776
Business travel	2,420	1,423	3,487	3,780	638	935	2,094	2,094
Sum scope 3	328,193	291,137	280,794	572,800	46,232	42,709	43,425	43,566
Sum total:	428,415	409,571	402,144	723,649	105,442	100,238	103,491	106,713

¹ Data for 2008 and 2009 does not include ErgoGroup and are not therefore directly comparable with previous annual reports.
² Data for 2008 and 2009 are updated and are not therefore directly comparable with previous annual reports.
³ Total figures adjusted for new companies/units, distribution formulae and factors.
⁴ Norway Post purchases Green El, but lists the emissions in the accounts.
⁵ El-factors updated to be country-specific for Sweden, Denmark, Finland and France. Boat categories/factors updated.

WASTE (GRI EN 22)

in tonnes	2008	2009	2010
Total waste volume	11 138	10 605	10 879
Strategy and action plans	3 747	4 110	4 914
Wood	2 932	2 627	2 127
Plastic	334	295	409
Glass		2	6
Metal		281	284
Food waste		879	515
Other (recovered)	1 657	435	564
Residual waste (energy recovered)			701
Residual waste (not recovered)	2 468	1 976	1 358

*Waste data not available for parts of the Group

WASTE (GRI EN 22)

in percent	2008	2009	2010
Total waste volume	100%	100%	100%
Strategy and action plans	34%	39%	45%
Wood	26%	25%	20%
Plastic	3%	3%	4%
Glass			
Metal		3%	3%
Food waste		8%	5%
Other (recovered)	15%	4%	5%
Residual waste (energy recovered)			6%
Residual waste (not recovered)	22%	19%	12%

*Waste data not available for parts of the Group

Waste. In 2010 the Group produced around 11 000 tonnes of waste. 88% of waste is recycled, either through material recycling or energy recovery. Pre-sorting waste both saves and earns the Group money and helps to reduce environmental impact. The goal is to increase the proportion of pre-sorted waste to 91 percent by 2015. The Group is affiliated with Green Dot which shall contribute to increased recycling of packaging.

Raising competence. Norway Post's employees are the most important factor in reducing our environmental impact. In 2010 the Group continued its systematic work to give all employees training in the environment, including through the Environmental Diploma. The Environmental Diploma is an e-learning programme that provides a fundamental introduction to different environmental issues. In 2010 the number of people who completed the Environmental Diploma grew by 2000, and 3500 employees are currently taking part in

the programme. Plans have been established to complete the programme throughout the entire organisation.

The Group emphasises the importance of training drivers in environmentally efficient driving and this is undertaken on a continuous basis. This has resulted in an average reduction of fuel consumption of 5 percent. Other training measures have also been created to make it easier for managers to focus on the environment in day-to-day work.

The Group has continuously drawn attention to local environmental measures carried out throughout the entire organisation through our intranet and Group staff newspaper. We have also entered into collaboration with Cicero through which the informational magazine Klima is available to all employees. Environmental issues also created great enthusiasm when this was a topic at one of the Group Director's online meetings for all employees.

"Norway Post's employees are the most important factor in reducing our environmental impact."



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CLIMATE ACCOUNT AUDIT 2010 POSTEN NORGE AS

We have audited the climate accounts for Posten Norge AS for 2010. The HS&E director and Environment senior management have the overall responsibility for the ongoing work with the climate accounts, and for creating system boundaries, reporting platforms and consolidating figures in accordance with current standards. We have carried out an overall review of the methods used and procedures for gathering figures, the use of factors, sources and core rules, and have based our statement on these.

The climate accounts have been prepared in accordance with the principles of the Greenhouse Gas (GHG) Protocol, and consist of Scopes 1, 2 and 3. The calculations take into account the most important greenhouse gases, in addition to other significant emissions to the air. The accounts include figures for the Norway Post group in total, figures for the individual divisions, business areas and companies, as well as other environmental statistics such as waste, and a list of the vehicle fleet.

Norway Post has carried out emission calculations for the divisions **Post** (including the business areas Distribution, Chain Operations, Dialog, Bring Citymail Sweden and Administration), **Logistics** (including the business areas Cargo, Parcels (formerly PNL), PTT, Supply Chain and Administration), **Logistic Solutions** (including the business areas Express, Frigo, Warehousing, Denmark, Supply Services and Administration) and **Posten Norge AS** with the Group Administration.

We have carried out the audit in such a way as to ensure to a reasonable level of confidence that the accounts do not contain any significant misinformation. Our examination included checks of selected parts of the internal and external documentation that support the information given in the accounts, and an assessment of compliance with the methods and sources used.

