

**We have the strength.
We know the Nordics.
We deliver.**

Corporate Governance Report

Well-functioning corporate governance is one of the requirements in terms of generating long-term value for shareholders and other stakeholders and to ensure the fulfillment of its universal postal service obligations on commercial grounds. This Corporate Governance Report has been prepared in accordance with the Swedish Companies Act, the Annual Accounts Act and the Swedish Code of Corporate Governance.

Shareholder structure

PostNord AB (publ), corporate identity number 556771-2640, is a Swedish corporation owned 40% by the Danish State and 60% by the Swedish State. Votes are allocated 50/50 between the states. PostNord AB is the parent company of PostNord Group.

Governance structure

The main decision-making bodies at PostNord are the Annual General Meeting (AGM), the Board of Directors and the President and Group CEO assisted by the Group Executive Team.

The shareholders nominate the Chair of the Board and other Board members, propose directors' fees and nominate the AGM chair and an external auditor. The AGM is PostNord's highest decision-making body.

The Board of Directors has the overall responsibility for the organization and administration of the company through continuous monitoring and control of operations. The Chair of the Board leads the Board's work. The Audit and Remuneration Committees assist the Board in its work.

PostNord's President and Group CEO is responsible for and leads the day-to-day management of the Group based on the Board's guidelines and instructions. The President and Group CEO is assisted by the Group Executive Team.

The Company's external auditor is selected by the AGM and examines the Annual Report and Consolidated Financial Statements, the Board's and President and Group CEO's administration and produces an auditor's report. PostNord's internal audit function evaluates the Company's internal governance and control.

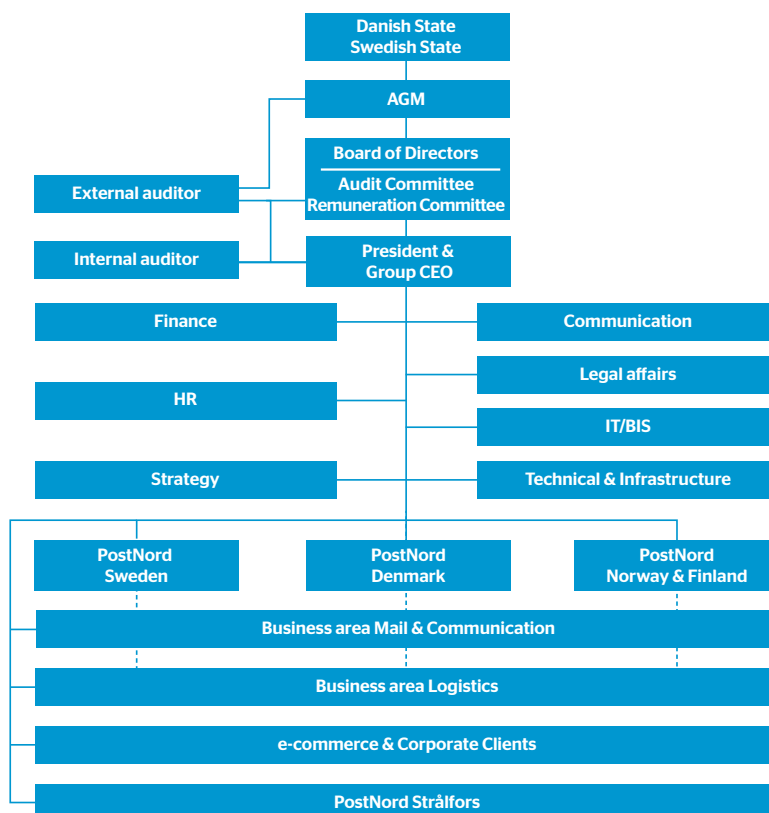
The Group's operational structure differs from its legal structure. As a main principle, organization and governance are based on the operational structure. Postal concessions, however, are tied to the legal structure; accordingly, formal responsibility for compliance with the conditions of the licenses follows the legal structure.

New organizational structure in 2014

Under the new matrix organization introduced on March 31, 2014, business activities are integrated within each country, whereupon the country organizations have overall responsibility for the entire product and service portfolio, as well as for sales in each country region. Along with the developed brand structure, the new organization further highlights PostNord's profile to its customers as a Nordic logistics player.

President and Group CEO and Group Executive Team

The Board of Directors is responsible for appointing and dismissing the President and Group CEO. The CEO appoints



and is assisted by the Group Executive Team. The relationship between the Board of Directors and the CEO is regulated by the Board's rules of procedure and the instructions to the CEO. The CEO is accountable to the Board for the day-to-day operation of the business and responsible for executing the strategic direction determined by the Board. Alongside the Board, the Group Executive Team is the Group's decision-making body and is jointly responsible for ensuring that the Group's business is developed in line with the strategic direction established by the Board of Directors. The CEO leads the work of the Group Executive Team.

