

Code of Conduct

for PostNord



PHOTO: GAB PHOTOGRAPHY

PostNord is owned by the Danish and Swedish governments. The Group is ultimately governed by applicable law, licensing requirements, the governing principles of the governments and the objectives adopted by annual general meetings of PostNord AB, the parent company. Operating in four Nordic countries, the Group is among the area's largest providers of communications and logistics services. Our customers are large and small businesses, other organizations, public agencies, public authorities and individuals.

In addition to our owners and customers, employees, business partners¹, representatives of the local community and various interest groups are very important stakeholders. "Employees" in this Code refers to people who are employed by a company in the PostNord Group, regardless of their terms of employment. We must act responsibly if we are to generate value for our owners and retain the trust

of all our stakeholders. This Code of Conduct (the "Code") specifies governing rules of behavior for the Group in the areas that are most important for us in ensuring sustainable business practices. The approach is based on the definition of sustainable development as originally stated by the Brundtland Commission in 1987.²

The Code supplements applicable law and external regulations. It is also the basis for all relevant internal regulations. The Code also includes policies such as the Quality Policy, Occupational Health and Safety Policy, Road Safety Policy, Environment Policy and the Anti-corruption Policy. The Code is binding on all employees in the countries where PostNord operates. Relevant parts of the Code are also to be incorporated into agreements with our business partners. "PostNord" in the Code refers to the entire Group, including all of its activities and subsidiaries.

¹ The "business partners" with respect to which principles and rules are stipulated in the Code refer to those that PostNord purchases, or exchanges, some type of product or service from, i.e., external partners that the Group engages as suppliers, agents, representatives or collaborators. Our values state that we must also act as a professional business partner in relation to our customers.

² A report entitled "Our Common Future" was compiled on behalf of the United Nations in 1987. The former prime minister of Norway, Gro Harlem Brundtland chaired the Commission. The Brundtland Commission defined sustainable development as that which "... meets the needs of the current generation without jeopardizing the needs of future generations."

“Dear PostNord employees,

We all work each and every day to ensure PostNord’s success. We must create value for our owners and customers while ensuring efficient, competitive, universal postal services in both Sweden and Denmark. The trust of both our customers and other stakeholders is vital to achieving our targets. We can only earn that kind of trust one day at a time.

A cornerstone of our success is the ability to meet the expectations of our customers when it comes to being a reliable partner. We act as a business partner for our corporate customers, strengthening their competitiveness with our services. Meanwhile, we make everyday life easier for our private customers.

A good and dependable business partner lives up to its commitments, satisfies the expectations of its customers, and assumes responsibility for its role in the world around it. That is the very reason that a well-functioning system of corporate governance and a strategic, business-oriented sustainability effort are core to everything we do. We are convinced that solid business ethics, social responsibility and goal-oriented environmental work is fundamental to the sustainable commercial success of PostNord.

It goes without saying that we are to adhere to applicable law at all times. Furthermore, we must adhere to the external principles and guidelines that are applicable to our business.

The Code, which has been adopted by the Board of Directors, clarifies the ways that we are to comply with, and implement, certain fundamental legal requirements, guiding principles and policies in our business. The Code clarifies what may be expected of our company and the kind of conduct that our employees are to exhibit. We also demand that our business partners - including suppliers, agents and other external parties - follow all relevant parts of the Code in accordance with specific agreements.

The Code may be supplemented as needed by policies, instructions and guidelines that constitute more detailed internal regulations.

All PostNord employees have both an individual and collective responsibility to follow this Code such that it becomes an integral part of our corporate culture. Only by working together will we be a powerful team that makes a difference and builds a company that both we and our owners can be proud of.

Let us permit this Code, along with personal integrity and an unwavering commitment to ethics, to become part of our day-to-day activities, as well as a monitoring tool that allows us to continually earn the trust of everyone we encounter in our work.”

