

# SUSTAINABILITY REPORT 2016

## EMPLOYEES

Low sickness absence

**6.1%**



## ENVIRONMENT

CO2 emissions reduced by

**10%**








## Sustainability Report 2016

This sustainability report gives an account of the value we have created in recent years and the footprint we have left in society. The report evaluates our work and provides direction for the future.



Posten Norge participates in the UN Global Compact. The Global Compact is a United Nations corporate sustainability initiative. As a participant, Posten Norge commits to integrating ten basic principles (in human rights, labour, environment and anti-corruption) with its strategy and daily operations and to report annually on its activities and improvements related to these principles.

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## About Posten and Bring

Posten Norge AS is a Nordic postal and logistics group that develops and delivers integrated solutions in postal services, communications and logistics in the Nordic region.



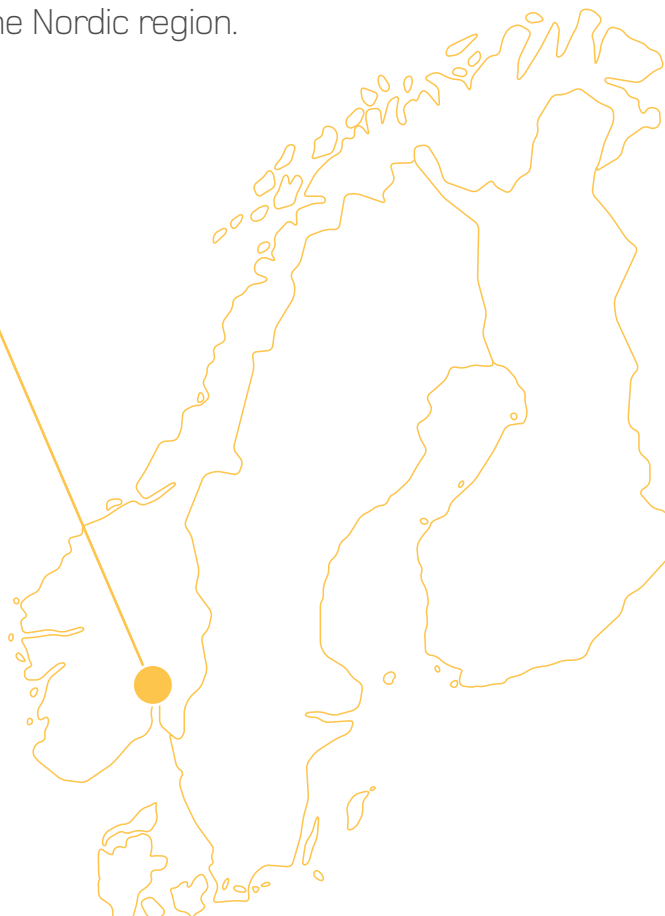
**Posten Norge:** Head office in Oslo, Posthuset

**Presence:** Norway, Sweden, Denmark, Finland, France, Greece, the Netherlands, United Kingdom, Italy, Belgium, China, Germany, Russia, Slovakia, and the United States.



PERMANENT EMPLOYEES  
IN THE GROUP

**16 992**



## Vision

Posten Norge will be the world's most future-oriented postal and logistics group.

## Business concept

Posten Norge develops and delivers integrated postal, communications and logistics solutions, with the Nordic region as its home market.

## Future developments

In 2017 Posten Norge and Bring will update the strategy for the Group.

Our goals are to focus the business, orient it towards the customer, and improve profitability.

## Our values

Through our values, we reflect a group that can be relied upon in all respects, and one for which we can be proud to work. These values help build our common culture and guide us in all our decisions. Established forms of cooperation between managers, employees, management organs, the owner and the authorities will reflect our values:

- Integrity
- Respect
- Cooperation
- Openness
- Courage

## Main goals

Our main goals are based on the requirements and goals that have been set for our operations, and are:

- satisfied customers
- leading market positions
- profitable growth and competitive value growth
- attractive workplaces and a good working environment

## Group structure

Posten Norge is organised into four divisions and four corporate staff units. Group management consists of the chief executive officer (CEO) and eight executive vice presidents.

## Our brands



Posten Norge AS has two brands in the market: Posten for the consumer market and Bring for the business market.

**Posten** provides mail delivery to private customers throughout Norway, and is responsible for the post office network.

**Bring** is one of the Nordic region's largest suppliers of postal and logistics services.



Get to know us even better at [postennorge.no](https://postennorge.no)



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## Message from the CEO



# We accept the challenge

**Sustainability.** The word carries a lot of weight. Many use the terms 'sustainability' and 'corporate social responsibility' interchangeably. For us in Posten Norge and Bring, sustainability has to do with our long-term value creation; how we manage our resources and run our businesses in the best possible way. Corporate social responsibility is about taking on responsibility beyond what is expected of us or what is profitable.

**This year's sustainability** report shows that we have much to be proud of. We are leading the green shift in the Norwegian transport industry. We operate 2 047 alternative vehicles. We reduced our CO2 emission levels by 10 per cent in 2016. We enhanced our reputation. We have more proud employees than ever before. Employee satisfaction is high, and sickness absence is low.

“

Posten Norge and Bring must constantly be able to adapt and to change strategy in order to win customers.

**This solid foundation** is particularly important given the time and market in which we are operating. Competition is fierce, and technology is developing at an increasingly rapid pace. It is no longer a matter of a technology shift, but of a technology race. Our competitors are challenging our most profitable areas, and in Posten Norge and Bring we must constantly be able to adapt and to change our strategy in order to win customers. This also means that we have to respond even faster to changing and adapting the way we use our most important resources: our employees, partners, networks and – not least – our financial capital.

