

A woman with blonde hair tied back, wearing a bright red jacket, is looking down at a device on a bicycle. The background is a lush green garden with purple flowers. The image is split into vertical panels of different colors: red on the left, green in the middle, and blue on the right.

Sustainability Report 2010

Posten Norden



» Overview of Posten Norden's sustainability report

Posten Norden's operations should be conducted in a responsible way with respect to the company's stakeholders. Our financial, social and environmental responsibility is important for the company's long-term success. Sustainability is therefore an integrated part of the company's operations and is managed and measured as all other operations in the group.

→ Read more in Posten Norden's Annual Report 2010, pages 20-21.

The Sustainability Report 2010 is intended to describe the group's situation with regard to its sustainability efforts during the past year, and our future ambitions in this area. The report covers the operations in the Nordic region, which represents the majority of the group's sales and employees. Additional information can be found in the Reporting Principles on Posten Norden's website.

This Sustainability Report has been prepared in accordance with The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 3.0. The selection of GRI indicators is based on external stakeholders' expectations and requirements, as well as the group's assessment of what is most relevant with regard to the direction of the group's operations.

Posten Norden's Board of Directors adopted the Sustainability Report on February 23, 2011. The Sustainability Report has been prepared in accordance with the reporting principles and measurement methods further described on Posten Norden's website, where the GRI index can also be found. Ernst & Young AB has reviewed Posten Norden's Sustainability Report 2010 and has confirmed its classification as a C+ report according to the Global Reporting Initiative.

→ Read more at postennorden.com/sustainability

» Key sustainability events 2010

- January: Decision taken to earmark SEK 100m for the Climate Fund 2010. Resources are invested in measures proposed by group employees, which limit the group's environmental impact.
- January: Launch of Klimatekonomiskt Varubrev in Sweden – an environmental and climate-compensated alternative for sending items weighing between 150 grams and 2 kg.
- April: Group management established Posten Norden's long-term goal to increase the proportion of women in senior management positions to 40% by 2015.
- May: Information Logistics' printing press in Poland became environmentally certified. The printing press in Laskowice was the first in Poland to receive the Swan Ecolabel – a stamp of environmental quality in the Nordic region. The Swan is a certification with a total overview of environmental impact, from raw material to the company's own environmental efforts.
- June: Marianne Nivert's leadership grant was awarded to Johanna Allert and Lene Reipeurt, who had distinguished themselves through exemplary leadership qualities. The grant is intended to contribute to strong leadership in Posten Norden and help more women reach management positions. The grant was founded in 2009 and is to be awarded for five years starting in 2010. Marianne Nivert served as the Chairman of Posten AB's Board of Directors from 2003-09.
- June: A prize for excellent work environment was founded and awarded within business area Meddelande Sverige (Mail). The prize is intended to increase awareness of the importance of a positive work environment and to showcase good examples. Of all Swedish regions, the Växjö region was considered to have the most success in this area.
- September: The Eco Rally competition was held in Denmark as a way to inspire more environmentally friendly driving techniques. Twenty-four employees from Denmark and Sweden competed in driving as far as possible using the least amount of fuel.
- September: A two-year test of the environmental biofuel BioDME was initiated. The tests are being led by Volvo Trucks with support from the EU and the Swedish Energy Agency. The objective of the test is to contribute to the development of sustainable fuels and to evaluate alternatives for Posten Norden's own fleet of vehicles.
- September: The Board of Directors decided to build a new terminal structure in Sweden in order to boost the group's competitiveness, improve conditions for fulfilling its universal service obligation, reduce the environmental impact of its facilities and increase the proportion of environmental transports.
- October: Danish Christmas Seals were sold to benefit the country's four "Christmas Seal Homes" which help children. The sales generated about DKK 20m for the homes.
- October: Employees in Denmark collected and donated DKK 38,000 to the Danish Red Cross to help flood victims in Pakistan.
- October: Launch of Klimatekonomisk Posttidning in Sweden – an environmental and climate-compensated alternative for distribution of periodicals.
- November: DKK 2m was donated to the Children's Cancer Fund, corresponding to the proceeds from sales to date of Danish charity postage stamps.
- November: The target to reduce the group's carbon dioxide emissions by 40% by the year 2020 was set.
- December: Posten Norden expanded employee benefits in Sweden by offering partial coverage of treatments for involuntary childlessness. This is in line with the group's ambition to be an attractive workplace throughout various stages of life.

We shall be an industry leader in sustainable development

Sustainability is an integrated part of Posten Norden's operations. It is both our role and our duty to ensure that our operations are run with the utmost level of responsibility. This ambition is reflected in every aspect of our corporate vision and it pervades the way we conduct our day-to-day business.

Responsibility to create real change

We deliver about 29 million pieces of mail every week-day, which means that we are clearly accountable for the way our operations affect the environment. However, our services are also necessary and comprise a natural part of people's everyday lives. We strive to operate our business in a way that limits our environmental impact as much as possible, and where we are economical with our own resources as well as those of the environment. Our responsibility also extends to our employees and the society around us, and we aim to enhance the qualities that make us an attractive and progressive employer.

Adjusting responsibly

During 2010 we devoted much energy to adjusting our operations to a market in transition. These adjustments have been successful, and have been made in a responsible way in relation to our stakeholders. The majority of personnel turnover has occurred through natural attrition or through reorganization programs.

The need for both cost and environmental adjustments have prompted several initiatives designed to optimize

our transports. The decision to invest in a new terminal structure will allow us to transport greater volumes by rail in Sweden, and will, according to our calculations, reduce our total carbon emissions in Sweden by 6 percent over the next few years.

We are increasing the pace of our environmental efforts

We are investing considerable resources in specific initiatives that will limit the environmental impact of our operations. The Climate Fund plays a crucial role, especially considering the group's ambition to reduce carbon dioxide emissions by 40 percent by the year 2020. This target is also in line with our owners' ambitions.

By taking the initiative to create real change, Posten Norden shall be an industry leader when it comes to sustainable business development.

*Lars G Nordström
Solna February 2011*



An open and constructive stakeholder dialog

Our dialog with stakeholders allows us to listen to and understand their viewpoints and needs, which ultimately influence how Posten Norden manages and develops its operations. The stakeholder dialog also allows us to better explain what we have to offer as a company, as well as how a constantly changing external environment will affect our future operations and corporate direction. Maintaining an open stakeholder dialog gives us room to maneuver in the arenas of politics and public opinion. It also allows us to better develop more competitive products and services and to become a better employer. Each of these aspects is crucial for Posten Norden's success. Posten Norden's primary stakeholder groups are described to the right and on the next page. These groups are considered to be the most significant, either in terms of contributing to or being dependent on Posten Norden. The process for measuring and monitoring results is described under each specific stakeholder category.

Stakeholders

» Owners

Posten Norden is owned by the Danish and Swedish states via the Danish Ministry of Transport and the Swedish Ministry of Finance. The overall business direction for Posten Norden is specified by the owners through the company's by-laws. The general meeting of shareholders is the owners' principal forum for decision-making and monitoring Posten Norden's operations. We also conduct an ongoing dialog with our owners, mainly through the Board of Directors. When necessary, other Posten Norden representatives also engage in dialog with the Ministry of Transport and the Ministry of Finance.

Focus during 2010

- Decision on new postal legislation in Denmark.
New postal legislation in Sweden
- The Board of Director's decision that a number of key financial goals should guide the group's business operations

→ Read more under Financial Responsibility on page 106.



» Society

Posten Norden fulfills the universal postal service obligations in Denmark and Sweden, and also has extensive operations in Norway, Finland and several other countries. With operations that affect so many we strive to maintain an ongoing, high quality dialog with the various regulatory authorities, such as the Swedish Post and Telecom Agency (PTS) and the Danish Transport Authority.