April 2016

Håkan Ericsson
President and CEO



PHOTO: HENRY LUNDHOLM

In addition to the law, PostNord must comply with the *Swedish State ownership policy and guidelines for state-owned companies* and the *Swedish Code of Corporate Governance*. PostNord signed the UN Global Compact in 2010. Thus, we support and conduct our activities in accordance with the ten principles of responsible business practice in the areas of human rights, labor, the environment and anti-corruption (unglobalcompact.org). The principles are based on the UN Universal Declaration of Human Rights (un.org), the ILO Declaration on Fundamental Principles and Rights at Work (ilo.org), the Rio Declaration on Environment and Development (unep.org), and the UN Convention against Corruption (unodc.org). PostNord must also comply with the OECD Guidelines for Multinational Enterprises (oecd.org) and the UN Framework for Business and Human Rights (ohchr.org). Because PostNord has issued bonds that are listed on the NASDAQ OMX Stockholm Exchange, it must also follow the regulations that the exchange has established for its issuers.

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Every care has been taken in the translation of this Code of Conduct. In the event of discrepancies, however, the Swedish original will supersede the English translation.

VERSION 2.0

Vision and values

Vision

PostNord delivers world-class communication and logistics solutions to satisfied customers.

- PostNord develops strong profitable international logistics and information logistics operations through ownership, partnership and collaboration.
- PostNord is an attractive, stimulating workplace with committed, motivated employees.
- PostNord is an environmentally sound choice for its customers.

Values

Both as individuals and businesses, we are identified on the basis of our actions. PostNord's core values - reliable, accessible, business partner, and sustainable - are fundamental to our activities and constitute the principles with which we always want

to be associated. The values clarify for customers and employees alike what PostNord aims to represent while providing overall guidance to employees concerning the principles that are important for us to uphold.

Employeeship and leadership

Good employeeship and leadership support PostNord's values, help us develop attractive workplaces and make it easier to meet our operational targets. PostNord's cornerstones of employeeship describe our approach to performing our day-to-day duties. We must all be good ambassadors. Managers are also expected to meet our leadership criteria. Managers have a particular responsibility to always serve as good role models while taking the Code into consideration when drawing up and implementing their business plans.

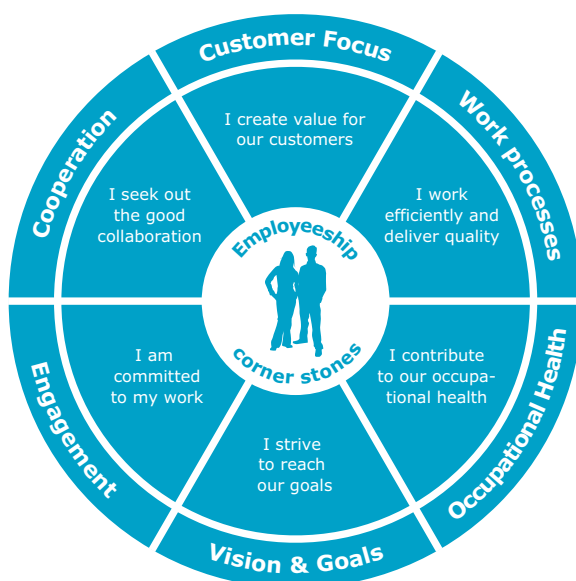




PHOTO: POSTNORD

Customers and quality assurance³

A good system of corporate governance is essential to realizing PostNord's vision of providing world-class services to satisfied customers in a responsible manner. For example, corporate governance includes clear instructions by the owners, a committed and well constituted Board of Directors, efficiency in our processes and effective risk management. We must always comply with applicable legislation, including laws relating to anti-corruption, the environment, privacy protection, procurement, competition and marketing, as well as sector-specific regulation.

PostNord pursues and continually evaluates a systematic quality assurance effort that covers all aspects of the business. We must take a unified approach if we are to achieve our targets. Our management system documents our processes. We monitor and update our processes and governing documents on a regular basis. One of our guiding principles is to focus on continual improvements.

Being a customer of PostNord must be a simple and reliable proposition. Our customer relationships must be based on professionalism. Agreements with

customers and other parties must be documented, and the internal decision-making procedure must be followed. Our goal-oriented working methods ensure that our products and services are based on the needs that our customers have identified in terms of communications and logistics solutions. It follows that we must maintain an ongoing dialogue with our customers in order to be aware of their needs, preferences and points of view. Their input must be treated as a basis for improvement, and we must respond to them quickly, courteously and professionally. Customer satisfaction must be measured on a regular basis.