**We will update** our strategy in 2017. We will no longer base our operations on five-year strategies; we must adapt and evaluate continuously. Commitment to our strategy has now become commitment to our direction. In a changing world we must respond faster, have the courage to disrupt parts of our own service offering and – not least – stand firm when the going gets tough.

**The goals for our** new strategy are to improve profitability and focus our organisation. The new strategy must define what our core business should be going forward. These changes will focus sharply on customers. We will create a simpler organisation that can more easily try out new offerings and adapt faster to the market. This means that there must be room for trial and error.

**Despite our new** direction, our responsibilities will remain unchanged. Moreover, we have – and take – additional responsibility in our industry. As Norway's largest actor in the transport and logistics sector, we are used to being in the spotlight. This sharpens our focus. We are concerned with operating our business fairly and responsibly. If we make mistakes, we take responsibility for them. We show the way in finding the best, most sustainable solutions for our business and for the societies in which we operate.

**This sustainability report** gives an account of the value we have created in recent years and the footprint we have left in society. In 2017 we will follow familiar paths and stake out new ones. Our goal is to follow sounder, greener, more profitable paths in the coming years. The challenge we face may seem overwhelming, but in Posten Norge and Bring we have always enjoyed challenges; you almost have to if you are going to work for us. We have an excellent basis for success: a proud, knowledgeable, engaged and adaptable organisation.



Moreover, we have – and take – additional responsibility in our industry. As Norway's largest actor in the transport and logistics sector, we are used to being in the spotlight.

Tone Wille,  
Chief Executive Officer

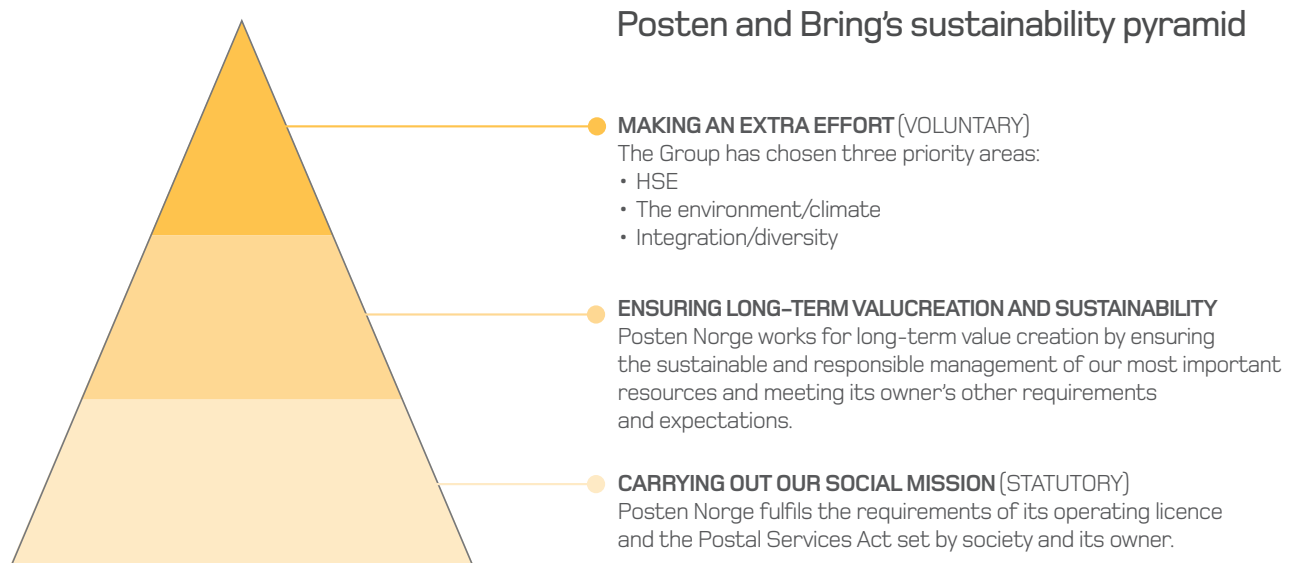
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## Our strategy for creating long-term value

For Posten Norge and Bring, sustainability is about the Group's long-term viability. Our key resources for creating value and thereby ensuring this viability are our employees, our relationships and partnerships, our networks and expertise, our ability to change and our financial capital.



The Group works continuously on initiatives to improve the measurement and reporting of sustainability (long-term viability). The Group's stakeholders increasingly demand a systematic approach to sustainability, and expect Posten Norge, as a major Norwegian public-sector player, to perform this work methodically.