Annual General Meeting

Under the terms of the Swedish Companies Act, the AGM is the company's highest decision-making body. The Swedish Ministry of Enterprise and Innovation and the Danish Ministry of Transport vote on behalf of the Swedish and Danish States, respectively, at PostNord's Annual General Meeting. Each State nominates four Board members. The AGM appoints a Board and auditor, along with deciding on how to distribute earnings, discharging the Board and CEO from liability, and making decisions on other matters as set out in legislation or the Company's articles of association.

The AGM must be held no later than April 30 in accordance with the owner policy of the Swedish State. Notice of the Annual General Meeting is sent by mail to the shareholders and is advertised in the daily press, through information in the Annual Report and on the Group website. Members of the Swedish and Danish Parliaments and the general public are invited to attend and ask questions at the AGM.

2014 Annual General Meeting

The 2014 AGM was held on April 23, 2014. The AGM adopted the Group's and Parent Company's income statement and balance sheet, distribution of earnings according to the Board's proposal (dividend of SEK 128.8m (103.0) to shareholders) and the Board of Directors and President and Group CEO were discharged from liability for the 2013 financial year. The AGM also decided on guidelines for remuneration to senior executives and remuneration to Board members and the auditor.

Jens Moberg was re-elected as chair of the Board. The AGM re-elected Mats Abrahamsson, Gunnel Duveblad, Christian Ellegaard, Sisse Fjelsted Rasmussen, Torben Janholt and Anitra Steen as Board members. Magnus Skåninger was elected as a new Board member. Accounting firm KPMG AB was re-elected as auditor through the close of next year's AGM, with authorized public accountant Helene Willberg as auditor in charge. The AGM also decided on the financial targets for PostNord; see page 12. The complete minutes of the Annual General Meeting are published at www.postnord.com.

Extraordinary General Meeting 2014

At an Extraordinary General Meeting on August 25, 2014 the decision was made to merge PostNord Logistics AB with Posten Meddelande AB, which in this connection changed their names to PostNord Sverige AB. The aim was to simplify the Group's legal structure, and the merger was implemented on January 1, 2015.

2015 Annual General Meeting

PostNord's 2015 AGM will take place on April 23, 2015 at PostNord's Group office at Terminalvägen 24, Solna, Sweden.

Internal and external regulations

PostNord is affected by a number of internal and external regulations, including:

External regulations:

- The Swedish Companies Act, the Annual Accounts Act and the Swedish Code of Corporate Governance.
- The Swedish State's ownership policy and guidelines for state-owned companies and the Danish State's ownership principles (the State as shareholder).
- NASDAQ Stockholm's regulations for issuers.
- International Financial Reporting Standards, IFRS.
- UN Global Compact.

Postal regulations:

- The UPU Convention, the EU's Postal Directive and national legislation and directives in Sweden (e.g. the Postal Services Act and the Postal Ordinance) and Denmark (e.g. Order on conveyance by post and postal services).

Internal rules and regulations

- The articles of association, rules of procedure of the Board (including instruction for the President and Group CEO) and the Audit and Remuneration Committees' rules of procedure
- Delegated authorities for PostNord AB.
- Code of Conduct and Group policies.
- Operational governance.
- Framework for internal governance and control of financial reporting.
- Guidelines for determining terms of employment for senior executives.

Responsible enterprise

In addition to the law, PostNord must comply with *Swedish State ownership policy and guidelines for state-owned businesses*. This means, among other things, that PostNord must be a role model in terms of responsible enterprise, including ensuring compliance with *the Swedish Code of Corporate Governance*, *the OECD's Guidelines for Multinational Enterprises* (oecd.org), *the UN's Guiding Principles on Businesses and Human Rights* (ohchr.org) and *the UN's Global Compact* (unglobalcompact.org).

PostNord signed the Global Compact in 2010. The Global Compact is based on ten principles, which 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). Because PostNord has issued bonds on the NASDAQ Stockholm Exchange, it must also follow its regulations established for its issuers. These regulations are reflected in PostNord's Code of Conduct.



Deviations from the Swedish Code of Corporate Governance

PostNord applies the Swedish Code of Corporate Governance, with the exception of the following Code provisions:

- Chapter 2 requirement for a nominating committee. PostNord does not have a nominating committee, as the nomination and appointment of Board members is performed in accordance with the principles agreed upon by the owners. Nominations are made in cooperation between the owners.
- Chapter 4.5 requirement for Board members' independence from owners. The objective of the rule is to protect minority owners (with a non-controlling interest). However, protection for minority owners is not relevant to the governance of PostNord. PostNord only has two owners and an account of the independence of the Board members is thus of no relevance.