Based on their individual duties, all employees must contribute to the realization of PostNord's vision and keep the promises it has made to its customers. Applicable law, our agreements, internal regulations and processes must be followed. Employees must be involved in the continual effort to identify and adopt improvements measures. Managers are responsible for providing the tools needed to make sure that it happens. Good internal control based on analyses of risks and opportunities is required if we are to practice what we preach.

Information about current certificates is available at PostNord's website

³Represents PostNord's Quality Policy.

Security and business continuity

PostNord is to be the natural choice among customers who are looking for a secure and reliable supplier of communications and logistics solutions. We must protect the assets of both our customers and ourselves, and we must not subject anyone to unnecessary risks. PostNord has rules and requirements for security that cover all of our operations and employees. All business-critical activities at PostNord must incorporate a high level of security awareness and the ability to ensure business continuity.

All employees must report incidents and other circumstances that have the potential to compromise security or safety. PostNord aims to make continual improvements on the basis of the data that it collects. Structured working methods permit us to minimize the number of incidents and mitigate the consequences of those that nevertheless occur. Managers must see to it that all employees receive basic safety training and information about relevant rules in the area as part of their orientation.

Secure, reliable information management

Information assets must be managed in a secure manner. Information can be secure only if it is reliable and relevant, as well as available to the right individuals when needed. All employees must be aware of the ways that they handle information in order to meet the requirements for information security stated in our internal regulations.

Road safety⁴

Road safety is an important matter for PostNord, our customers and the community in general. PostNord shall conduct systematic road safety initiatives that are continuously evaluated and improved. Everyone who drives any kind of vehicle on the job must comply with applicable traffic regulations, as well as PostNord's local internal regulations. Employees must drive in a considerate manner such that neither they themselves nor other people are exposed to unnecessary hazards or risks. They must drive in such a way as to contribute to that PostNord's and national targets are achieved with respect to environmental impact, health and reduction in the annual number of accidents. This means all employees will wear seat belts, keep a safe distance from the vehicle ahead, respect and comply with speed limits, plan driving with consideration for road conditions and traffic, and take responsibility for keeping vehicles in a condition that is safe for driving. Driving will never be carried out under the influence of alcohol, drugs, pharmaceuticals or while fatigued. Mobile phones will only be used in hands-free mode.

Compliance is required with the existing regulations regarding driving and rest times for employees who drive heavy vehicles. Everyone is responsible for securing the load according to the applicable instructions.

Managers must make sure to discuss driving safety issues with the relevant employees at performance appraisals.



PHOTO: POSTNORD

The PostNord information security policy contains additional details.

⁴Represents PostNord's Road Safety Policy.

Working conditions

Basic human rights

PostNord supports and respects internationally recognized human rights and must not be complicit in violating them. We do not accept child labor, or any type of forced labor or penal servitude.

All employees are entitled to join associations and other organizations, as well as to organize in trade unions. We respect the right to engage in collective bargaining and sign collective agreements. The requirements of ILO's core Conventions⁵ are to be followed when more far-reaching than national legislation.

We must always promptly and optimally resolve any concrete problem that arises in connection with a violation of human rights that comes to our attention within the framework of PostNord's activities. To prevent a similar violation from recurring, we must also analyze its causes and revise our processes as needed.

Occupational health and safety⁶

PostNord must offer a safe and healthy workplace as a natural part of our daily work. We must take a holistic approach to health that includes physical, mental and social well-being. PostNord must work systematically and transparently on improving the working environment. PostNord performs mapping

and risk analyses to manage and minimize risks in the workplace while preventing occupational injury and illness. We make sure that early and active initiatives are carried out if injury or illness arise and we must meet or exceed the requirements of applicable law. We must set concrete targets and evaluate them on a continual basis and we must improve our initiatives as needed. Initiatives for health and a safe working environment are part of our development projects and included when making organizational work changes.

PostNord has overall responsibility for promoting a safe and healthy workplace, but employees are to contribute to this effort. All employees, as well as contractors and entrepreneurs at PostNord workplaces, must for example make sure that they perform their duties in accordance with the instructions and use the necessary protective equipment. Managers must make employees and contractors at PostNord workplaces, aware of risks and ensure that they possess the skills required to minimize the risks.