## A broader definition of sustainability

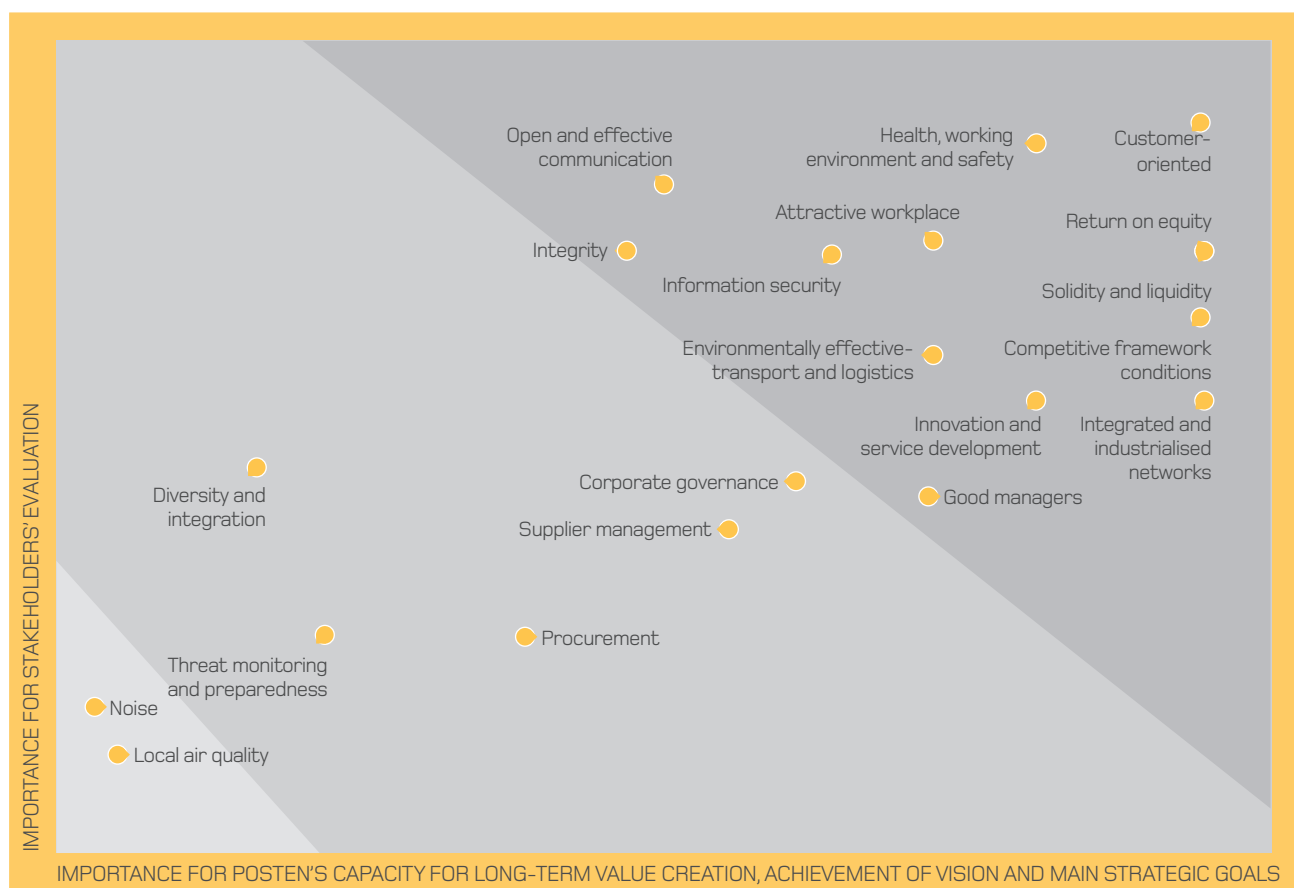
Posten Norge conducted its first materiality analysis in 2013. A good materiality analysis ensures that our key stakeholders are represented and that we report on the most relevant areas to ensure long-term value creation. The Group updated the materiality analysis in 2015.

The updated analysis also formed the basis for the 2016 sustainability report. The analysis was performed after interviews were conducted of 12 key personnel in the Group and after a meeting with the Group's sustainability council. The sustainability council is a continuation of the steering group for sustainability reporting in the Group. The council is tasked with contributing to the further development of sustainability reporting, and consists of experts from within the Group who can provide input and agree on the way forward (G4-25).

The updated materiality analysis is based on a broader definition of sustainability (long-term viability) and is linked to the Group's strategy and governance system. Whereas previously the analysis discussed environmental and social considerations, the latest analysis now addresses the Group's long-term viability and value creation capacity. This change was prompted by the fact that key stakeholders such as owners, corporate customers and investment managers are increasingly requesting more non-financial information. A materiality analysis that covers the entire spectrum of priority areas is also useful internally for understanding and communicating the relationship between critical success factors and ensuring that strategy and governance are integrated.

The materiality analysis resulted in 13 priority areas defined as having most significance for our value creation and for our key stakeholders. We have also opted to report on supplier management, given its growing significance for the Group.

Figure 11 Posten Norge and Bring's materiality analysis. The area on the right shows the 13 areas of most significance for our long-term value creation and for our stakeholders.