Deviation from the Swedish State's guidelines for external reporting

PostNord applies the Swedish State's guidelines for external reporting, with one exception:

- In 2014 PostNord deviated from the requirements stated in the Swedish State's guidelines on the time of publishing the year-end report for 2013, quarterly report for Q1 and H1 report. PostNord has revised its processes and will be issuing its financial reports in 2015 within the time frame stated in the guidelines.

Board of Directors

The Board of Directors has overall responsibility for the organization and management of the Company through regularly monitoring the business and ensuring appropriate organization, management, guidelines and internal control. The Board adopts strategies and targets and makes decisions on major investments, acquisitions and divestment of operations.

Composition of the Board

The Board of Directors is appointed by the AGM, which has determined that the Board shall be composed of eight AGM-elected Board members and no deputies. The Board also includes three members elected by employee organizations and their three deputies. The Swedish State's ownership policy prescribes that each gender shall have at least 40% board representation. The female/male distribution of PostNord's Board of Directors was 38%/62% in 2014 (ordinary members).

The Board's work

Working methods

The Board of Directors annually adopts rules of procedure. These regulate matters such as the Chair's duties, information to the Board of Directors and the roles and responsibilities of the President and Group CEO and Board members. There is no division of the work of the Board between Board members, apart from the Audit and Remuneration Committees.

The Chair of the Board is elected by the AGM, leads the Board's work and is responsible for ensuring that this work is well-organized and carried out effectively. This includes the regular monitoring of the Company's operations in dialogue with the CEO and making certain that other Board members receive the information and documentation necessary to ensure high quality discussions and Board decisions. The Chair leads evaluation of the Board's and CEO's work. The Chair also represents the Company in issues of ownership.

Board meetings and issues in 2014

In 2014 the Board met on nine occasions, including the statutory first meeting. The CEO presented the financial and market situation at each Board meeting. The Board also discussed the Group's strategy, acquisitions, employment issues and business plan, and addressed reports from the Audit and Remuneration Committees and reports concerning internal control and financial activities on a continuous basis. The company's auditor has given an account of the year's auditing activities and these issues have been discussed.

Board meeting attendance 2014

Member of the Board	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Jens Moberg	9/9	-	2/2
Mats Abrahamsson	9/9	-	2/2
Gunnel Duveblad	9/9	6/6	-
Christian Ellegaard	9/9	6/6	-
Sisse Fjelsted Rasmussen	9/9	6/6	-
Torben Janholt	9/9	-	1/2
Patrik Jönsson (co-opted) ¹⁾	2/2	-	-
Magnus Skåninger ²⁾	7/7	3/4	-
Anitra Steen	9/9	-	1/2
Lars Chemnitz	8/9	-	-
Ann-Christin Fällén	9/9	-	-
Alf Mellström	9/9	-	-

¹⁾ Co-opted in anticipation of a decision at the AGM concerning the composition of the Board.

²⁾ Elected to the Board and Audit Committee at the AGM in April 2014.

Audit Committee

The Audit Committee is tasked with preparing the Board to perform its duties of supervising and assuring the quality of the Group's financial reporting. The Committee supervises the effectiveness of the company's internal governance and control as well as risk management systems and processes with regard to financial reporting. The Committee's rules of procedure are established by the Board. The Audit Committee has no decision-making power.

The Committee also assists the owners in selecting an auditor. The Audit Committee, in addition to reporting to the Board on its efforts, regularly reviews the auditor's reports and determines whether the auditors are performing their task independently, objectively and cost-efficiently. The Audit Committee is the principal of the internal audit and its monitoring of internal governance and control, and remains apprised of internal audit reports.

The Committee comprises at least three Board members and meets at least four times per year. The Company's external auditor participates in meetings at which the annual accounts, annual report and auditor's report are presented, as well as when needed for assessment of the Group's financial position. The Committee chair is responsible for regularly apprising the Board of the Committee's activities.

In 2014 the Committee met on a total of six occasions. The topics discussed include the following:

- The reporting of the Group's auditors regarding the year-end and interim reports and the audits of the financial statements.
- Supervision of financial reporting and effectiveness of PostNord's internal governance and control.
- Supervision of risk management systems and processes.
- Evaluation of external audit.

Remuneration Committee

The Remuneration Committee is tasked with preparing and presenting proposals to the Board regarding remuneration and other terms of employment for corporate management and remuneration principles for external directors serving on the Boards of Group subsidiaries. The Remuneration Committee has no decision-making power.

The Remuneration Committee comprises at least three members. The Chair of the Board of Directors chairs the Committee. The Committee shall meet when warranted. The Committee chair is responsible for regularly apprising the Board of the Committee's activities.

In 2014 the Committee met on a total of two occasions. The topics discussed include the following:

- Remuneration and other provisions for senior executives.
- Pension provisions for senior executives.
- Specific issues regarding remuneration for members of the Group Executive Team.
- Evaluation of results and potential and succession planning for senior managers.