No employee or contractor may perform their duties or be at a PostNord workplace under the influence of alcohol or drugs. PostNord is obligated to support employees who have substance abuse problems. At the same time, employees with alcohol or drug issues have a responsibility of their own to seek help either privately or through occupational health services.



PostNord has overall responsibility for promoting a safe and healthy workplace, but employees are to contribute to this effort.

⁵ ILO Convention nos. 29, 87, 98, 105, 111, 138 and 182.

⁶ Represents PostNord's Occupational Health and Safety Policy.

Diversity and equal opportunity

PostNord bases its gender equality and diversity effort on the view that our differences contribute to a more dynamic and attractive workplace. PostNord must actively pursue diversity and gender equality at all levels. Every employee is entitled to be treated with respect. No employee may be bullied, discriminated against or harassed in any way, for any reason or under any circumstances.

PostNord employees must treat everyone with respect and serve as positive representatives of the business. An employee who discovers that an employee is bullying, discriminating against or harassing an employee or a contact outside PostNord has the responsibility to act. The employee must resolve the problem if she or he has the authority to do so or else notify an employee or unit that can assume responsibility.

Managers must serve as role models and take a proactive approach to diversity and gender equality. For example, that obligation includes preventing and correcting bullying, harassment and other improper treatment.

Opportunities for development

Commitment and suitable expertise among PostNord employees are important success factors for the Group. PostNord aims to be an attractive and stimulating workplace. PostNord must encourage and support the ongoing development of its employees in order to ensure the competitiveness and market value of the individual and the Group. Each employee shares the responsibility for their professional development. Managers and employees have a mutual responsibility to ensure that each and every person who works for PostNord has the information, knowledge and capabilities required to perform their duties.



Each employee shares the responsibility for their professional development.

Business partners and social commitment

Sustainability in the supplier chain

Contributing to sustainable development and acting as a responsible Group requires PostNord to place demands not only on ourselves but on our business partners, which are defined as the external parties that we purchase or exchange goods and services with. Therefore, price and quality are not the only criteria that determine the choice of business partner. Prior to entering into an agreement, PostNord must communicate this Code to the other party and verify that it generally supports and follows the same relevant principles for responsible business practice as we do. We must confirm that the party meets these conditions before signing any agreement.

We must monitor the actual delivery from our business partners and, under particular circumstances, the sustainability effort that they pursue. Our business partners are responsible in turn for keeping track of their suppliers in this respect. We must be able to demand improvements any time problems are identified in the supplier chain. If serious problems are not corrected within a reasonable period of time, we must be able to terminate the business relationship.

PostNord distribution points serve as a vital link and interface with our customers. The external partners in charge of these points are seen as the 'extended arm' of PostNord. For that reason, it is particularly important that we inform and train them to meet the requirements for customer treatment, availability and responsible conduct stipulated by this Code.



PostNord distribution points serve as a vital link and interface with our customers.

Coordinated purchasing

All of our business partners must accept the requirements of the Code in substance, as determined by PostNord and specified in separate internal regulations. The level of requirements is to consider specific industry or geographical risks and whether the business partner represents PostNord or has employees at our workplaces, such as those in charge of distribution points and temporary agency workers.

PostNord's central procurement unit is to coordinate the requirements to which business partners are subject.

As a general rule, purchasing is to be coordinated throughout the Group. Coordination when appropriate allows PostNord to take advantage of all its purchasing power and ensure synergies.

Societal commitment and sponsoring programs

PostNord participates in various partnerships and trade associations that provide us with an opportunity to improve our industry, serve as a good and responsible member of the community and cultivate confidence in our company.

PostNord confines its social commitments and sponsoring programs to a limited number of major projects that are determined at the central level. All of our sponsoring programs must benefit both the organization with which we are collaborating and PostNord itself.

The PostNord Purchasing Policy contains additional details.