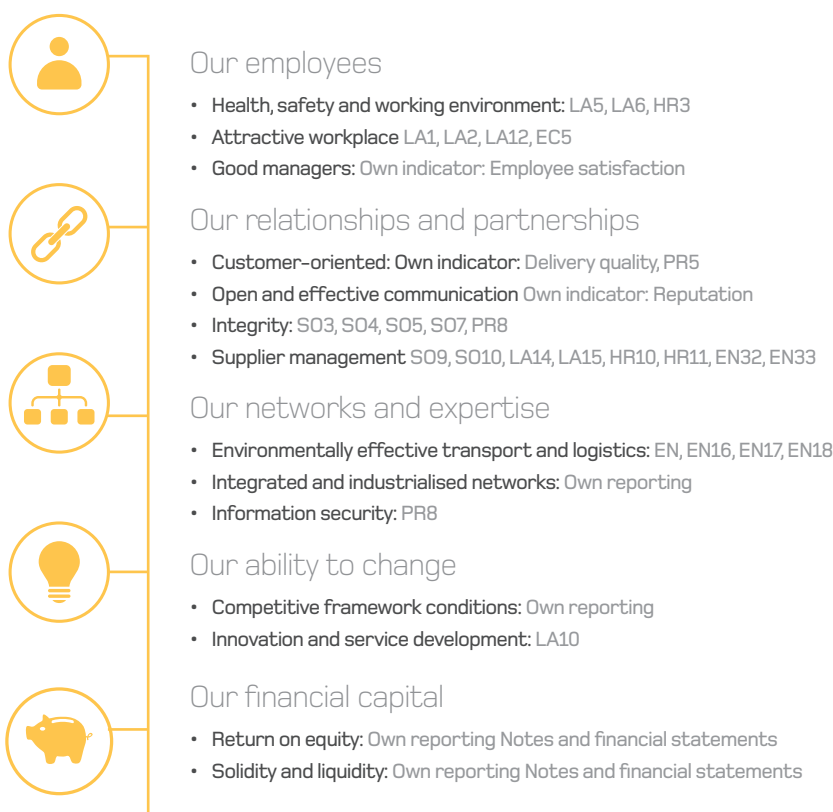


The updated materiality analysis will contribute to an overall understanding of the Group's business model and of the resources on which Posten Norge and Bring are dependent for creating value. These are described in more detail in the Group's five capital areas representing Posten Norge's five key resources for value creation.

## Our five capital areas

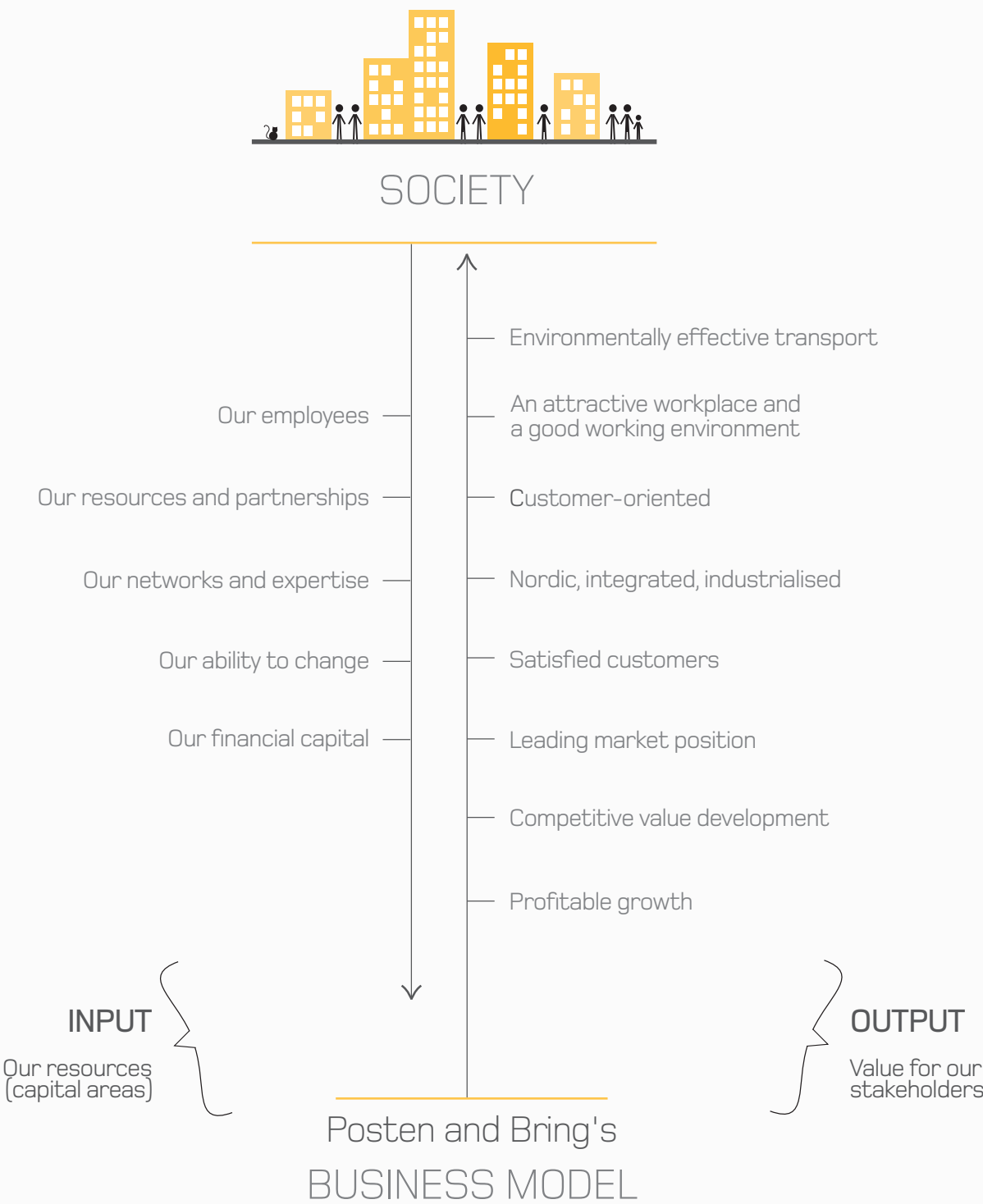
These resources (capital areas) have provided the basis for defining which critical success factors (aspects) should be included in the materiality analysis. Opportunities and risks within the most significant success factors have been identified and categorised under each of the capital areas. These form the basis for the 2016 report. Furthermore, we have linked the recommended and recognised Global Reporting Initiative (GRI) Content Index template to these success factors, and conducted an analysis to define which GRI indicators are most important for us to report on. The GRI Content Index template is an international standard that has not been adapted specifically to Posten Norge. We have therefore also included our own indicators, defined by the Group, which are material to us though not currently part of the GRI template.