Posten Norden cooperates with a number of other authorities and also participates in several international associations such as Universal Postal Union (UPU), Post-Europ and International Post Corporation (IPC) as well as various interest groups representing business owners, rural residents, functionally disabled persons, senior citizens and others. These dialogs are collaboratively managed by the relevant functions within the group.

Posten Norden's role in society is monitored through Corporate Image surveys and quality measurements.

Focus during 2010

- Decision on new postal legislations in Denmark with price increase effects
- Updated postal legislations in Sweden with new terms licensing
- Service and accessibility. Dialog with interest organizations for rural residents and functionally disabled persons
- Zone pricing in Sweden for sorted mailings

→ Read more about Posten Norden's universal service obligation in the Corporate Governance Report on page 52.

→ Read more about Posten Norden's social responsibility on page 119.

» Employees

Posten Norden's skilled and committed employees are crucial for the company's success. This requires a strong two-way dialog on many levels. Dialog with employees occurs, among other places, in workplace meetings where managers and employees discuss current issues. Other channels for communicating with employees include the intranet and internal magazines, and a shared website for managers. All employees are encouraged to express their views via annual employee surveys. All employees and managers should have annual career development discussions. Union organizations play an important role in the relationship between companies and employees. We strive to maintain a proactive and constructive cooperation with the union on all levels within Posten Norden. We aim to ensure that these efforts are well-functioning and lead to a positive result for both Posten Norden and its employees.

Activities to monitor employees' views of Posten Norden as an employer include employee survey programs and measurements of sick leave.

Focus during 2010

- Personnel changes
- Exchange and experience of work methods in other countries
- Collective agreements in Denmark and Sweden
- Increased operational efficiency and productivity

→ Read more about Posten Norden's responsibility towards its employees on page 113.

» Customers

Approximately 95% of Posten Norden's sales are generated from businesses whose customers are largely individual private recipients. Customers' needs and wishes direct Posten Norden in its development of new services. Customer dialog takes place in meetings with Posten Norden's sales representatives, and with the customer service department via phone or Internet. Our drivers and mail carriers also visit every household and business each workday, year round.

Posten Norden monitors its performance through regular measurements of customer satisfaction and Corporate Image. Complaints are measured and monitored through continuous improvement work. Delivery quality is measured and monitored on an ongoing basis.

Focus during 2010

- Development of environmental services based on customer demand
- Handling complaints – decisions to create a customer representative role in early 2011
- Decision on new postal legislations in Denmark – group introduction of differentiated prices

» Partners and suppliers

Posten Norden has a large number of collaborations with external companies and organizations. One example is our partnership with retailers throughout the Nordic region through which our services are provided to private individuals and companies. Another example is our procurement of products and services from roughly 26,000 suppliers each year. Posten Norden also has a number of collaborations with sport, cultural and charitable organizations.

Monitoring of Posten Norden's role in relation to suppliers includes regular measurements of contractual fidelity.

Focus during 2010

- New and renewed agreements with partner outlets in Sweden
- Sponsorship of sports and culture
- Charitable projects for The Christmas Seal Foundation and Children's Cancer Foundation in Denmark
- Sustainability and social responsibility: collaborations with various initiatives. Participation in developing the ISO standard 26000 for social responsibility

→ Read more about Posten Norden's responsibility in relation to suppliers and partners on page 119.

Objectives and governance of sustainability efforts

Posten Norden's ambition to contribute to sustainable development is reflected in the group's vision and mission as well as in the group's general governance model, the balanced target picture, which guides the implementation of sustainability measures. The balanced target picture encompasses governance models for financial stability and social and environmental responsibility.

As the leading communication and logistics company in the Nordic region, as well as one of the region's largest employers, Posten Norden impacts the societies in which we operate. We create significant value through meeting the communication needs of many companies and private individuals. Our operations are energy-intensive and generate carbon dioxide emissions. We therefore play an important role in society, and we have a long-term ambition to manage this role in the most responsible way possible and to contribute to sustainable development.

Three key areas of responsibility

Our approach to and our work with sustainability issues, are grounded in three areas of responsibility: financial, environmental and social.

Financial responsibility

Being financially responsible requires that our operations remain competitive, effective and profitable over time, thus creating long-term value for customers and owners.

Environmental responsibility

Being environmentally responsible involves actively working to limit the environmental impact of our operations in order to be the environmental choice for our customers.

Social responsibility

By being socially responsible, we strive to support committed and healthy employees and to maintain a meaningful dialog with the rest of society.

Management of sustainability efforts

Posten Norden's financial, environmental and social obligations are clearly reflected in the group's mission and vision. The mission and vision comprise, together with the group's strategy and other guiding factors such as certification requirements, standards and external guidelines such as the UN Global Compact, a foundation for the group's governance model, the balanced target picture.

The balanced target picture contains a number of financial and non-financial key ratios, which have guided the group's operations since 2009. It contains four target areas: owners, employees, processes and customers. The group measures a number of key ratios for each target area, and establishes objectives for each key ratio in

the business and budget planning process. The group's development in relation to the balanced target picture is internally monitored on a monthly basis with reports sent to group management and the board. The results of the financial key ratios are made public in Posten Norden's quarterly reports.

The targets and results then inform the decision-making processes for day-to-day sustainability efforts. Each key ratio is broken down in the detailed plan for each business area, and progress is reported by the business manager for each area.

Target area	Key ratio/measure	For more information, see section
Owners	Financial targets	Posten Norden's Financial Responsibility
Employees	Employeeeeship and sick leave	Posten Norden's Social Responsibility, Employees
Processes	CO ₂ -emissions and quality	Posten Norden's Environmental Responsibility, Financial Responsibility
Customers	Customer satisfaction and Corporate Image	Posten Norden's Financial Responsibility

These key ratios, results and targets (in cases where the targets are public) are discussed in the following sections of the Sustainability Report. The group also measures a number of other key ratios relevant to its sustainability efforts, and many of these are also reported in the following sections. Additional information about the balanced target picture can be found in Posten Norden's annual report for 2010.

→ Read more about targets in Posten Norden's Annual Report 2010, page 20.

Towards ISO certification

In order to ensure that the group's environmental and quality-improvement efforts are coordinated and integrated, efforts to establish a joint operational management system were commenced in 2010. The goal is to obtain, in a few years' time, multisite certification for environment (ISO 14001) and quality (ISO 9001). Many parts of the group have already received certifications for work environment, quality and environment.



Risk management

Posten Norden’s management of internal and external risks is carried out with the operative management framework and is a natural part of the ongoing business monitoring process. The process also identifies risks that may impact the organization from a sustainability perspective, including environmental risks.

→ Read more about risk management in Posten Norden’s Annual Report 2010, page 36.

»» **Global Compact**

Posten Norden supports the Global Compact and its ten principles. The Global Compact was launched at the World Economic Forum in Davos in 1999 when Kofi Annan – then UN Secretary-General – urged the business community to join the initiative. The idea behind the initiative is to make companies aware of and encourage them to take active responsibility for ten internationally recognized principles in the areas of human rights, labor law, the environment and battling corruption.

Managing Posten Norden’s sustainability efforts

Responsibility for sustainable development

Balanced target picture with operational targets



Long-term stability and profitability

Environmental and social issues are inherently linked to Posten Norden's financial responsibility. A business that is stable and profitable over time creates conditions conducive for achieving and surpassing requirements for environmental and social responsibility. Looked at in another way, an environmentally conscious and socially responsible business opens opportunities to gain a competitive advantage, which enhances the company's value.