Remuneration at PostNord

Decisions on terms of employment and remuneration for the President and Group CEO are made by the Board of Directors. The Board deals with remuneration issues through the Remuneration Committee.

Salaries and wages for PostNord employees shall conform to market conditions. For details on remuneration for senior executives, see Note 5, Employees, personnel expenses and remuneration to senior executives in the consolidated financial statements.

Guidelines on remuneration to senior executives decided on by the 2014 AGM are available in their entirety at www.postnord.com under Corporate Governance. No material changes to the guidelines are proposed ahead of the 2015 AGM.

Evaluation of the work of the Board of Directors and the President and Group CEO

The Board conducts an annual evaluation of its own work. Areas evaluated include the manner in which important decisions are prepared, discussed and managed; whether the right issues are addressed by the Board; the integrity of supporting documentation; and how well decisions and discussions are recorded in the minutes.

The Board continuously evaluates the CEO's work by monitoring the business's progress toward set targets. A formal evaluation is performed once per year and is discussed with the CEO.

Board member remuneration

Remuneration for Board members was determined by the 2014 AGM. Remuneration for each elected Board member for the period through the next AGM is SEK 250,000, while the Chair's remuneration is SEK 600,000. The fee for work in the Audit Committee is SEK 50,000 for members and SEK 62,500 for the Chair. The fee for work in the Remuneration Committee is SEK 25,000 for members and SEK 37,500 for the Chair. Board and Committee member remuneration is not paid to members employed by the Government Offices of Sweden.

Auditors

PostNord's 2014 AGM appointed KPMG AB as the Company's auditor, with authorized public accountant Helene Willberg as auditor in charge. The auditors meet with the Board at least once per year and also participate in a number of Audit Committee meetings. In 2014 the Board met with the auditor at one (1) Board meeting. The Board members have thus had the opportunity to ask the auditor questions.

See also Note 7, Fees and reimbursement of expenses to auditors.

The Board's report on internal control Governance model

PostNord's operational governance consists of seven main elements. Core Group governance includes Formal Governance, Functional Governance and Situation-specific Governance. Together with PostNord's Strategy and Plans, these determine the scope, conditions and direction for the Group's operations.

The other three elements consist of management by objectives for the Group's senior executives, and managing and running Group projects and business management systems with associated certificates for quality, environment and work environment.

The management system is followed up and evaluated, supported by the Excellence model EFQM (European Foundation of Quality Management) and by external parties. The Group Executive Team is responsible for implementing proposed improvement potentials.

Framework

PostNord's framework for internal governance and control is based on the framework developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The Group utilizes a "three lines of defense" model to illustrate the way in which responsibility for internal governance and control has been organized. The first line of defense clarifies the business's responsibility for internal governance and control and risk management. Management and managers in the country structure, the business areas and for Group functions are responsible for identifying and managing risks within their respective areas of responsibility. The second line of defense is made up of a number of management and control functions, which are responsible for supporting the first line of defense. This takes place by producing governance documents such as Group policies and instructions, processes, methods and ways of working, and training. The second line of defense must also ensure compliance and may also implement its own controls and create conditions to detect and manage any risks or errors that pass through the first line of defense. This includes Enterprise Risk Management (ERM), Internal Control and the Security Function. The third line of defense is the Group Internal Audit function, the Board's independent audit and control function tasked with evaluating PostNord's processes for governance, risk identification and risk control.

Control environment

In addition to the organizational model with the three lines of defense and their responsibility for internal governance and control, factors such as organization, decision-making paths and authorities have been defined and communicated within the Group. The Board has adopted PostNord's Code of Conduct, which clarifies how PostNord must comply with and implement certain fundamental legal requirements for the Group and governing principles and guidelines in the operations. The Code clarifies what may be expected of PostNord such as the kind of conduct that all Group employees are to exhibit. The Code is also linked to the PostNord whistleblowing system, the special reporting procedures that may be used on an anonymous basis. During the year, a document hierarchy for internal governing documents has been produced and adopted. Operational governance for the PostNord Group is an overarching

document that describes the business and regulates aspects including general internal division of roles and responsibilities. The subsidiary governance document and delegated authorities are linked to the document. In addition to this, the document hierarchy covers the following types of governance documents in descending order: Code of Conduct, policies, instructions, guidelines and directions.

The Board's work and responsibilities are governed by the Board's rules of procedure. The Board of Directors is ultimately responsible for ensuring the Company has good internal governance and control. The Board's rules of procedure define internal governance and control of financial reporting as a process through which the Board, the President and Group CEO and employees ensure beyond reasonable doubt that the financial reporting is reliable. The Audit Committee is tasked with preparing the Board to perform its duties of assuring the quality of the Company's financial reporting. The Committee oversees the effectiveness of the Company's internal governance and control as well as risk management systems and processes concerning financial reporting. The work is carried out through measures including regular discussions with PostNord's management and external auditors and the examination of accounting principles applied and accounting issues that are brought to the Committee's attention. The duties and powers of the President and Group CEO are governed by instructions established by the Board of Directors. Decision-making authority is governed by delegated authorities, which are based on the delegation of responsibilities established by the Board in its rules of procedure. The delegated authorities set forth the decision-making authority delegated by the President and Group CEO to the managers who report to him. These managers may then further delegate their decision-making authority within their respective areas of responsibility. Documents of importance are jointly signed by two authorized signatories designated by the Board.