Figure 1.2 Posten and Bring's five most important resources (capital areas), categorised by critical success factors (aspects) and by which indicators we report on within each group of success factors.



# Value creation through our business model

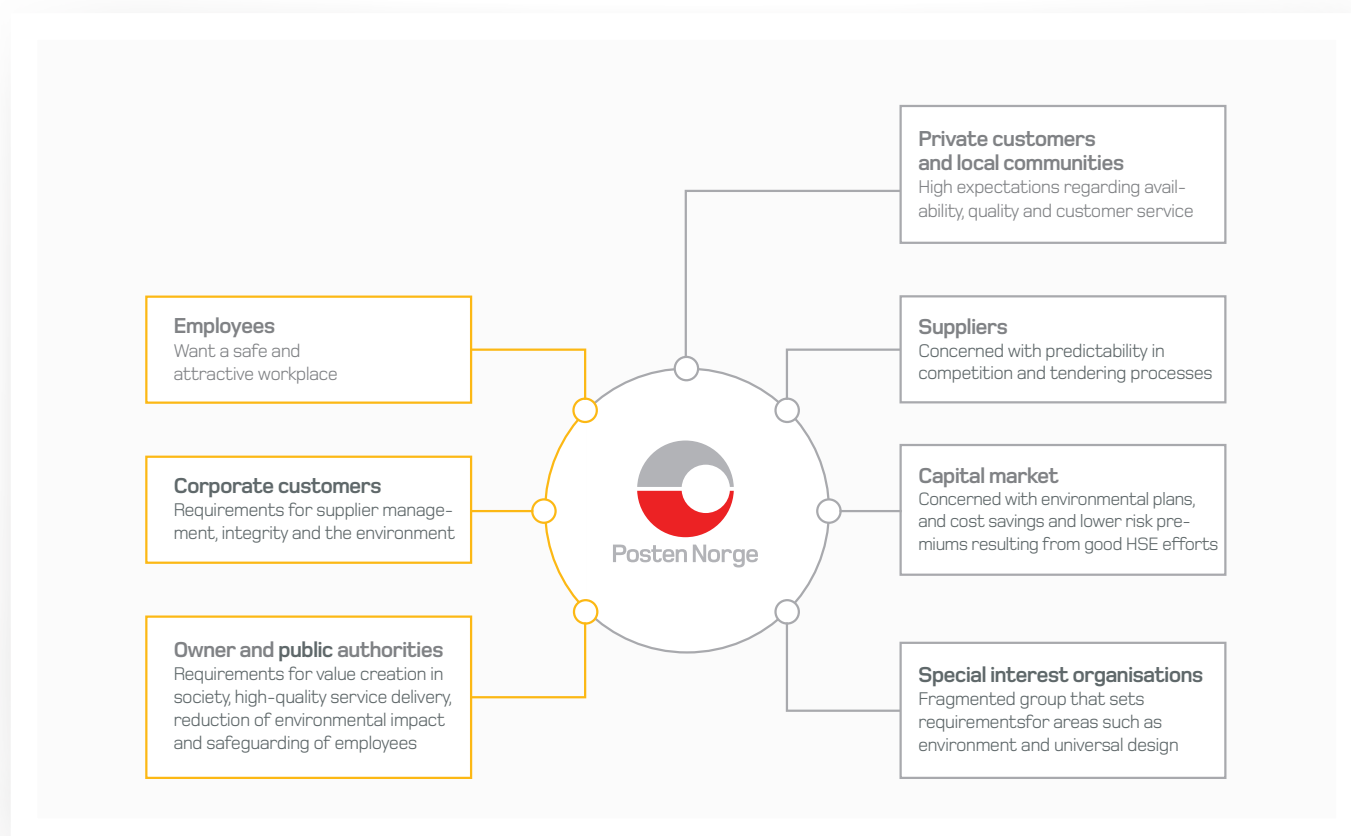
Posten Norge's capital areas are also based on the business model. The resources we invest in the business model and the results they produce in the form of value creation for our key stakeholders (employees, corporate customers, owner, and public authorities).



## Our key stakeholders

Defining our key stakeholders has been a central element of the materiality analysis, since our stakeholders are involved in establishing the framework for our work on sustainability. Stakeholders differ in the demands they make on and the expectations they have of Posten Norge (G4-18). Our key stakeholders were identified as the owner, public authorities, corporate customers, and current and future employees. In addition, private customers and local communities, the capital market, suppliers and interest organisations are groups that play a central role in the Group's work on corporate social responsibility and sustainability (G4-24).

Figure 1.3: Posten Norge's key stakeholders. The three most important are shown on the left.



The Group also engages in dialogue with other stakeholders such as trade unions, business and employer associations, political parties, supervisory authorities, competitors and the media. We engage in dialogue with our stakeholders in various formal and informal arenas. The frequency of these meetings varies according to the needs and demands of our stakeholders (G4-26).

## New materiality analysis in 2017

In light of the fact that a new Group strategy will be adopted in 2017, a new materiality analysis will be performed and linked to the new strategy. This will form the basis for the 2017 sustainability report.



# Our employees

## OUR CAPITAL AREAS



Our employees



Our relationships and partnerships



Our networks and expertise



Our ability to change



Our financial capital

The Group's most important resource is its employees. The efforts and expertise of the Group's employees and managers represent a key success factor in achieving the financial results our owners expect. Creating a positive culture by facilitating a healthy and safe working environment is therefore imperative.