Our financial success requires that we take a responsible approach toward our stakeholders, which means that financial responsibility extends beyond the company. By creating profitability and value for its owners, Posten Norden ensures a robust and long-term business that also benefits many of the company's other stakeholders. Our mandate to fulfill our universal service obligations in Denmark and Sweden makes it even more important that we operate our business in an efficient and profitable way.

Posten Norden's view of sustainability is founded on the financial premise that economical use of resources is central for business operations. We believe that the great-

est returns can be achieved by optimizing the use and organization of the company's assets. Reduced fuel consumption, satisfied employees and low levels of sick leave yield both financial returns and environmental and social advantages. This perspective gives the company an incentive to see the full picture and act accordingly.

In the same way, high levels of customer satisfaction and quality and a good reputation in society are of great value to the group's ability to generate returns, and these factors form some of the parameters on which our operations are governed.

By increasing the size of the business and creating operational synergies, the merger of Post Danmark A/S and Posten AB has contributed to strengthening the group's competitiveness and improving conditions for a stable and profitable business over time.

A market in transition

The general state of the economy significantly affects Posten Norden's ability to generate profitability and returns for its owners. The global economy recovered somewhat during 2010 after having constricted throughout the world businesses since 2008. Sweden and Norway in particular saw an economic upswing during 2010, while the outlook for Denmark and other countries that are important for the group continues to be uncertain.

Posten Norden is exposed to intense competition in the communication area, primarily from digital alternatives, which results in declining letter volumes. This substitution effect means that the group must adjust its operational capacity and costs in order to adapt to a changing market, where pressure on prices has affected both the communication and logistics businesses, while the Nordic logistics market continues to grow.

Considerable improvement in profit

In 2010 net sales fell 2% excluding structural and currency changes. As a result of considerable cost adjustments, the group's operating profit improved 28% during the same period, excluding structural and currency changes. In 2010 the group's costs fell 3%, excluding structural and currency changes. The group's average number of employees was reduced by about 3,600 during the year, and personnel expenses fell 9%. Personnel turnover occurred largely through natural attrition or through reorganization programs. The group's transport costs fell 2% during the year.





Generated and distributed value

The GRI indicators with regard to generated and distributed value are based on value creation for a number of the group's most important stakeholders. The value generated by the group during 2010 totaled SEK 41,937m, a year-on-year decrease of 11%. Distributed value for suppliers, employees and society totaled SEK 40,007m. Distributed value to society totaled SEK 1,335m: tax payments totaling SEK 335m and a proposed dividend to the owners of SEK 1,000m. The group also distributed value through sponsorships and charitable projects. See page 120 for more information.

Targets for financial responsibility

The targets for the group's financial responsibility directly correspond to a number of the group's targets with regard to financial goals, corporate image, and employee and customer satisfaction.

When Post Danmark A/S and Posten AB merged, the owners agreed that the operations should be run based on, among other things, a number of financial targets.

The group's ROE should be 10% over the course of an economic cycle, the equity-assets ratio should be at least 35% and at least 60% of the net profit should be distributed to the owners. In 2010 the group's ROE was 8 (20)%, the equity-assets ratio was 46 (45)% and the dividends from net profit totaled 97 (60)%.

→ Read more in Posten Norden's Annual Report 2010 on page 20.

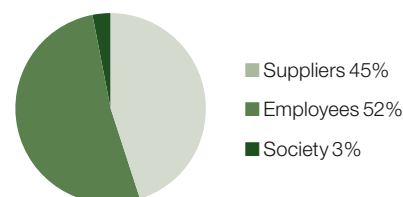
Generated and distributed value (EC1, EC3, EC4)

MSEK, unless otherwise specified	Pro forma		
	2010	2009	2008
Generated value	41,937	47,044	47,094
Net sales, external	41,669	44,633	45,810
<i>of which payments received from the state EC4</i>	14	7	
Other income	289	249	586
Participations in associated companies and joint ventures	6	7	4
Net financial items	-27	2,155	694
Distributed value	40,007		
Suppliers	18,121		
Transport expenses	7,384	7,561	7,722
Cost of premises	2,236		
Other	8,501		
Employees, EC3	20,551		
Wages, salaries and other remuneration	15,780		
Social security contributions	4,680		
<i>of which, pension costs (excl. payroll tax)</i>	2,032		
Other personnel expenses	91		
Society	1,335		
Taxes paid	335		
Dividend	1,000 ¹⁾	1,440	n/a ²⁾

1) Dividend proposed by Board of Directors.

2) Pursuant to the merger agreement between the Swedish and Danish states, no ordinary dividend was distributed in 2008. Pursuant to the same agreement, an extraordinary dividend of SEK 1,400m was paid to the Swedish state.

Distributed value





A good reputation requires high quality performance and satisfied customers

Delivering world-class communication and logistics solutions to satisfied customers is the basis of our vision. Customer satisfaction in terms of service, quality and range of services is measured and followed up through the customer satisfaction index KTA in Denmark and NKI in Sweden. NKI for Posten in 2010 was 67 (67). KTA for Post Danmark increased in 2010 to 70 (67), with business customers representing the greatest increase.

As of spring 2011, the measurements will be replaced by a customer value index (KVI), which will cover Posten Norden's operations within all four business areas throughout the Nordic countries. Corporate and private customers will be interviewed.

High quality on all levels is not only required by our universal service obligations, it is also a unique competitive advantage. The Swedish state's requirement for mail items stamped for overnight delivery is that at least 85% shall be delivered during the following business day. The Danish state's quality requirement for all services provided under the transport obligation is 93%. During 2010, delivery quality for priority mail was at 93.3 (95.7)% in Denmark

and at 93.1 (95.9)% in Sweden, making Posten Norden as a world leader in terms of mail delivery quality.

Reputation and reliability as a supplier of critical social services are important for Posten Norden and create the foundation for operating a sustainable business in the long-term. The group's image was strengthened during 2010, totaling 3.26 (3.24) in Denmark and 0.41 (0.29) in Sweden.

Service development and investments

Posten Norden's operations are built on transportation, which undeniably impacts the environment. For this reason, the group invests considerable resources to increase the sustainability of its operations. An important initiative is the group's Climate Fund, through which SEK 100m has been earmarked for investments that reduce the group's impact on the environment. Another important investment for the future is the new terminal structure in central and northern Sweden, which will be completed in the next few years. The investment also allows for a greater proportion of long-distance transports to be made by rail, which will reduce carbon dioxide emissions.

→ Read more about Posten Norden's environmental responsibility on page 109.

An environmental vision that carries obligations

Environmental efforts are crucial for Posten Norden, and a central tenet of the group's vision is to be an environmentally sound choice for our customers. We aim to reduce our environmental impact and thereby strengthen our customers' and our own competitiveness. Our commitment to the environment is an integral part of the organization and is part of the group's governance tool, the balanced target picture.

Our vision to be the environmental choice for our customers is essentially an obligation. Posten Norden's operations require the use of transportation, which in and of itself has a significant impact on the environment. In order to fulfill the group's mandate, virtually all modes of transportation are utilized: train, truck, car, planes, boat, moped and bicycle. In order to fulfill our universal service obligations in Denmark and Sweden, a large portion of the mail we handle must reach recipients on the following workday, which means that we must also use planes for certain transports. However, we strive to fulfill our obligations and commitments to our customers in the most environmentally sound way possible.

Many of Posten Norden's customers have bold environmental goals, which often include reducing CO₂ emissions. This makes it even more important for us to reduce the environmental impact of our operations in order to allow our customers to reach their targets. Limiting our environmental impact creates added value and a competitive advantage both for our customers and ourselves.