Our assessment:

The climate accounts have been prepared in accordance with the GHG protocol's principles and, in our opinion, provide a realistic description of the companies' activities and emission sources.

Calculation model: Norway Post has developed a customised solution for data collection from each unit, summarising and linking to sources and factors. The calculation model and solution in its entirety appears clear, efficient and transparent. There is space to include more items and companies in the accounts in the future.

Quality: Norway Post has given a subjective quality assessment of all of the collected figures, and each unit has been given the task of assessing data quality on a tripartite scale. A clear division of responsibility has been developed for overall quality assurance in the process. In our opinion, this result is in agreement with our assessment of the source material.

Sources: Selection of sources and factors has been made on a conservative basis. To the extent that they are available, national emission factors have been used. In cases where emissions are not country-specific, acknowledged international factors, with references to sources, have been used. The system permits factors to be updated as required.

In our opinion, our audit provides an adequate basis for our statement.

Oslo, 25 February 2011

Per Otto Larsen
Head of Carbon Management Services
CO2focus AS

The Group's standard for INTEGRITY

In 2010 Norway Post began work on an 'Integrity Programme' to increase awareness of the Group's standard for integrity.

The integrity programme and the integrity standard that now applies to the Norway Post Group is based on the Group's common ethical guidelines. One of the aims in creating the integrity programme was to be able to communicate clearer to all employees the demands for integrity and responsible behaviour made of each individual employee. Specific examples are also given in the programme of typical ethical dilemmas related to integrity as well as how these can be handled. An important part of the programme is also to formalise the demands Norway Post makes of its suppliers and business partners with regard to ethical standards/integrity.

1. COMPETENCE

E-learning course. The integrity programme will include an interactive e-learning programme for employees in the Group that will help to ensure the employees' competence in important areas. The programme builds on and takes as its basis the issues covered by Norway Post's integrity handbook (see below), including corruption and conflicts of interest. The e-learning course will, together with the handbook, make a further contribution to making the individual aware of specific and relevant dilemmas. The course shall be interactive and interesting, and invite reflection and discussion on typical dilemmas related to the specific integrity issues. The e-learning course will be available in Norwegian, Swedish and English, and its implementation is planned for the second half of 2011 (GRI SO 3 and HR 3 – partial reporting). In addition to the e-learning programme other forms of relevant training will be given on an ongoing basis in the individual units within the Group, and this will be more aimed at the specific requirements of the individual unit.

Handbook. An important part of integrity work

is the creation of a handbook with which the Group's employees will be obliged to become familiar. The integrity handbook shall be a tool and basis for managers and employees in the continuous work to ensure a high level of integrity in all parts of the Group. The handbook will also provide guidance on the demands made of the Group's suppliers and business partners. The handbook contains a number of topics related to integrity, such as for example corruption (including facilitation payments, gifts and representational costs), conflicts of interest, fair competition and social dumping. The handbook will be available in Norwegian, Swedish and English, and its completion and implementation is expected in the second quarter of 2011 (GRI SO 3 and HR 3 – partial reporting)

2. SUPPLIER MANAGEMENT

Ethical standard for suppliers. Ensuring a standard for integrity in the Group also entails demands being made of the Group's suppliers and business partners. As a part of the integrity programme Norway Post has therefore formalised an ethical standard for the Group's suppliers and business partners. The standard builds upon Norway Post's integrity standard and is conditional upon compliance with fundamental ethical standards regarding corruption, human rights, workers' rights, fair competition and the environment. The aim is to contribute to Norway Post's suppliers and business partners meeting Norway Post's own ethical standard.

Suppliers must submit a declaration that gives Norway Post the right to check that they comply with the ethical standard, including the right to request the necessary documentation and the right to carry out announced or unannounced checks. The declaration will be used for all supplier and cooperation agreements entered into in the future (GRI HR 2).

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA



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Date:
21. February 2011

Dear Mr. Secretary-General,

I am pleased to confirm that Posten Norge AS supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Posten Norge will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Sincerely yours,
Posten Norge AS

Dag Mejdell
President & CEO

Norway Post became a member of Global Compact in March 2010. The application letter sent to Ban Ki-moon underlines Norway Post's support of Global Compact.

GRI G3 INDEX

Norway Post's annual and sustainability report for 2010 has been created in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting (the Sustainability Reporting Guidelines). Norway Post provides full reports for 11 indicators and partial reports for two. According to the GRI Norway Post's annual and sustainability report is classified as level C.