PHOTO: JUNE WITZOE

Environment⁷

Systematic, transparent environmental effort

PostNord works purposefully to minimize the impact of its activities on the environment. As one of the largest companies in the communications- and logistic business in the Nordic region, our transports are many. The large facilities and machinery that our business requires are dependent on power and heating. Our environmental responsibility must be an integral part of our core activities, and we must offer environmentally sound communications and logistics solutions for the purpose of reducing our own environmental impact and that of our customers.

When appropriate, we must collaborate with external partners to promote environmentally sustainable technological development. We must engage in dialogue with our stakeholders about the environment

and be a respected partner when it comes to environmental issues. PostNord must pursue a systematic, transparent, holistic environmental effort that we continuously evaluate and improve. We must utilize energy and other natural resources in an efficient manner. When specifically called for, we subject the products and services we purchase to environmental requirements from a lifecycle perspective.

PostNord reports the environmental impact it makes, as well as the environmental initiatives that the Group adopts.

The contributions and initiatives of all employees are vital to achieving our overall environmental targets. Managers must see to it that both they and their employees undergo suitable environmental training.

Information about current certificates is available at PostNord's website.

⁷ Represents PostNord's Environment Policy.

Business ethics

PostNord's assets must be used for the intended purpose, and no employee may take advantage of them for any kind of personal gain. This is for example one of the reasons why the internal travel rules must always be followed.

PostNord assumes a neutral position with respect to political and religious organizations.

Improper influence

PostNord has a zero tolerance policy when it comes to bribery and other types of corruption, such as money laundering. All types of marketing activities and entertaining must comply with internal regulations, as well as relevant business practices and applicable legislation.

PostNord does not accept any attempt at improper influence on the part of current or prospective business partners, customers or other stakeholders. Neither our employees nor contractors who represent PostNord may be the target of improper influence. No employee or contractor may accept, approve a promise of or demand any type of benefit that may be perceived as corruption. Similarly, employees and contractors who represent PostNord may not act in a way that attempts to improperly influence the decisions of others, or can be perceived as doing so.

A benefit is improper if it is, or may be perceived as being, encouragement for the recipient to perform their duties in a manner that is disloyal to their employer or principal. A benefit does not need to

have financial value but often does. Gifts in the form of money and recreational trips are examples of improper benefits.

Before receiving or offering a gift that has more than symbolic value, an employee must obtain the approval of their immediate supervisor. All employees must be aware that there is a fine line between proper and improper gifts and benefits. If an employee has the slightest doubt about whether a gift or other type of benefit is improper, the most appropriate decision is always to abstain.

Conflicts of interest

PostNord's decisions may not be influenced by personal interest such as financial gain, kinship, friendship, other personal interests or other considerations that are not relevant to PostNord business. If the risk of a conflict of interest arises, an employee must always notify their immediate supervisor so that reasonable action can be taken to avoid problems.

Competition

Efficient competition on equal terms is a key component of a well-functioning economy. It promotes the development of business enterprises, which benefits both customers and the community in general. In other words, we must not conduct any activities that improperly restrict efficient competition. That is why it is so important that the special compliance programs that PostNord has instituted in this area be followed to the letter.



Gifts in the form of money and recreational trips are examples of improper benefits.

Communication

Providing correct information on time

Communication and information logistics are cornerstones of PostNord's business. The right information must be provided to the right person in the right way at the right place and at the right cost. To position ourselves at the forefront, we must also listen to our customers. As a result, we conduct surveys that generate a Customer Value Index. Dialogue is one of the tools we use to cultivate and maintain good and productive relationships with other stakeholders as well. Communication with our stakeholders must demonstrate respect and responsiveness. It must be transparent, correct, clear and relevant. Our market communication must be customer-oriented, support our business and reflect the Group in a fair and positive way.

All employees must be aware that everything they say and write may be perceived as an official statement and therefore affect trust in PostNord. Decisions are made at the central level with respect to the people who may make official statements on behalf of PostNord. Only PostNord's official channels are entitled to use the Group's logos, as well as its copyrighted images and written material. PostNord has internal regulations for our relationship with the media. The internal regulation regarding media and marketing communications also apply to communication in social media and in both our own digital channels and those of others.

Transparent accounting and reporting

PostNord must comply with all relevant regulations that govern accounting and reporting. For example,

the Group must follow International Financial Reporting Standards (ifrs.com) and issue a sustainability report in accordance with the guidelines of the Global Reporting Initiative (globalreporting.org).