A continuous process

Our day-to-day environmental efforts are based on the viewpoint that each unused kilowatt hour or liter of fuel is both an environmental benefit and a cost savings. Our environmental work is therefore both a strategic endeavor, guiding how we plan and invest in our operations, and an ongoing operational activity.

As a transport company, our central focus areas include coordinating transportation and utilizing the maximum capacity of our trucks in order to optimize each transport. We also actively participate in collaborations that promote sustainable development; for example, research on alternative fuels, efforts to encourage drivers to practice more energy-efficient driving techniques, and making our facilities and equipment as energy-efficient as possible. Today, such efforts are expected of any large transport company.

The merger of Post Danmark A/S and Posten AB and the past year's economic growth led to an increase in the number of business-related trips. To reduce the amount of business travel, the group has introduced a video conference system which is increasingly replacing face-to-face meetings.

Our size in the Nordic region allows us to take measures that have real and lasting value. Large volumes, for

instance, allow us to transport mail via rail. Today Posten already transports more than 60% of Sweden's mail volumes by rail between sorting terminals. In Norway approximately 80% of pallet and parcel volumes are transported by rail.

The Climate Fund accelerates environmental efforts

Posten Norden aims to invest in measures that have real and concrete results for sustainability. Posten's Climate Fund was introduced in 2009 and is a part of our ambition to increase the pace of our environmental efforts. Its sum is equal to the cost that the entire group would have incurred by carbon-offsetting operations. In 2010 SEK100m was earmarked for investments, many of which are suggestions from within the organization. A large number of investment proposals were submitted in 2010; proposals adopted or implemented include:

- **Energy recovery from machines.** Warm sorting machines created a hot and dusty work environment at the sorting terminal in Umeå, Sweden. Posten Norden invested in a solution that vacuums hot air into a heat exchange system that in turn heats the premises, creating a better work environment and saving energy.
- **More electric vehicles.** Posten Norden's fleet of 3,000 electric vehicles is one the largest among Europe's postal operators. The investment in electric cars has lowered maintenance costs and reduced noise pollution. It has also increased the proportion of fossil-free postal distribution, in part through the use of "green electricity". With resources coming partially from the Climate Fund, Posten Norden increased the number of electric cars in Denmark in 2010.
- **Collaboration for sustainable transport.** From September 2010, Posten Norden has participated in a two-year test of BioDME, a new fuel that has very little impact on the climate. Participating in the tests, which are being headed by Volvo Trucks with support from the EU and the Swedish Energy Agency, is a way for us to contribute to the development of sustainable fuels while evaluating alternative fuels for our own vehicle fleet.
- **Energy optimization at printing presses.** With support from the Climate Fund, Information Logistics' operations in Poland initiated a number of activities in late 2010 designed to optimize energy use. The machines in

the printing press in Laskowice radiate heat that is now recaptured and re-used in the facility's heating system. The previous oil-based heating system now only fills a backup function. New lighting has been installed and measures have been taken to reduce the machines' total electricity consumption.

- **Improved sealing around door frames.** At the terminal in Voss, Norway, the loading doors have been better sealed. The measures have led to a more stable indoor temperature and reduced energy consumption.
- **Improved energy efficiency at parcel terminal.** Copenhagen's parcel terminal in Brøndby has long focused on environmental efficiency in order to be classified as a "green terminal". With support from the Climate Fund, electric fittings with longer life cycles, motion detectors and daylight regulators have replaced the lighting in the production facilities. This measure reduced energy use by 60%. Estimated annual savings total DKK 1m per year and the investment is expected to pay for itself in as soon as 17 months.
- **More energy-efficient lighting at letter terminal.** At the Swedish letter terminals and mail carrier offices in Gothenburg, Posten Norden implemented environmental efficiency measures similar to those in Copenhagen. More energy-efficient lights will save 585,000 kilowatt-hours per year, and about the same amount in Swedish kronor. The investment in the new lighting fittings is expected to pay for itself within three years for the terminal and within one year for the mail carrier office.

More environmental services

As a part of Posten Norden's extensive environmental efforts, we also provide a number of environmental services. In Denmark, the services include "Pakker med omtanke," "Reklame med omtanke," and "Brev med omtanke," all of which are carbon-offset.

Direct mail is a key component of our service offer, and climate-efficient direct mailings have been available in Sweden for several years. The climate impact of this service is reduced in every step of the process, and distribution is carbon-offset. An increasing number of customers choose this alternative and we hope the trend will continue.

During the year, Swedish environmentally focused services have expanded to include climate-efficient alternatives for lightweight mailings and periodicals. The rapid development of such services is largely driven by companies who are striving to live up to their own customers' demands for environmental alternatives.

More efficient use of energy on premises

Posten Norden's operations require considerable infrastructure in the form of terminals, production facilities and distribution offices. Energy consumption (i.e., electricity and heat) is therefore also a significant environmental aspect. We are constantly looking for ways to reduce energy consumption in our existing premises and we set strict standards for property owners when we lease and for contractors when we construct new buildings.

Targets and results 2010

Environmental efficiency was the common denominator in the environmental goals pursued by Post Danmark and Posten, even before the two companies merged.

Post Danmark's overall environmental goal has been to reduce its CO₂ emissions in absolute terms by 8% during the period 2007-12. By 2010, CO₂ emissions in the Danish operations had fallen by 8,000 tons or 8% as compared to 2007. During 2010 emissions fell by approximately 1,800 tons, or 2% as compared to the previous year. Reductions in the required number of transports and energy efficiency measures contributed to the drop in the Danish operation's CO₂ emissions.

The corresponding goal for Posten AB has been a 15% reduction in CO₂ emissions in relation to net sales during the period 2006-10. 2010 results for the Swedish operations were 8.2 tons CO₂ per SEKm, which meant that the key ratio decreased by 16% during the period, and the target was met. Posten Norden's total CO₂ emissions for 2010 fell by 40,000 tons, or 18%, as compared to base year 2006. Factors that contributed to meeting the target were the purchase of fossil-free electricity, the transfer of air transports to ground transports, and efficiency measures.





In 2010 the group's total carbon dioxide emissions increased by 2% compared to the previous year. The change is attributable to increased energy consumption within the communication and logistics operations due to the year's unusually cold winter.

New long-term environmental ambitions

During 2010 Posten Norden established new long-term environmental ambitions. The group intends to reduce CO₂ emissions 40% by 2020 over base year 2009. This ambition is in line with the owners' environmental goals.

This is a challenging goal and will require considerable adjustments and investments in terms of transports and energy consumption on our premises. Required measures include an increased number of electric vehicles, better utilization of capacity during transports, greater proportion of long-distance mail transports by rail, greater proportion of biofuel consumption, and the purchase of fossil-free electricity.

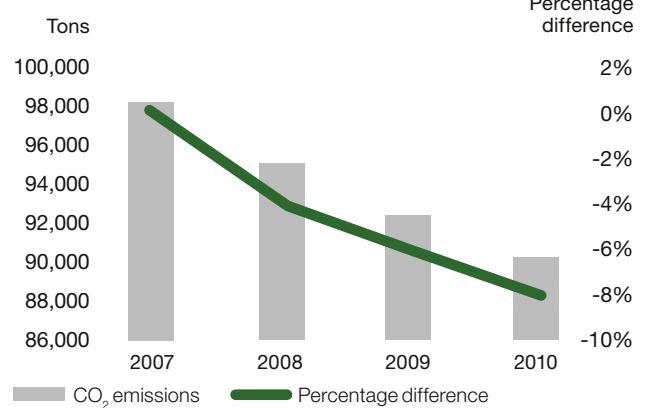
More trains and electric vehicles in the future

During the year the group also decided to invest in a new terminal structure in Sweden. The future terminal structure will allow for more coordinated transports of letters, parcels and other goods via train, with reduced CO₂ emissions as a result. The changes have the potential to reduce the group's CO₂ emissions in Sweden by about 6%.