This capital area covers three critical success factors that are material for us to report on so as to ensure sound management of this resource. We report on the following own indicators and GRI indicators per critical success factor (aspects):

**1** Health, safety and working environment  
GRI indicators: LA5, LA6, HR3

**2** Attractive workplace  
Own indicator: Reputation. GRI indicators: LA1, LA2, LA12, EC5

**3** Good managers  
Own indicator: Employee satisfaction

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# 1

## Health, safety and working environment

GRI indicators: LA5, LA6, HR3

A healthy working environment in which no one incurs injury or sickness is one of Posten Norge's highest ambitions.

Posten Norge's long-term and systematic HSE activities have produced positive results. The levels of sickness absence and occupational disabilities are lower, and the number of injuries has decreased significantly. These results mean that every day 531 more employees are at work compared with 2006. Our HSE activities have led to the development of sound and robust tools, systems and expertise and – not least – to dedicated and skilled employees. We see that our traditions of continuity and of laying one brick at a time are working.

The Group's positive HSE results provide Posten Norge with significant advantages: lower rates of sickness absence and injuries produced cost savings of NOK 215 million in 2016. Having more employees at work means fewer operational challenges, improved delivery quality, better working conditions, and enhanced reputation. Moreover, road users and suppliers are affected by the quality of Posten Norge's HSE work.

### Stakeholders.

- **Corporate customers:** Set requirements for systematic HSE management and often include the right to audit HSE work in their contracts.
- **Owner and public authorities:** Statutory requirements. Expect systematic HSE work.
- **Employees:** Decisive for ensuring attractive workplaces and employee attendance in a labour-intensive operation with a fast pace of change.
- **Investors and banks:** Concerned with cost savings and lower risk premiums resulting from good HSE work.

### How we work

Development work and the long-term strategic work on HSE are centralised under the Group HR/HSE. The divisions order services from the Group HR/HSE, which also functions as a coordination centre for the line management in the divisions. In addition, the regions and business areas have local support systems specialising in these areas. HSE is top of the agenda at all management and board meetings. This helps ensure that HSE remains on top of the agenda throughout the company. There is also good tripartite cooperation between management, employee representatives and the safety service. The Group's HSE results are reported systematically. Every month, key performance indicators (KPIs) are reported to Group management. These include key figures for attendance and sick leave, H1 and H2 values, occupational disability, near-accidents and undesirable incidents. The Group's Board of Directors receives reports on and analyses of HSE results at all board meetings.



In order to meet the challenges faced by the Group, cooperation between relevant parties and public authorities is also important (G4-16 and G4-27). In 2016 we continued our work on actively strengthening cooperation with key parties in order to improve our HSE activities. Throughout 2016 Posten Norge worked actively with IW (inclusive working life) advisers from the Norwegian Labour and Welfare Administration's working life centres to find ways of reducing prolonged and recurring sickness absence. Efforts have continued on constantly improving the services provided by the occupational health service. The service is evaluated in monthly reports, regular status meetings and half-yearly cooperation meetings. The divisions are monitored monthly to ensure they use the financial support schemes included in the IW agreement for providing occupational health services and facilitation subsidies.

Close cooperation with the safety service and the employee representatives is essential if we are to achieve our working environment goals. Cooperation strengthens our ability to adapt, and presents opportunities to develop seamless solutions and embed decisions among our employees. Regular tripartite meetings are held at all levels in the organisation.

For many years now the Group has closely monitored the supervisory work carried out by the Norwegian Labour Inspection Authority. This provides a source for improving our HSE activities, both locally and centrally, and our HSE system. None of the supervisory activities carried out in 2016 resulted in orders imposed on Posten Norge AS.

## **The views of the employees are important in HSE efforts.**

GRI indicators G4 LA5: Percentage of the total workforce represented on formal HSE committees in which management and employees are represented, and which help monitor and advise on health and safety programmes in the workplace.

It is important for Posten Norge to ensure that the working conditions for all employees are taken seriously. To achieve this, we rely on feedback from employees. 98.5 per cent of the Group's permanent employees are employed in areas that have formal health and safety committees (working environment committees, tripartite cooperation, etc.). These committees offer advice in addition to monitoring measures promoting health and safety at all levels in the organisation.

If we are to achieve our ambition of becoming a healthy workplace with no occupational injuries or diseases, our workplace must be drug-free. Posten Norge AS therefore works systematically and continuously on preventing and monitoring drug abuse and gambling addiction. Preventive and monitoring tasks are a management responsibility, and a new training concept has been developed to raise management awareness. This training is intended to contribute towards a drug-free workplace that safeguards safety, quality, productivity and attendance and to make managers capable of proactive and early intervention in high-risk incidents of substance abuse and gambling.