PART I: PROFILE INFORMATION		PAGE/SECTION
1. STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision maker of the organisation.	10-14
2. ORGANISATIONAL PROFILE		
2.1	Name of the organisation.	6
2.2	Main products and/or services, including brands.	7/02
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	01-02
2.4	Location of organisation's headquarters.	7
2.5	Number of countries in which the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	7
2.6	Nature of ownership and legal form.	01
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	01, 02
2.8	Scale of the reporting organisation.	01-03
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	20-29, 88-89
2.10	Awards received in the reporting period.	8-9
3. REPORT PARAMETERS		
3.1	Reporting period (e.g fiscal/calendar year) for the information provided.	66
3.2	Date of most recent previous report (if any).	*
3.3	Reporting cycle (annual, biennial, etc.)	66
3.4	Contact point for questions regarding the report or its contents.	**
3.5	Process for defining report content.	03
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	66
3.7	Any specific limitations on the scope or boundary of the report.	66
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.	03, 04
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	03-04
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	01-04
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	01-04
3.12	Table identifying the location of the Standard Disclosures in the report.	3
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	15-17, 38-45
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	18
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	18-19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	38-45
4.14	List of stakeholder groups engaged by the organisation	01, 03
4.15	Basis for identification and selection of stakeholders with whom to engage.	01, 03

*This is Norway Post's first sustainability report. **For questions regarding our sustainability report contact us at: rapport@posten.no.

SECTIONS

- 01 Group
- 02 Segment
- 03 Sustainability
- 04 Notes

- Fully reported
- Partly reported

PART III: PERFORMANCE INDICATORS		PAGE/SECTION
CATEGORY: ECONOMIC		
Economic performance:		
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	● 01, 04
EC 2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	
EC 3	Coverage of the organisation's defined benefit plan obligations.	
EC 4	Significant financial assistance received from government.	
Market presence:		
EC 5	Range of ratios of standard entry level wage compared with local minimum wage at significant locations of operation.	
EC 6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	
Indirect economic impacts		
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	
EC 9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	
CATEGORY: ENVIRONMENTAL		
Materials:		
EN 1	Materials used by weight or volume.	
EN 2	Percentage of materials used that are recycled input materials.	
Energy:		
EN 3	Direct energy consumption by primary energy source.	● 77-79
EN 4	Indirect energy consumption by primary source.	● 77-79
EN 5	Energy saved due to conservation and efficiency improvements.	
EN 6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	
EN 7	Initiatives to reduce indirect energy consumption and reductions achieved.	
Water:		
EN 8	Total water withdrawal by source.	
EN 9	Water sources significantly affected by withdrawal of water.	
EN 10	Percentage and total volume of water recycled and reused.	
Biodiversity:		
EN 11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
EN 13	Habitats protected or restored.	
EN 14	Strategies, current actions, and future plans for managing impacts on biodiversity.	
EN 15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	

Emissions, effluents, and waste:			
EN 16	Total direct and indirect greenhouse gas emissions by weight.	●	79
EN 17	Other relevant indirect greenhouse gas emissions by weight.	●	79
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		
EN 19	Emissions of ozone-depleting substances by weight.		
EN 20	NOx, SOx, and other significant air emissions by type and weight.	●	77
EN 21	Total water discharge by quality and destination.		
EN 22	Total weight of waste by type and disposal	●	80
EN 23	Total number and volume of significant spills.		
EN 24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		
EN 25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.		
Products and services:			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	76-80
EN 27	Percentage of products sold and their packaging materials that are reclaimed by category.		
Compliance:			
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.		
Transport:			
EN 29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		
Total expenses:			
EN 30	Total environmental protection expenditures and investments by type.		
CATEGORY: PRODUCT RESPONSIBILITY			
Customer health and safety			
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		
PR 2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		
Product and service labelling:			
PR 3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		
PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.		
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		
Marketing communications			
PR 6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		
PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		
PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		
Compliance:			
PR 9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		
CATEGORY: HUMAN RIGHTS			
Investment and procurement practices:			
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	82
HR 3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	82
Non-discrimination:			
HR 4	Total number of incidents of discrimination and actions taken.	●	73
Freedom of association and collective bargaining:			
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		