PostNord AB's annual and sustainability report, as well as its interim reports, forms the basis of external communication concerning the performance of the Group.

Disclosure requirements and insiders

Given that PostNord has issued bonds it must meet separate requirements for disclosure and for handling insider information. Logs are an example of how PostNord meets those requirements. Insider information refers to a fact, development or circumstance that has not yet been made public or is not generally known. The fact must also be important enough as to materially affect the price of the bonds.

Insider information must be made public as soon as possible. The information is made public by means of press releases and on PostNord's website through specially designated representatives.

Anyone possessing insider information is barred from acquiring or selling listed PostNord bonds or disclosing the information. The duty to maintain confidentiality does not apply if disclosure is integral to performing assigned duties. The Board of Directors, the President and Group CEO and all employees are individually responsible for understanding and staying up to date with applicable insider legislation.



The right information must be provided to the right person in the right way at the right place and at the right cost.

The PostNord Information and Insider Trading Policy contains additional details.



Responsibility, implementation and compliance with the Code

The CEO has ultimate responsibility for implementation of the Code and compliance by all employees of the PostNord organization, as well as for incorporation of relevant parts into agreements with PostNord's business partners. The CEO is also responsible for ensuring that the Code is regularly reviewed and revised as needed. The Group Executive Team and all managers must serve as positive role models. The day-to-day effort of activating and monitoring compliance with the Code is the responsibility of all managers.

PostNord's development, both now and in the future, is dependent on employee commitment and goal-oriented efforts in line with the PostNord vision and the Code. Thus, it is highly important that all employees be familiar with, understand and follow the Code. The wording of the Code presumes trust and confidence, as well as the sound judgment and common sense of everyone involved.

Managers must ensure that employees have the tools they need to meet the requirements of the Code. For that reason, it is particularly important that managers understand the significance of the Code for their own sphere of responsibility and for PostNord as a whole. All business plans that managers draw up must take the Code into consideration. The code must also be addressed as part of the annual performance review.

Managers must call the attention of new employees to the Code during their orientation, as well as carry on a regular dialogue with employees about its relevance to their day-to-day duties.

PostNord must be a reliable company with an open corporate culture in which everyone is permitted to speak their mind. Employees can always bring up questions about the Code with their immediate supervisor.



Questions about the Code can also be handled by the PostNord corporate functions for Sustainability, Human Resources or Legal Affairs.

Reporting incidents - whistleblowing

PostNord has a special reporting procedure, referred to as whistleblowing. The system enables employees to report lawbreaking and other serious violations of the Code that are suspected of having been committed, directly sanctioned or willfully ignored by individuals in senior positions or other key people at PostNord. The earlier a problem is discovered, the better. The damage can hopefully be limited, which benefits both PostNord and all its stakeholders. To avoid the risk that employees or other stakeholders will abstain from reporting suspected violations out of fear of being perceived as disloyal or of being subject to reprisals, the procedures may be used anonymously.

The whistleblowing system is available at a special online portal that may be accessed through both PostNord's external website and its intranet. Any incidents that are reported will be investigated in collaboration with an external law firm. To protect the privacy of the whistleblower, the entire process is subject to full confidentiality.

Depending on their nature, violations or problems that are not suitable for whistleblowing should be reported to the immediate supervisor, the Group's functions for Legal Affairs, Security, IT or Internal Auditing, or the local human resources unit.



PHOTO: COLOURBOX

Checklist

Always take the following things into consideration before making a decision:

- ✓ What are the possible consequences of my action or failure to act?
- ✓ Will my action or failure to act build confidence in PostNord?
- ✓ Is my action or failure to act lawful?
- ✓ Is my action or failure to act consistent with the spirit of the Code?
- ✓ Might my action or failure to act be affected by personal interests or any other conflict of interest?
- ✓ Will my action or failure to act stand up to public scrutiny?
- ✓ Will my action or failure to act protect PostNord's reputation as a Group that strives to maintain strict business ethics?



If you are unsure about what to do in a particular situation, you would be wise to ask your immediate supervisor for advice.