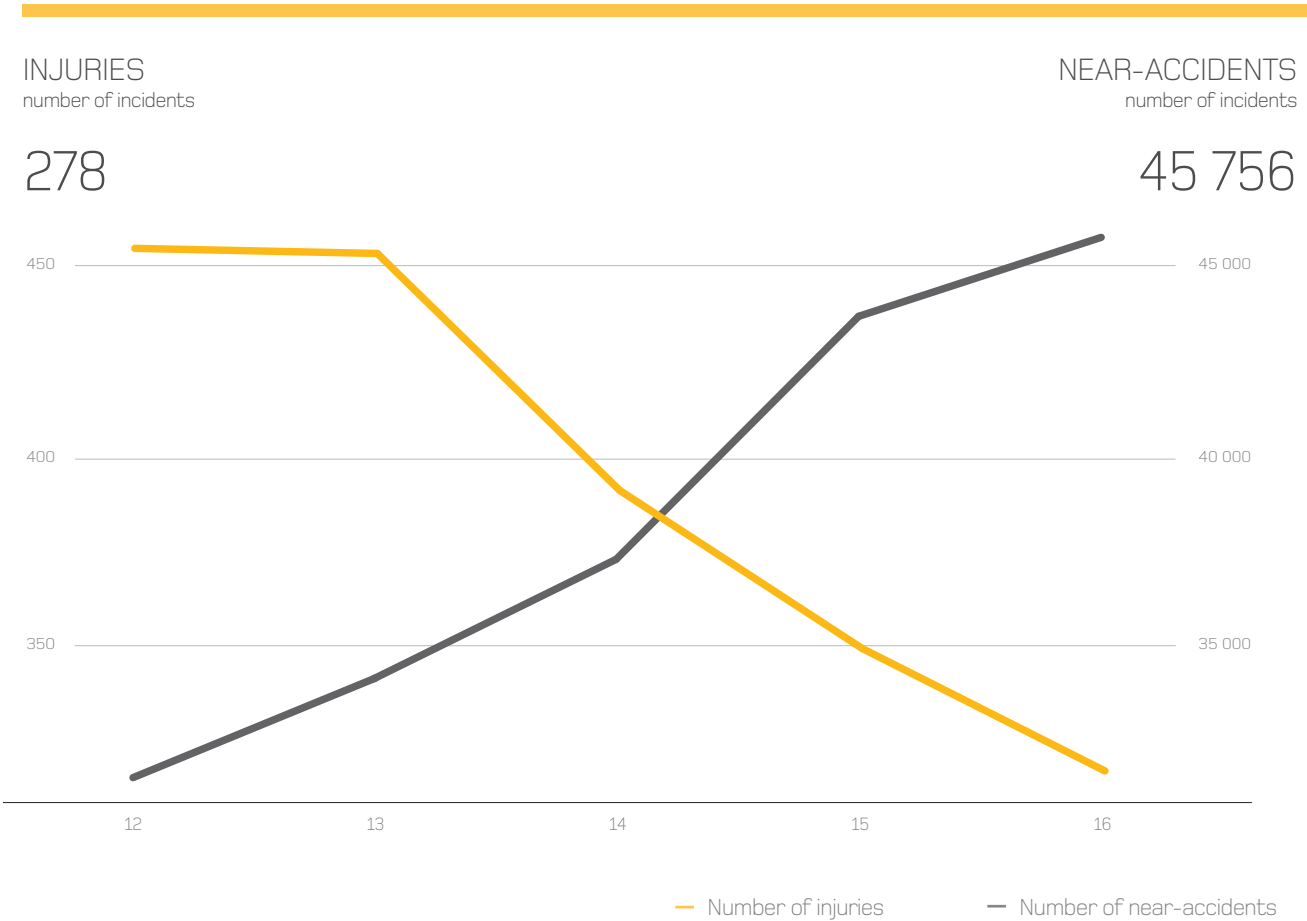
# Long-term safety work produces results

GRI indicators G4 LA6: Type and frequency of injuries, occupational diseases, lost working days, absenteeism, and total number of fatalities, by region and gender.

Posten Norge has adopted a long-term and systematic approach to its work on job safety, including safety audits of operating units, accident investigations, reporting on undesirable incidents and near-accidents, and safety dialogue between managers and employees. Posten Norge registers and measures trends in injuries and accidents. These measurements are used to implement measures to reduce the number of accidents that result in absenteeism. The number of registered lost-time injuries has clearly decreased since measurements began in 2006. The Group registers lost-time injuries according to the Federation of Norwegian Industries' standard. Lost-time injuries requiring medical treatment are included in the H1 value, while H2 injuries denote all injuries, including H1 injuries.

In 2016 a total of 278 injuries (H2) were registered in the Group, compared to 331 in the previous year, while 122 H1 injuries were registered, compared with 120 in 2015. The H2 value for the Group as a whole was 9.2, representing an improvement of 15.7 per cent on 2015. This means that the result was 0.6 better than the target of 9.8. The Group will continue its efforts to improve job safety and reduce injuries in 2017, and has set a target of 8.3 for H2 injuries.

Figure 2.1: Number of near-accidents versus the number of injuries during the period 2012 to 2016.



A total of 45 756 near-accidents/undesirable incidents were reported in 2016, which is 1 918 more than in 2015. Posten Norge wants the lowest possible number of accidents/injuries but the highest possible number of reports of near-accidents/undesirable incidents. Focusing on incidents that «almost» happen can help us prevent them from actually occurring. We gain knowledge about risks and dangerous conditions and situations in the workplace before someone is injured, giving us the opportunity to implement preventive measures. The causes of near-accidents and accidents are often the same. We can therefore reduce the risk of injuries by working systematically on gaining control of risks in work processes. Furthermore, registration of undesirable incidents and near-accidents regularly draws attention to risk factors and contributes positively towards building a safety culture.

The group-wide HSE Safety Standard is an important tool in creating a safe working environment. The standard consists of an obligatory checklist for all managers, and contains checkpoints covering everything from securing of buildings and goods to the most important areas for creating a safe working environment. Posten Norge's HSE Safety Standard has been further developed and currently comprises 103 checkpoints. The standard is used annually as a basis for in-house evaluations and audits. The results from audits and in-house evaluations provide a picture of the standard of safety within the Group and serve as instruments in our internal control. During 2016, 20 central audits were performed. In addition, 532 local in-house evaluations were carried out by managers in Posten Norge and Bring. During the three years in which we have used the HSE Safety Standard, the results of both in-house evaluations and central audits have shown that an increasing number of units have achieved the approved level. We will therefore continue to use this method.