Posten Norden currently owns approximately 3,000 electric vehicles, making its fleet among the largest among European postal operators, and it will continue to grow. Electric vehicles are important if the group is to realize its environmental ambitions.

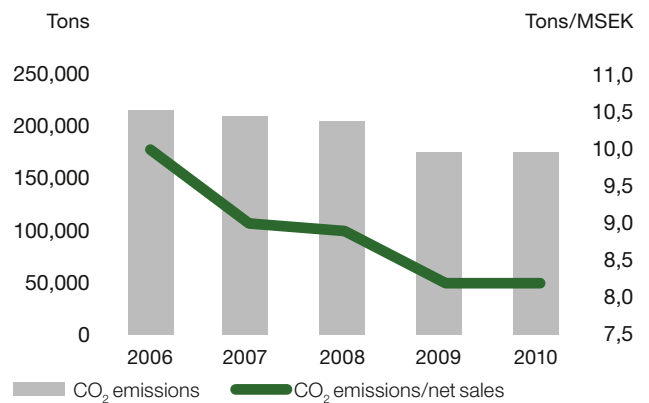
In 2011, group operations in Denmark will conduct an extensive field test using electric mopeds, with an aim of replacing a number of fuel-driven mopeds. The use of a quieter, cleaner electric model is viewed favorably by both mail carriers and mail recipients.

CO₂ emissions, Post Danmark ¹⁾



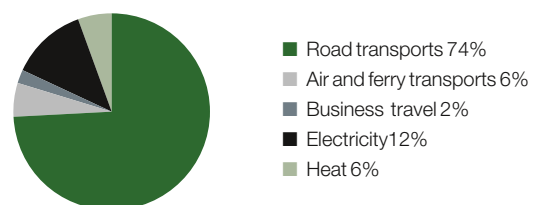
¹⁾ Pertains to CO₂ emissions in Denmark

CO₂ emissions, Posten ²⁾



²⁾ Pertains to CO₂ emissions in Sweden.

Distribution of CO₂ emissions, Group





Noise pollution

Although we always try to show consideration towards people living in the vicinity, our neighbors are occasionally disturbed by noise and report this disturbance to the municipality. This can result in orders to conduct noise measurements and take any required action. During the year we have taken various measures to reduce the risk of disturbance in towns including Huddinge and Halmstad. The case in Halmstad is now resolved, and the measures taken have reduced noise to the acceptable levels established by the Swedish National Board of Health and Welfare. The municipality has approved the measure.

Waste management

Waste from the group's operations consists primarily of paper, cardboard and wood. We work actively to minimize the amount of waste we generate and to increase our recycling.

In 2010, 77 (70)% of our waste was recycled and 23 (29)% went to energy recovery.

Chemicals

The Information Logistics business area conducts ongoing reviews of ways in which the operation can reduce its use of chemicals and minimize the risk of emissions. The use of solvents varies depending on printing method, number of colors and type of finishing treatment. The business area increasingly uses the Computer-to-Plate printing technique, which does not require film or chemicals for film development.

Operations that require registration

In Sweden, France and Poland, Posten Norden runs operations that require registration in accordance with the relevant authorities in each country. More information can be found in Posten Norden's Annual Report 2010, page 35.

Environmental Data Posten Norden

CO ₂ emissions (tons)	2010	2009
Fossil CO ₂ emissions, entire group	343,019	336,410
Transports, EN16		
Fossil fuel	271,583	269,223
Renewable fuel	11,976	12,115
Business travel, EN17	7,885	6,938
Energy use		
Heat and electricity, EN16	63,550	60,249
Initiatives to reduce CO ₂ (procurement of eco-labeled electricity EN18)	-12,079	-11,504
Other emissions to air for transports (tons), EN20 ¹⁾	2010	2009
Carbon monoxide	329	395
Sulphur dioxide	3	6
Nitric oxide	1,036	1,181
Hydrocarbon (VOC)	85	84
Particulates	19	23

Energy	2010	2009
Fuel transports (TJ), EN3		
Fossil fuel	3,819	3,814
Renewable fuel	120	117
Business travel by car (TJ), EN3 ¹⁾²⁾	423	60
Heating (district heating and gas) (MWh), EN4	157,692	146,714
Electricity use	231,914	236,572
Waste, tons EN22 ¹⁾	2010	2009 ³⁾
Paper	22,005	15,069
Cardboard/paperboard	3,067	3,191
Plastic	1,277	600
Glass	5	2
Metal	563	461
Wood	2,059	1,782
Combustible	5,347	6,347
Electronics	72	63
Hazardous waste	171	154
Landfill	51	37
Others	43	189

1) Pertains only to Posten Norden's operations in Sweden and Denmark
 2) Values for 2009 and 2010 are not comparable since some emissions listed under "Business travel by car" in 2009 were included under "Fuel transports"
 3) Adjusted due to refined measurement methods

The right conditions for high performance

Posten Norden aims to be an attractive and stimulating workplace with healthy and committed employees. With progressive and clear personnel policies, we are recruiting tomorrow's workforce and retaining committed employees with the right skills.

As the leading communication and logistics company in the Nordic region and one of the region's largest employers, we must provide the right conditions for high performance. With more than 44,000 employees at over 2,000 workplaces, this presents both a challenge and an opportunity to strengthen the team. Our goal-oriented and ambitious personnel policies focus on three aspects: leadership, employeeship and health. These aspects will continue to guide the group as it establishes overarching objectives and activities for its personnel efforts.

Employee satisfaction survey 2010

Employees' views of Posten Norden as a company and employer are measured through employee satisfaction surveys. The results and ensuing discussions between employees and managers encourage performance and help Posten Norden become a better workplace.

The results of the employee satisfaction surveys are reported as an employee index and comprise a total value for the level of satisfaction and involvement. The results of the Danish employee satisfaction index (MKA index) increased to 71 (69) in 2010. The rest of the group's business areas responded to the Voice survey. The results of the index, 64 (66), showed a slight decrease in the employee satisfaction index (MIX). The manager of each unit analyzes the results and creates an action plan for moving forward.

As of 2011 all Posten Norden employees will respond to the same employee satisfaction index.

Good management and leadership qualities produce positive results.

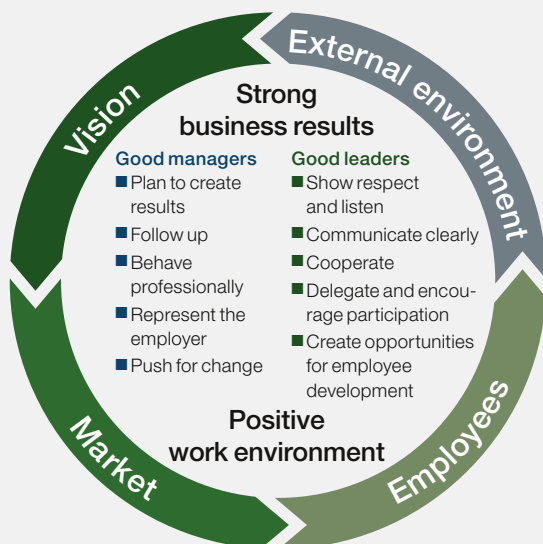
Good leadership is fundamental for maintaining satisfied and committed employees who perform well. Ultimately this creates value for our customers, which in turn provides good economic conditions for our business. Our managers' leadership qualities are regularly evaluated through employee surveys. Based on the results, managers are offered development options and additional training opportunities.

Efforts to develop a joint management support process were commenced in 2010. It is our goal to have the Nordic region's best managers, and we aim to achieve this by identifying and helping managers with specific career development needs, by supporting our best talent, and by recruiting the right employees.