Child labour:			
HR 6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.		
Forced and compulsory labour:			
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.		
Security Practices:			
HR 8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.		
Indigenous rights:			
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken.		
CATEGORY: LABOR PRACTICES AND DECENT WORK			
Employment:			
LA 1	Total workforce by employment type, employment contract, and region.		
LA 2	Total number and rate of employee turnover by age group, gender, and region.		
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		
Labour/management relations:			
LA 4	Percentage of employees covered by collective bargaining agreements.		
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	●	72
Occupational health and safety:			
LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.		
LA 7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.		
LA 8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.		
LA 9	Health and safety topics covered in formal agreements with trade unions.		
Training and education:			
LA 10	Average hours of training per year per employee by employee category.		
LA 11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		
LA 12	Percentage of employees receiving regular performance and career development reviews.		
Diversity and equal opportunity:			
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	73
LA 14	Ratio of basic salary of men to woman by employee category.		
CATEGORY: SOCIETY			
Society:			
SO 1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		
Corruption:			
SO 2	Percentage and total number of business units analyzed for risks related to corruption.		
SO 3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	●	82
SO 4	Actions taken in response to incidents of corruption.		
Public policy:			
SO 5	Public policy positions and participation in public policy development and lobbying.		
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		
Anti-competitive behaviour:			
SO 7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.		
Compliance:			
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		

ed a postponement until 01.01.2013. The extent to which Norway will introduce or resist the EU's Third Postal Directive is a matter for the government to decide. 85% of the Group's revenues currently arises from business that is subject to competition and Posten Norge is also preparing to meet direct competition for letter mail of less than 50 grams. Yet, regardless of any liberalisation the strongest competition for Posten Norge's letter distribution comes from electronic communications solutions.

Government ownership

In the Owner's Statement about Posten Norge (St. meld. nr 12 (2007-2008), presented on 01.02.2008) the Ministry of Transport and Communications concluded that Posten Norge's statutory and licence requirement to offer basic banking services should not be changed or withdrawn.

In a review undertaken on behalf of the Ministry of Transport and Communication in 2011, Copenhagen Economics concluded that Posten Norge's statutory requirement to offer banking services throughout its sales network could be repealed or limited to its rural delivery service area.

Furthermore approval was also given to convert a further 124 post offices to Post in Shops ("PiB") by the end of 2010. Approval was also given to Posten Norge's Scandinavian growth strategy. The

government will consider Posten Norge's foreign operations in connection with the next Owner's Statement about Posten Norge's operations.

The Post office network

During 2010 Posten Norge completed the Translation of 124 post offices to Post in Shops (PiB) within the framework stated in St.meld. no. 12 (2007-2008). During 2010 Posten Norge converted 29 post offices to PiB. Furthermore Posten Norge completed an open competitive tender for the future operation of the PiB concept in 2010. Agreements have been signed for the operation of 1 164 PiBs. The agreements will be implemented by 01.07.2011 with a duration of 3 years, and an option to extend for a further 2 years. During the course of 2011 a competitive tender will be carried out for the operation of a further PiBs and the agreed extension of operating agreements with the current operators of 21 PiBs. At the end of 2010 the Post office network consisted of 179 Post offices, 1 255 Post in Shops and 19 Business centres.

Banking and payment services

Posten Norge's statutory and licence requirement to offer basic banking services is fulfilled through a cooperation agreement with DnB NOR. The agreement runs until 31.12.2017.

If changes should occur to Posten Norge's statu-

tory and licence requirement to offer basic banking services during this period, special provisions have been agreed if Posten Norge decides to fully or partly wind up the services covered by the cooperation agreement or carry out a competitive tender for the services.

DISPUTES

EFTA's surveillance authority (ESA) stated in December 2008 that they will levy a fine on Posten Norge. Posten Norge is accused of having breached competition rules with agreements with grocery stores etc. on the establishment of Post in Shops ("PiB"). On 01.07.2010 a fine of MEUR 12.89 (approximately MNOK 101) was imposed on Posten Norge. Posten Norge disputes the decision and has brought the case before the EFTA court with a plea for the fine to be ruled invalid. The claimant, the German logistics company Schencker, lodged a summons in 2010 requiring Posten Norge to pay compensation with an upper limit of MNOK 460. The case has been adjourned until EFTA has handled the appeal from Posten Norge on the ESA fine. Posten Norge maintains that there are no grounds for compensation.

No disputes that involve any significant risk exposure to the Group have been registered in the subsidiaries.

STATEMENT OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL REPORT

We confirm that, to the best of our knowledge, that the financial statements have been prepared in accordance with approved accounting standards and give a true and fair view of the Group and the parent company's consolidated assets, liabilities, financial position and results of operations. We also confirm that that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the parent company together with a description of the key risks and uncertainties that the company is facing.