Risk assessment

In 2014, PostNord's operations were guided by the governance model presented below. Risks associated with financial reporting are identified and evaluated along with other types of risks within the framework of the Group's business-wide risk management process and through an annual self-assessments and analyses of the Group's various companies and units. Financial reporting risks are also dealt with on a regular basis by the Audit Committee and the Board, which evaluate and monitor the management of these risks. See also Risks and Risk Management, page 54.

Control activities

These activities include rules covering decision-making and authorization, verification, compliance, manual and programmed controls, and

the division of duties and responsibilities in processes and routines. These governing documents and processes concerning reporting and financial reporting are updated by the Group's Finance function when amendments are made to legislation, accounting rules, reporting requirements, etc. In Sweden finance and payroll administration services are outsourced. Quality is ensured through the monitoring of internal control activities and reporting on the achievement of agreed service levels and quality criteria. The Group's Finance function is responsible for consolidated accounts and consolidated financial statements and for the Group's common business system, SAP. This responsibility includes regular analyses of the financial results of country organizations, the business areas and Group functions. The financial statement and reporting process includes controls for reporting, valuation, disclosure requirements and application of set accounting principles.

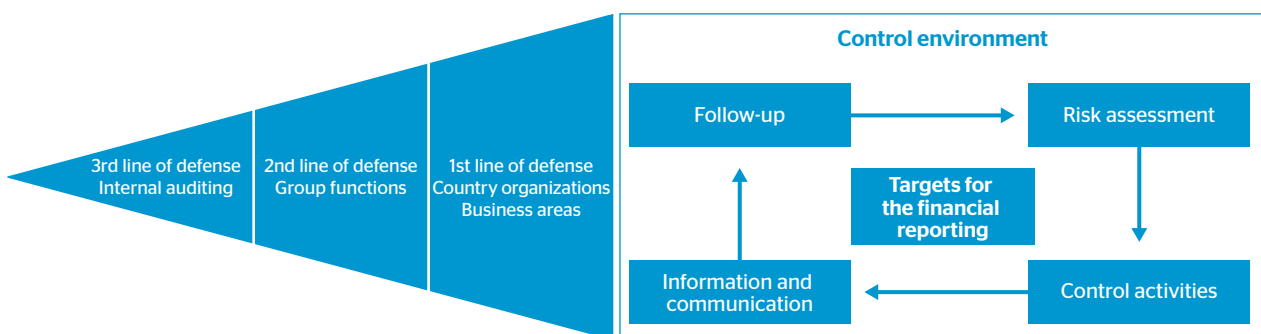
Information and communication

The Swedish State's ownership policy specifies guidelines for external reporting applicable to state-owned companies. The Group's Financial Accounting manual and supplementary internal guidelines for accounting and closing procedures are continuously updated and are communicated via the Group's intranet, for example. The Board and Audit Committee receive and review all interim reports and the Group's annual report before these are published. Information to the Group's external stakeholders is communicated through press releases and PostNord's website. Financial reporting is also addressed directly to the Danish and Swedish owners.

Follow-up

PostNord's business activities are reported and evaluated monthly based on business objectives. PostNord's financial situation is discussed at each Board meeting. Board committees play important roles in terms of remuneration, financial reporting and internal governance and control. The Audit Committee receives regular reports from the Group's external and internal auditors and follows up to ensure that measures are taken on the basis of the auditors' observations and recommendations. The Group's companies and Group functions conduct an annual self-assessment of the internal governance and control of financial reporting. Results are compiled by the Group's Finance function and are presented to the Audit Committee, the Board, PostNord country organizations and Group functions. In 2014, portions of the self-assessment responses from the Group's companies and units were subject to a limited review.

Internal governance and control at PostNord



Board of Directors



Jens Moberg

Born 1962.
Graduate Diploma in Business Administration.
Chair of the Board since April 2013.
Chair of the Remuneration Committee since April 2013.
Previous experience includes positions at IBM Denmark and subsequently at Microsoft Corporation, most recently as Corporate Vice President.
Chair of the boards of Grundfos Holding, Herlufsholm Skole og Gods and VisioLink. Board member of Axcel and Poul Due Jensens Fond.



Gunnel Duveblad

Born 1955.
Systems Engineer.
Board member since August 2009.
Chair of Audit Committee since 2009.
Previous positions include CEO of EDS Northern Europe and managerial posts at IBM.
Chair of the board of Team Olivia AB, Global Scanning A/S and Stiftelsen Ruter Dam.
Board member of HIQ International AB and Sweco AB.