Each business area currently has talent pools on middle-management level. The pools identify potential future leaders, who are then offered development support such as coaching, internships, or various management training opportunities.

In business area Meddelande Sverige, 24 managers participated in a coaching program designed to strengthen them in their leadership role. In June 2010 Breve Danmark

The importance of management and leadership for the business



started its mentorship program which aims to support leaders and managers developing operations and delivering results. By the end of the year, about 40 mentors had registered for the program. In Finland a one-year program was conducted for all employees in leadership positions, approximately 40 people, in order to provide them with tools and methods for promoting employee motivation and participation.

During the year additional training efforts targeted first line managers, including distribution managers, team leaders and production managers, to give them the tools they need to better support their teams. Post-training employee surveys showed increased confidence in direct managers.

Commitment is the key to change

For any successful organization, the commitment of its employees is essential for the company's ability to perform and deliver. We believe that the best ideas often come from our own employees and that by making use of these ideas, we can boost commitment and strengthen the company. Posten Norden utilizes several methods to capture the employees' involvement and ideas:

- Both Denmark and Sweden have special systems that allow employees to make proposals that will be reviewed by management. During the past year over 825 proposals were submitted in Denmark and about 3,350 in Sweden.
- The Climate Fund invites all employees to make suggestions for reducing the operations' impact on the climate and environment. Read more on page 109.
- Through its Selvbærende team (SBT) efforts, Denmark improved employee participation and motivation while simultaneously utilizing employee skills more effectively. Employees' knowledge of working methods and customers enables the business area to identify viable solutions and new opportunities. The manager's ability to act as a coach is also a success factor. SBT is highly appreciated by the production division in Denmark, and been successful. In 2011 this method of work will be evaluated across a number of workplaces in Sweden. If the tests are successful it may be introduced throughout the entire group.

- Through workplace meetings and annual career development discussions, Posten Norden has an opportunity to encourage employee commitment and gain a better understanding of employee perspectives. In 2010, 74% of the group's employees reported that they had had such discussions. During the discussions the manager and the employee review and evaluate the past year together and identify future areas for development or training.

Equality and diversity – differences enrich

The group's efforts to promote equality and diversity are based on our view that differences between people can enhance the work environment by making it more attractive and dynamic.

Posten Norden strives to offer equal opportunities to men and women and opposes unfair pay differentials. The group has for many years worked with equality issues, but there are still a number of areas for improvement. In order to step up the pace of equality efforts, management has established a group-wide goal to increase the proportion of female managers to 40% by 2015. In 2010, 30% of leadership positions within the group were filled by women. In Denmark we have joined the "Charter for More Women in Leadership Roles" initiated by the Danish Minister of Equality. The project was established in cooperation with public and private organizations whose goals include increasing the proportion of women in leadership positions.

The group has a zero-tolerance policy for discrimination. Our workplaces are to be characterized by respect for the equal value of all individuals. With nearly 70 nationalities, 50 languages and numerous cultures and religions represented among our employees, challenges regularly emerge. The cooperation that is needed to overcome these challenges benefits everyone - individuals, the business, and the community. Support can be found in the Danish værdier/leveregler and in the Code of Conduct. Each workplace should promote increased awareness of these documents and obtain employee support. Adherence is evaluated in employee satisfaction surveys, employee discussions and work environment surveys.

We want to have the best employees and managers. If we don't recruit from outside the traditional male recruitment base, we lose out on half the population and half the competence. No company can afford that.

Palle Juliussen, HR Director at Posten Norden



In 2011 the group will establish a joint guidance system to improve the way we work and take responsibility as managers, employees and companies. This system will be based on Posten Norden's core values of employeeship and leadership.

An open workplace

There are also many good examples from within Posten Norden where people with functional disabilities are offered assistance in order to be able to work on the same terms as other employees. This is one way for Posten Norden to exercise its social responsibility in a way that benefits both individuals and the business. The parcel terminal in Brøndby is one example. During periods when hearing-impaired employees have worked at the terminal, employee satisfaction surveys have shown a considerable increase in satisfaction and pride among terminal employees in general.

Responsible cost adjustments

Posten Norden's external environment is changing. Letter volumes continued to decline during 2010, especially in Denmark, and the trend is expected to persist in coming years. Maintaining solid financial development and competitiveness are essential for Posten Norden's long-term operations. Several changes and cost adjustments have been implemented during the year and will be necessary in the future. For example, the group's decision to build a new terminal structure in central and northern Sweden will call for a workforce reduction of 500 employees.

Posten Norden always strives to act as a responsible employer throughout all adjustments. In the event of personnel adjustments, natural attrition is the preferable alternative, meaning that employees retire or move on to new jobs or studies. In other cases employees are offered support in finding a new position.

One example is the Job Exchange in Denmark, which maintains an overview of excess personnel and provides advice during new recruitments. Another example is Futurum, Posten's Swedish reorganization program

» An attractive workplace during different life stages

Posten Norden is the first major employer in Sweden to offer cost reductions for treatments for involuntary childlessness, known as IVF treatments.

"We want to make our benefit package as relevant as possible for as many people as possible, and we want to be an attractive employer throughout life's different stages," says Mattias Holmberg, Posten Norden's head of salaries and benefits.

Other personnel benefits include expanded insurance coverage, compensation for medicine, subsidized medical care and preventative care and wellness activities.

which offers guidance in searching for a job, studying or starting a business. During 2010 Posten reduced the number of its employees by approximately 3,600. Natural attrition or participation in various reorganization programs accounted for the majority of these departures. Of the employees who participated in the Futurum reorganization program, 77% have found new employment. For those who cannot work due to medical reasons, Posten Norden offers relocation services such as the Swedish Omstart program. Posten takes extra measures to offer new solutions outside the company for employees who have been on extended sick leave.

We will continue to see personnel adjustments as letter volumes continue to decline. Clearly, Posten Norden has made extensive efforts to date and has fulfilled its responsibility in the cutbacks that have been made. Through cooperation and agreements with union representatives like myself, Posten Norden ensured that a large portion of the job leaving occurred through natural attrition or the offering of other jobs. This cooperation will be even more important in the future.

Lars Chemnitz, head of 3F Post, the Danish union organization for postal employees, and employee representative on Posten Norden's Board of Directors.

The business benefits when employees are healthy

During 2010 the group noticed increased levels of sick leave following a long period of improvement. Sick leave totaled 6.6 (6.3) % in Denmark and 5.1 (5.0) % in Sweden. The group monitors results in order to preclude the development of a possible negative trend.

Work environment and health are key priorities for Posten Norden, since healthy employees enjoy a better quality of life as individuals as well as providing cost savings and increased productivity for the business.

Work environment and health

Using the group's collective experience as a foundation for establishing a group-wide approach towards health and work environment is both a challenge and an opportunity with enormous potential. In Denmark, operations have long focused on improving the work environment, an important area since many of the group's employees work in a physically strenuous environment. The Swedish business is a pioneer in health promotion. In Norway some teams have such high levels of healthy work presence that the Prime Minister expressed interest in the personnel policies.

Posten Norden systematically registers and follows up accidents and occurrences that result in injury. The work environment certificate awarded to the Danish operations in late 2009, after several years of intense effort, pertains to all postal operations in the country and has contributed to better processes and quality throughout the operations. Efforts continued in 2010 to improve work environment and employee health. In Denmark a one-year campaign was begun in the fall to reduce the number of slip and fall accidents, one of the most common accidents in the production area. Several ergonomic projects were initiated in order to use technology and new work methods, more effectively to reduce work-related injuries. The group's cooperation with health motivational experts continued in Sweden, and a sick leave reduction project in Denmark investigated possibilities for a similar effort.