Oslo, 24 March 2011

Arvid Moss (chairman)

Eli Arnstad (vice-chairman)

Gøril Hannås

Randi Sætershagen

Terje Wold

Sigrbjørn Molvik

Odd Christian Øverland

Paul Magnus Gamlemshaug

Judith Olafsen

Annemarie Elstner

Dag Mejdell (CEO)

To the General Meeting of Norway Post

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements for Norway Post, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the balance sheet as at 31 December 2010, the statements of income, changes in equity and cash flows for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Group Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Group Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and for such internal control as the Board of Directors and Group Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements. The aim is to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Conclusion

In our opinion, the financial statements of Norway Post have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

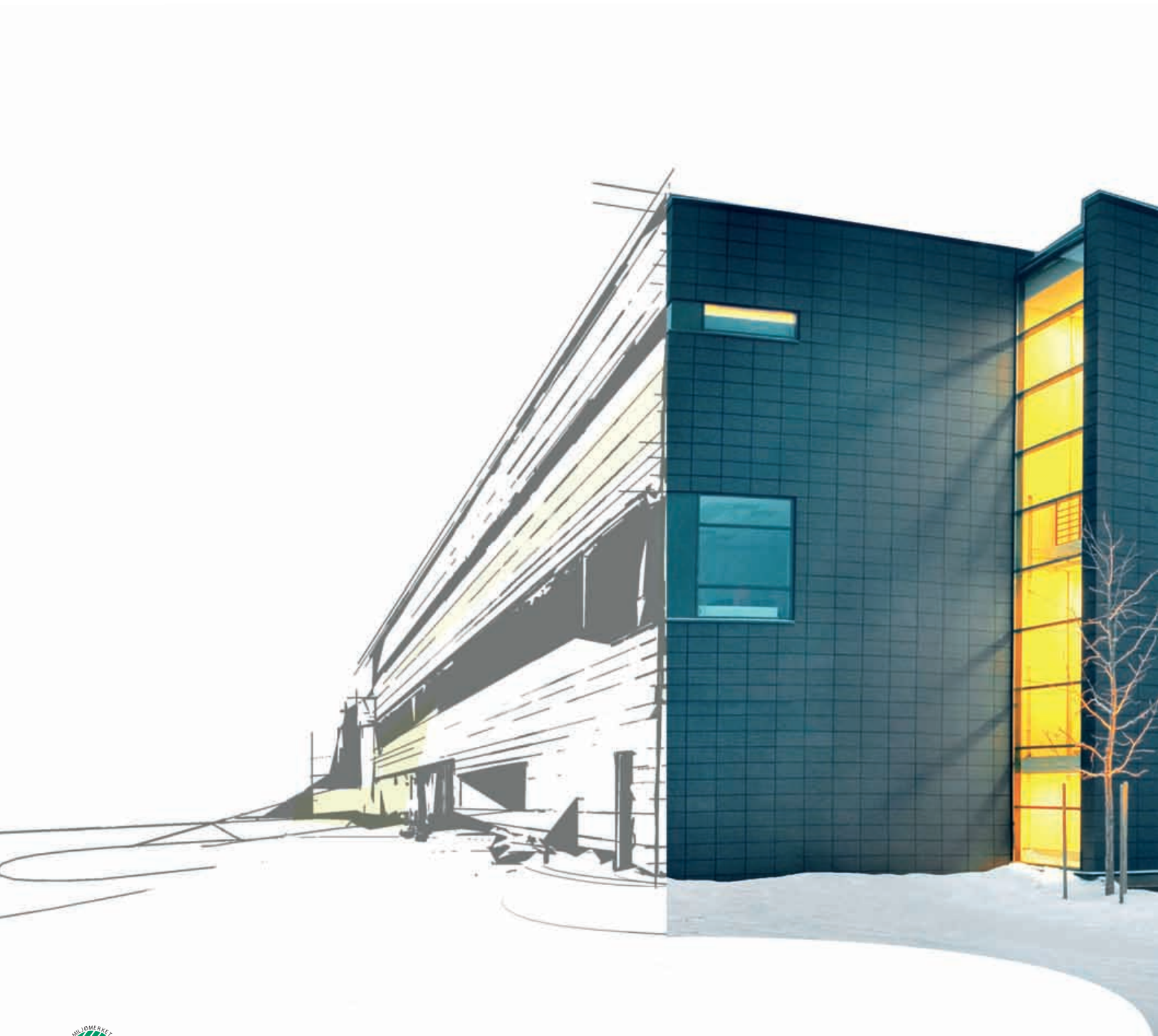
Opinion on the Board of Directors' report Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that the Board of Directors and Group Chief Executive Officer have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway. (This translation from Norwegian has been made for information purposes only)

Oslo, 24 March 2011
ERNST & YOUNG AS

Jan Wellum Svensen
Certified Public Accountant



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