Sisse Fjølsted Rasmussen

Born 1967.
BA in Business Administration and Authorized Public Accountant.
Board member since April 2013.
Member of Audit Committee since April 2013.
CFO/group executive of Scandinavian Tobacco Group. Previously Nordic Financial Controller for Grey Global Group. Background as auditor at Deloitte and Arthur Andersen.



Mats Abrahamsson

Born 1960.
PhD (Tech).
Board member since August 2009. Member of Remuneration Committee since 2009.
Professor at Linköping University.
Board member of Dixma Consultant AB.



Christian Ellegaard

Born 1969.
MBA.
Board member since April 2013.
Member of Audit Committee since April 2013.
Member of corporate management at Berendsen Plc and CEO of Facility. Previously held various positions within the Berendsen Group, including CEO in Denmark.



Torben Janholt

Born 1946.
Bachelor of Commerce.
Board member since August 2009.
Member of Remuneration Committee since 2009.
Previous positions include CEO of J Lauritzen A/S.
Chair of the board of Otto Suenson A/S. Director of A/S United Shipping & Trading Company and Lloyd Concept Store.



Magnus Skåninger

Born 1971.
Masters degree in Political Science and Business Economics.
Certified European Financial Analyst (CEFA).
Board member since April 2014.
Assistant undersecretary and head of the Division for State-Owned Enterprises at the Ministry of Enterprise and Innovation, Sweden
Previous posts include Executive Director EY, Director PwC and budget department at the Ministry of Finance.



Anitra Steen

Born 1949.
Bachelor of Arts.
Board member since April 2013.
Member of Remuneration Committee since April 2013.
Previous positions include CEO of Systembolaget, Director-General of the National Tax Board, State Secretary at the Swedish Ministries of Education and Finance.
Chair of the boards of AB Svenska Spel, Telge Inköp AB, AFA Försäkring and Iris Invest AB.
Board member of Oral Care.



Employee representatives

Lars Chemnitz

Born 1957.
Union representative appointed by the Union of Service and Communication Employees (SEKO).
Chair of the Danish postal workers union, 3F Post.
Member of the Board since January 2010.



Alf Mellström

Born 1956.
Union representative appointed by the Union of Service and Communication Employees (SEKO).
Board member since August 2009.
Employed by Posten since 1978.



Ann-Christin Fällén

Born 1955.
Union representative appointed by the Union of Civil Servants (ST).
Board member since May 2012.
Employed by Posten since 1977.

Employee representatives, deputies

Peter Madsen

Born 1953.
Union representative appointed by the Union of Service and Communication Employees (SEKO).
As a union representative, he represents 3F.
Deputy employee representative since January 2010.
Employed by Post Denmark since 1990.

Johan Lindholm

Born 1979.
Union representative appointed by the Union of Service and Communication Employees (SEKO).
Deputy employee representative since April 2012.
Employed by Posten since 1998.

Eigil Johannesen

Born 1965.
Union representative appointed by the Union of Civil Servants (ST).
As a union representative, he represents HK, Denmark's largest union for salaried employees.
Deputy employee representative since December 2014.
Employed by Post Denmark since 1983.

On February 14, 2014 Jonas Iversen resigned as Board member. Patrik Jönsson, deputy director at the Ministry of Finance, was a co-opted member until PostNord's 2014 AGM.

Group Executive Team



Håkan Ericsson

Born 1962.
BSc Economics.
President and Group CEO since October 1, 2013.
Member of Group Executive Team since 2013.
Previous positions: President of Carlson Wagonlit Travel's North and Latin American operations (after serving as President of their EMEA and Latin America operations); CEO of Loomis Cash Handling, Executive Vice President at SAS, Managing Director of DHL European freight operation, and senior positions in the Danzas, ASG and Fraktarna logistics groups.



Johanna Allert

Born 1975.
Master of Engineering.
Chief Technical Officer since 2014. Member of Group Executive Team since 2011.
Previous positions: Head of Group Operations Development function, including Group Support & Shared Services.



Gunilla Berg

Born 1960.
BSc Economics.
Chief Financial Officer (CFO).
Member of Group Executive Team since September 29, 2014.
Previous positions: Vice-President and CFO of the Teracom, SAS and KF Groups.
Board member at Alfa Laval and Vattenfall.



Henning Christensen

Born 1962.
Engineer.
Head of PostNord Denmark since 2014.
Member of Group Executive Team since 2012.
Previous positions: Head of Business Area Mail Denmark; Head of Production & Transport (PRT) at Breve Danmark A/S; Deputy Director of Mail Production & Transport at Post Denmark; and Mail Center Director at the Copenhagen Post Office.