Cooperation between people representing **70** nationalities, **50** languages and numerous cultures and religions serves to strengthen individuals, the business and society.

» Collective agreements

Comanagement rights for Posten Norden employees are based on each country's labor market legislation and are thus regulated chiefly at a national level. In all subsidiaries and at the group level, Posten Norden cooperates with union organizations. A collective agreement is signed locally in each country. All Posten employees in the Nordic region are covered by a collective agreement. The Collaboration and Employee Participation agreement states that unions shall receive information at an early stage and shall have the opportunity to influence negotiations and collaborations in order to increase understanding of and participation in the changes that take place at Posten Norden.

We are often asked by other companies to participate in training sessions and events to describe Posten Norden's personnel efforts. It is exciting that so many people view our personnel efforts as a model and a source of inspiration, when it is so self-evident to us.

Angelica Björkbom, Head of Employee Health Posten Norden



Employee Data

Average number of employees, LA1 ¹⁾²⁾	2010	2009
Total for the group	44,060	47,625
Total Nordic region	43,395	46,897
Breve Danmark	15,187	
of which, basic staff	14,265	
of which, temporary staff	922	
Meddelande Sverige	18,889	
of which, basic staff	17,000	
of which, temporary staff	1,889	
Information Logistics	1,705	
of which, basic staff	1,705	
of which, temporary staff	0	
Logistics	6,232	
of which, basic staff	6,082	
of which, temporary staff	150	
Group Functions	1,382	
of which, basic staff	1,382	
of which, temporary staff	0	

Work-related injuries, LA7 ¹⁾³⁾	2010	2009
Total Nordic region	88	41
Breve Danmark	171	
of which, number of deaths	0	
Meddelande Sverige⁴⁾	46	
of which, number of deaths	0	
Information Logistics	7	
of which, number of deaths	0	
Logistics	54	
of which, number of deaths	0	
Group Functions	3	
of which, number of deaths	0	



Personnel turnover, LA2 ¹⁾	2010	2009
Total Nordic region	10.1%	9.3%
Breve Danmark	12.9%	
-29 years	26.4%	
30-49 years	8.8%	
50 years-	13.7%	
women	13.2%	
men	12.7%	
Meddelande Sverige⁴⁾	4.9%	
-29 years	7.0%	
30-49 years	2.0%	
50 years-	7.0%	
women	3.4%	
men	7.1%	
Information Logistics	15.5%	
-29 years	16.9%	
30-49 years	12.6%	
50 years-	21.0%	
women	16.0%	
men	14.5%	
Logistics⁵⁾	13.5%	
-29 years	16.9%	
30-49 years	7.6%	
50 years-	10.3%	
women	12.9%	
men	16.2%	
Group functions	28.2%	
-29 years	36.5%	
30-49 years	29.4%	
50 years-	26.0%	
women	34.5%	
men	20.2%	

 1) See Reporting Principles at postennorden.com/sustainability.

2) Posten Norden uses external staffing services to some extent. Within mail delivery operations personnel from staffing services represent about 0.5% of the staff. Within business area Logistics, drivers from staffing services are employed to a varied extent. There are significant differences between operations in different Nordic countries. Six percent of the Logistics staff in Sweden, for example, comes from staffing services.

3) Relates to number of injuries per million work hours.

4) Data is unavailable for the subsidiary Tidningstjänst, part of Meddelande Sverige.

5) Distribution of age categories is unavailable for Logistics Denmark.

Employee Data

Wage differential women/men, LA14	2010	Distribution of employees by age and gender, LA 13 ³⁾	2010
Total Nordic region		of which, basic staff	
of which, basic staff	3.9%	Breve Danmark	14,854
women	25,210	-29 years	13%
men	26,184	30-49 years	51%
of which, temporary staff	5.6%	50 years-	36%
women	20,010	women	37%
men	21,127	men	63%
Breve Danmark		Information Logistics	1,614
of which, basic staff	1.0%	-29 years	13%
women	26,763	30-49 years	63%
men	27,018	50 years-	24%
of which, temporary staff	1.3%	women	66%
women	22,761	men	34%
men	23,061	Logistics²⁾	6,213
Meddelande Sverige¹⁾		-29 years	25%
of which, basic staff	3.0%	30-49 years	48%
women	22,712	50 years-	27%
men	23,395	women	19%
of which, temporary staff	0.9%	men	81%
women	18,013	Meddelande Sverige¹⁾	17,751
men	18,183	-29 years	15%
Information Logistics		30-49 years	42%
of which, basic staff	13.5%	50 years-	43%
women	29,277	women	41%
men	33,243	men	59%
of which, temporary staff	21.7%	Group functions	1,358
women	20,806	-29 years	4%
men	25,327	30-49 years	53%
Logistics		50 years-	43%
of which, basic staff	1.5%	women	51%
women	27,399	men	49%
men	27,006	Total	41,790
of which, temporary staff	2.8%	-29 years	15%
women	19,992	30-49 years	47%
men	19,441	50 years-	38%
Group functions		women	36%
of which, basic staff	24.8%	men	64%
women	31,459		
men	39,275		

1) Data is unavailable for the subsidiary Tidningstjänst, part of Meddelande Sverige.

2) Distribution of age categories is unavailable for Logistics Denmark.

3) As measured on December 31, 2010

Involvement in many collaborations requires responsibility

Every workday we handle approximately 29 million pieces of mail. With an expansive presence in the Nordic region as a communication and logistics operator, we have a clear role in society and a responsibility to act professionally and prudently.

A high-quality and accessible service network

Posten Norden has an extensive service network throughout the Nordic region. Through 720 Posthuse and Postbutikker in Denmark and 1,600 postal outlets in Sweden, Posten Norden is able to provide full postal service including parcel distribution. We also have over 2,100 parcel distribution points in Denmark, Greenland, the Faroe Islands, Norway, Finland and Åland. A number of postal services are also available through self-service points in Denmark via 122 Døgnposten self-service stations, 37 Post-Selv-machines and 5 Døgnposthuse. In addition, Denmark and Sweden have 3,500 and 2,200 stamp outlets, respectively. Posten Norden's service points shall offer high levels of service and accessibility. This is why our retail partners have generous opening hours in locations where people usually have other errands.

We are constantly working to increase accessibility for our customers with service points that provide high-quality service. Posten Norden has rigorous quality standards for its service points, and ongoing dialog ensures the maintenance of high service levels and the development of the collaboration in a manner that benefits both parties.

During the year, new agreements were entered in Sweden and in Norway aimed at improving and expanding services to customers and providing greater accessibility by being present in locations where more people do their errands. One aspect of this is developing self-service solutions in Sweden and Denmark. Surveys show that customers appreciate the increased postal service accessibility. Many of our service points offer full postal service 10 hours per day, seven days a week, a level of accessibility few other European postal companies can match.

Large procurements mean a large amount of responsibility

The merger of Post Danmark A/S and Posten AB gave rise to many synergies, not least in terms of procurement. Each year Posten Norden purchases approximately SEK 20 billion worth of goods and services from over 26,000 suppliers.

In order to best capitalize on Posten Norden's strength as a purchaser, from both a financial and a sustainability perspective, it is important that the group's purchases are governed centrally through a joint purchasing process. This improves Posten Norden's ability to aggregate the purchase volumes under fewer suppliers, which improves cost-efficiency and makes it easier for us to monitor our suppliers.

Compliance with the purchasing process is monitored by targeting and continuously measuring contractual fidelity. This approach allows the group to use its purchasing strength as leverage, and also to streamline adherence to regulatory requirements and ensure that purchases are done through approved suppliers. To further improve control, Posten Norden initiated efforts in 2011 to establish a Nordic database over supplier agreements.

In its role as a powerful purchaser, Posten Norden is both able and obliged to set standards for suppliers when it comes to sustainability. Therefore, for every procurement process, we specify that our suppliers and their subcontractors must fulfill a number of environmental, quality and security criteria.

In addition to the suppliers' ability to deliver goods and services in a professional manner, they must also comply with Posten Norden's code for suppliers, which has specific requirements concerning salaries, social security and tax registration. Posten Norden's procurement process also requires that the supplier must guarantee that the goods and services it or its subcontractors provide are produced under conditions that are compatible with:

- The UN Declaration on Human Rights
- The UN Convention on the Rights of Children
- The Global Compact
- The ILO's eight core conventions
- Occupational safety and work environment legislation applicable to the manufacturing country
- Labor laws and social security provisions applicable to the manufacturing country.

Posten Norden's code for suppliers was introduced in 2009 and takes effect in our supplier agreements as they are renegotiated or renewed.

Collaborations and initiatives

Posten Norden actively participates in a number of various collaborations, interest organizations and dialogs. We see this as a way to develop both our industry and our operations, as well as a way to contribute to a strong and sustainable society.

Sustainability

We believe that we can learn from other businesses while also imparting our own perspective when it comes to environmental and social responsibility. To this end, we participate in several forums that promote sustainable development. These include the Global Compact, Coun-

cil for Sustainable Development, CSR Sweden, Business Forum for Social Responsibility (VFSA), Climate-neutral road transports (KNEG), the Swedish Association of Environmental Managers, and the Network for Transport and Environment (NTM).

During the year the international ISO 26000 standard for social responsibility was established. Via the Danish standardization committee, Posten Norden participated in preparing the standard for international negotiations. The group also participated in efforts to establish a certifiable Danish standard (DS2601) that is based on ISO 26000, as well as associated Danish guidelines, DS26004.

Posten Norden participates in climate initiatives that aim to reduce CO₂ emissions. Such objectives have been produced within the framework of the Universal Postal Union (UPU), PostEurop and the International Post Corporation (IPC). Posten Norden also contributed to the IPC's Postal Sector Sustainability Report 2010.

Service and accessibility

By maintaining a dialog with interest organizations representing business owners, rural residents, the functionally disabled, retired persons, or environmental organizations, we can better understand and detect future challenges and potential consequences for our operations.

Service and accessibility in rural Swedish areas was discussed several times this year in meetings with the national Swedish Village Action Movement organization. Topics addressed included the role of e-commerce and the importance of rural mail carriers for businesses operating in these areas, as well as an effective and sustainable nationwide postal service.

As a provider of essential services, it is important that our services in Denmark and Sweden are accessible for everyone. As an employer, we must also provide our employees with a good work environment. In the fall of 2008, 3,850 Swedish mailboxes were raised from their original positions in order to reduce the strain of mail carriers' daily tasks. Protests from various groups including the wheelchair-bound, led to Posten Norden's compromise with the National Association for Disabled Persons (DHR), Previa and the Swedish Association of Visually Impaired Youth. Starting in spring 2011, the mailboxes will be repositioned at a maximum height of 130 cm, 10 cm higher than DHR requested, but the lowest pos-

sible position from a work environment perspective. Of approximately 25,000 mailboxes in Sweden, 21,000 have a low opening positioned between 100 and 120 cm from the ground.

Denmark also made adjustments for better accessibility. Screens on automatic parcel machines were lowered, and customers can now use Post Danmark's website to check whether letters and parcels will be placed at a height that the customer can reach.

Charity and sponsorship

Posten Norden sponsors a number of sports and cultural projects, including Broløbet, Dansk Cykel Union, Post Danmark Rundt, Fotbollförbundet and Augustpriset.

Post Danmark's charitable work has long tradition. Since October 2010, Post Danmark has sold Christmas Seals to benefit the country's four "Christmas Seal Homes" which provide help for children. Sales generated approximately DKK 20m for the homes. Post Danmark also sells charity stamps year-round to support the Children's Cancer Foundation. The goal to raise proceeds of DKK 2m was achieved by October, and proceeds were distributed to the foundation.

Posten Norden also organizes its own philanthropic projects. As part of the project "High:Five" Copenhagen's parcel terminal offered jobs to reformed criminals and thus a chance to return to the employment market. In Sweden the group continues to support the non-profit organization Mentor, which works to prevent violence and drug use among young people. Posten's work with Mentor began in 2006, and during the past year 25 employees volunteered to be mentors for young people.



» Social responsibility collaboration in Denmark

The Business Forum for Social Responsibility (VFSA) is a forum for 15 representatives for Danish business representatives, one of which is Posten Norden. The representatives are personally chosen by Denmark's Minister of Labor and act as a council that meets four times annually. Combined, the companies represented in the council employ over 100,000 people. VFSA actively works to identify new forms of cooperation

for social responsibility, and strives to promote openness and integration in the workplace despite the existence of disabilities, a criminal past, a long period of sick leave, or low level of education. Several joint projects have been started, including High:Five, a national initiative intended to create career or educational opportunities for young people who risk being marginalized due to a criminal record.

Limited attestation report for Posten Norden AB's Sustainability Report

To the readers of Posten Norden AB's Sustainability Report:

Introduction

We have been engaged by the board of directors of Posten Norden AB to perform an assurance engagement related to Posten Norden AB's Sustainability Report for the financial year 2010.

The board of directors and the senior management are responsible for the ongoing activities regarding environment, work environment, quality, social responsibility and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with the applicable criteria. Our responsibility is to express a conclusion on the Sustainability Report based on our review.

The scope of the review

We conducted our review in accordance with RevR 6, Assurance of Sustainability Reports, issued by FAR SRS. A review consists of making inquiries, primarily of persons responsible for preparing the Sustainability Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The criteria that our procedures are based on are the applicable parts of the Sustainability Reporting Guidelines G3, published by the Global Reporting Initiative (GRI), which are relevant to sustainability reporting, as well as the accounting and calculation principles that the company has developed and identified. We believe that these criteria are suitable for the preparation of the Sustainability Report.

Our limited assurance review encompasses the indicators presented in the GRI Cross-reference table, which can be found on Posten Norden AB's website, www.posten-norden.com, as well as in this Sustainability Report and in the Annual Report as indicated in the table of contents.

The main procedures of our review, based on our assessment of relevance and risk, have included the following:

- a. update of our knowledge and understanding for Posten Norden AB's organization and activities
- b. assessment of suitability and application of criteria in respect to stakeholders' need of information
- c. assessment of the result of the company's stakeholder dialogue
- d. interviews with responsible management, at selected units with the aim to assess whether the qualitative and quantitative information stated in the Sustainability Report is complete, accurate and adequate
- e. obtain internal and external documents to assess whether the information stated is complete, accurate and adequate,
- f. evaluation of the systems and processes used to obtain, manage and validate sustainability information
- g. evaluation of the model used to calculate carbon dioxide emissions
- h. analytical review of reported information
- i. reconciliation of financial information against company's 2010 Annual Report
- j. assessment of the company's declared application level according to GRI guidelines
- k. assessment of the overall impression of the Sustainability Report and format, taking consideration of the internal consistency of information with relevant criteria
- l. reconciliation of the reviewed information against the sustainability information in Posten Norden AB's 2010 Annual Report

Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that the information in Posten Norden AB's 2009 Sustainability Report has not, in all material respects, been prepared in accordance with the above-stated criteria.

Stockholm February 23, 2011
Ernst & Young AB

Lars Träff
Authorized Public Accountant

Göran Tyréus
Authorized Public Accountant