Joss Delissen

Born 1963.
BSc Economics.
Chief Information Officer (CIO) since 2009.
Member of Group Executive Team since 2009.
Previous positions: A variety of positions at Unilever, most recently Director of Solutions Architecture.



Andreas Falkenmark

Born 1955.
Master of Laws.
Head of Business Area PostNord Mail & Communication since 2014.
Member of Group Executive Team since 2009.
Previous positions: Head of Business Area Mail Sweden; CEO of NK Förvaltnings AB; CEO of Duka AB; CEO of Coop Sverige AB; and CEO of Observer Northern Europe.



Annemarie Gardshol

Born 1967.
Master of Engineering.
Head of E-commerce & Corporate Clients and Chief Strategy Officer (CSO) since 2014.
Member of Group Executive Team since 2012.
Previous positions: Head of Group Strategy, executive positions at Gambro and as a management consultant at McKinsey & Company.
Board member of Etac AB.



Finn Hansen

Born 1956.
Master of Science.
Chief HR Officer since 2013.
Member of Group Executive Team since 2009.
Previous positions: Head of Business Area Mail Denmark, Deputy Director of Distribution, Deputy Director of Mail Production & Transport, various management positions at Post Danmark A/S.



Anders Holm

Born 1957.
Market economist.
Head of PostNord Sweden since 2014.
Member of Group Executive Team since 2014.
Previous positions: Head of Posten Logistik AB in Sweden, Sales and Marketing Director at Posten Logistik AB in Sweden, and various positions at UPS, most recently as Nordic CEO.



Peter Kjaer Jensen

Born 1969.
MBA.
Head of business area PostNord Logistics since April 1, 2014.
Member of Group Executive Team since 2014.
Previous positions: Various managerial positions at Maersk Linje, Maersk Logistics and Damco International A/S. Most recently Chief Transformation Officer at Damco.



Kristina Lilja

Born 1967.
Master of Laws.
General Counsel and Board Secretary.
Member of Group Executive Team since January 1, 2015.
Formerly VP and legal counsel at Husqvarna and positions as corporate lawyer or general counsel at companies including Hi3G Access (3), IFS and Cybercom.



Per Mossberg

Born 1953.
BSc Economics.
Chief Communications Officer since 2009.
Member of Group Executive Team since 2009.
Previous positions: Head of Corporate Communications at Posten AB; partner at JKL AB; Executive VP (communications) at Telia AB; Senior VP (information) at Trygg-Hansa SPP AB, Nobel Industrier and AB Bofors; and CEO of Näringslivets EU-fakta and Näringslivets Ekonomifakta. Chair of the boards of CSR Sweden and Sveriges Kommunikatörer.



Robin Olsen

Born 1970.
Master of Engineering; Master of Management.
Head of PostNord Norway & Finland since 2014.
Member of Group Executive Team since 2014.
Previous positions: Head of PostNord Logistics in Norway and CEO of Tollpost Globe AS.

Mats Johansson was acting Head of business area PostNord Logistics January 1 – March 31, 2014. Henrik Rättzén, CFO, left PostNord on May 11, 2014. From May 12, 2014 – September 28, 2014 Lena Larsson, Head of Business Control, was acting CFO. K.B. Pedersen, Executive VP and Deputy CEO, retired on December 31, 2014. Per Samuelson, Head of PostNord Strålfors, left the Group Executive Team on October 30, 2014.

Value-creating risk management

Proactive, structured risk management creates the conditions for PostNord to be able to achieve its targets and create value. Risk management is essential to the governance and control of PostNord's operations.

PostNord operates in an international market characterized by ongoing changes in several areas. Structured preparedness is required to adapt and optimize the business in the best way and to take advantage of opportunities while at the same time minimizing risks and losses. The overarching objective of the Group's risk management is to ensure that the risks affecting the Group's strategy and targets are identified and managed in an effective, systematic and value-creating way. Risk management is a continuous process that is integrated in the Group's business planning and in all operations.

Risk management process

The Group works continuously to identify, evaluate, manage and follow up risks in the surrounding world and within the business. PostNord's risk management process ensures the uniformity and comparability of risks, in order to prioritize decisions in line with the overriding targets, business-related decisions and external factors. PostNord strives to achieve an optimal balance between preventive and risk-limiting measures and the transfer of risks through insurance and contractual procedures, for example.

Risk management organization and responsibility

PostNord's Board of Directors and Group Executive Team have overall responsibility for the Group's risk management. Responsibility for risk management within the country organizations, business areas, Group functions and subsidiaries lies with the respective managers. The Group's risk management function is responsible for developing and establishing Group-wide instructions and methods for risk management. The risk management function is also responsible for consolidating risks and reporting to PostNord's management, Audit Committee and Board.

Risk areas and risk-limiting measures

The most important risk areas for the Group are described below, along with information on how the Group works with managing, controlling and limiting these risks.

Strategic risks

Strategic risks includes regulatory risks and risks due to changes in market conditions.

Regulatory risks

PostNord is commissioned to provide universal postal services in Sweden and Denmark, and changes to terms and/or licenses on the European or national level can have a significant impact on the Group's strategy concerning among other things the business model, service range and pricing.

Among the regulatory risks assigned the highest priority are those related to the structure of permit conditions, and the European Commission's decision to sue the Swedish State for not following the EU's VAT Directive regarding postal services. These risks may impact the Group's competitive situation and its ability to fulfill the universal service obligation in an efficient way under reasonable financial conditions. PostNord manages these regulatory risks with external and scenario analyses, a compliance program, advocacy work and the adaptation of the business.

Risks related to changes in market conditions

PostNord operates in a competitive market where market changes and position shifts may present challenges to PostNord's competitive advantage and profitability. 2014 has seen declining mail volumes, greater competition and pressure on prices, primarily in the logistics services market.

PostNord must respond to and adapt the business to changes in customer behavior, changes in market demand and technological developments, and increased levels of digitization. These are factors that result in declining mail volumes. Coordinated public initiatives to increase the level of digitization have already impacted the Danish business, and PostNord sees a similar development for the Swedish market.

The change and adaptation of PostNord's business model generates several risks of a more strategic nature, related to issues such as cost adjustments, governance and planning in the new matrix organization, and development of various customer offerings. PostNord manages these risks by analyzing the market, customers and competitors on an ongoing basis, working constantly on restructuring measures and performing strategy and business development.

Operational risks

PostNord is exposed to several operational risks. The most critical of these relate to the fulfillment of restructuring programs and cost-saving objectives, IT delivery quality and continuity, and restructuring and adaptation of personnel and organization. IT risks include internal and external delivery problems and disturbances that may affect the Group's production, customer deliveries and PostNord's financial reporting.

PostNord also runs operational risks related to non-current assets, infrastructure and sustainability-related risks. PostNord's goal is for high quality, efficiency, security and continuity to characterize the Group's services, deliveries and internal work. Ensuring good continuity and efficiency in production is a key part of the restructuring work in the business. The work aims to maintain and improve customer satisfaction, minimize damage and loss to the assets of PostNord and its customers, and ensure the health and safety of employees. PostNord's business requires transportation and an extensive infrastructure of terminals, production facilities and other buildings. The business itself is energy intensive and its carbon dioxide emissions have an impact on the environment. PostNord works continuously on risk analyses and continuity planning to ensure the Group's ability to manage consequences of any critical events, downtime or quality issues.

Financial risks

Financial risks mainly cover credit risks, refinancing risks and investment risks. PostNord secures financing of the business partly through the operating cash flow and partly through the maintenance of an effective capital structure that includes external financing. Financial risks over and above managing payment readiness are limited. Financial risks are managed on the basis of the finance policy adopted by the Board, which was updated in 2014.

Read more about the management of financial risks in Note 29, page 82, about the Group's material assessments and estimates regarding e.g. intangible assets in Note 2, page 66, and about the management of pensions in Note 23, page 75.

Sensitivity analysis

Area	Variable	Change	Impact on income (including derivatives), SEKm
Personnel risks	Change in personnel expenses	+/- 1 percentage point	182
	Change in sick leave levels	+/- 1 percentage point	116
Volume risks	Volume change in physical mail	+/- 1 percentage point	113
	Volume change in logistics business	+/- 1 percentage point	80
Interest rate risk	Change in market rate of interest	+/- 1 percentage point	8
Currency risk	Translation exposure	+/- 1 percentage point	56
Pensions	See also Note 23, Pensions, page 75		

Overview of risk areas and risk-limiting measures

Risk exposure by risk category	Examples of risk areas	Examples of risk-limiting measures
Strategic risks	Regulatory risks.	Business intelligence, compliance program and dialogue with politicians and public authorities.
	Changes in market conditions.	Restructuring program, measures to increase efficiency, customer and competitor analysis, strategy and business development.
Operational risks	Risks concerning target fulfillment of restructuring program and cost savings.	Continuous adaptation and follow-up.
	Risks concerning IT delivery and IT stability.	Disruption analyses and incident reporting.
	Risks concerning adapting personnel and organization.	Continuity planning, including ensuring workforce planning.
	Risks concerning facilities and infrastructure.	Overview of insurance protection.
Financial risks	Credit risks, refinancing risks, investment risks, currency risks.	The financial policy regulates financial risk exposure. Systematic credit evaluation and risk limits.
	Risk of insufficient payment readiness.	Cost-savings program, capital efficiency program and securing liquidity reserves.
	Pension-related risks.	Analysis and review of pension commitments and pension programs. Diversification of pension assets, derivative solutions and scenario planning.
	Intangible assets.	Impairment testing of significant intangible assets is performed annually.



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