To learn more about why accidents occur, all serious incidents where employees are or could have been injured will be investigated, and the resulting reports used for learning purposes. Investigations help identify the underlying reasons for why accidents occur, and ensure that preventive measures are implemented. Eighty investigations were carried out in 2016. All the investigation reports were anonymised and made available on the intranet.

Table 2.2: General overview of injuries, fatalities and sickness absence, for the whole Group and by division.

	H1 value	H2 value	Fatalities	Sickness absence
Posten Norge Group	4.0	9.2	0	6.1%
Posten Norge AS	3.6	7.7	0	6.7%
Mail Division	3.5	9.4	0	6.6%
Logistics Norway Division	6.3	9.9	0	6.2%
Logistics Nordic Division	2.5	11.3	0	4.4%

Table 2.3: Total injuries, fatal accidents and sickness absence in Posten Norge by gender.

POSTEN NORGE AS				
	H1 value	H2 value	Fatalities	Sickness absence
Women	5.0	9.6	0	8.2%
Men	3.4	6.8	0	6.0%

Another important safety measure is the work on providing information and knowledge about how to handle hazardous goods; that is substances with properties that can pose a risk to life or health, material assets or the environment in the event of a serious accident. As part of this work, Posten Norge placed emphasis in 2016 on training sales staff, and revised and supplemented customer information about hazardous goods and prohibited contents in order to make it easier for our customers to find the information they need. In addition, experience sharing workshops on hazardous goods were arranged for the Group's safety advisers, and the training concept for ADR driver training certificates was revised. The HSE Safety Standard contains a separate chapter on hazardous goods, and compliance with these standards is monitored via central audits and during annual in-house evaluations by the operating units.

## Sickness absence levels remained low

GRI indicators G4 LA6: Type and frequency of injuries, occupational diseases, lost working days, absenteeism and total number of fatalities, by region and by gender.

Sickness absence levels in the Group remained low. The rolling 12-month trend started at 6.0 per cent at the turn of the year and remained stable at 5.9 per cent for most of the year. Sickness absence levels increased during the final months of the year, particularly during the influenza season. The 5.9 per cent target for sickness absence for the year was not reached, and sickness absence for the period ended at 6.1 per cent. The 2017 target for sickness absence is 6.0 per cent.

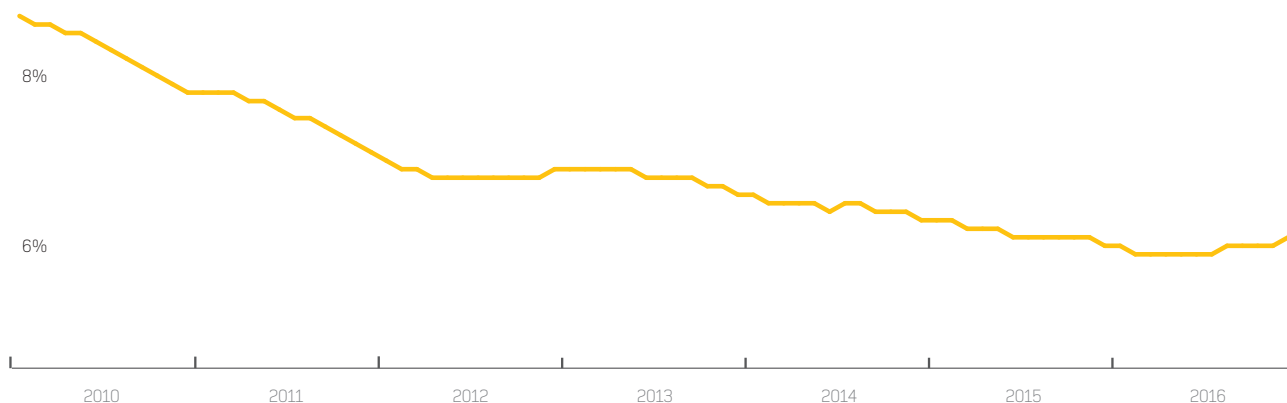
The Group underwent several restructuring processes in 2016, and more have been announced. Meanwhile, the average age of Group employees is rising. These changes may lead to increased levels of sickness absence. Our own analyses show that sickness absence levels rise with age, and that the older age groups account for the highest levels of sickness absence. Targeted and systematic action was taken throughout 2016 to prevent these changes from leading to increased sickness absence rates. At the same time, the percentage of occupational disabilities in the Group remained low and stable. The percentage of occupational disabilities for 2016 ended at 1.0 per cent, which is 0.1 per cent better than the target. The target for 2016 will remain the same in 2017.

Figure 2.4 Trends in sickness absence from 2010 to 2016, based on a 12-month trend in the Posten Group from 2010 to 2015.

### SICKNESS ABSENCE

Group per cent

6,1%



The Group has worked systematically for many years to assist employees with absences of 24 days or more during the past three years to return to work. The programme, called Det Nyttet (It Helps), has shown positive results. The number of employees with this rate of absenteeism decreased by 57 per cent by the end of 2016 compared with 2010.

Posten Norge attaches importance to a fact-based approach to sickness absence activities so that we can direct our efforts at those areas with the greatest potential for reducing sickness absence rates. One of those areas concerns employees with recurring sickness absence. In 2016 Posten Norge intensified its efforts to assist employees with this type of absenteeism to return to work. In close cooperation with the Norwegian Labour and Welfare Administration, we have developed a system for identifying and finding durable solutions for these employees. Work capability assessments in cooperation with the occupational health service's physicians, skills development of managers and HR, and close and systematic follow-up of employees have been important focus areas. This work will continue and be intensified in 2017.

At the same time as Posten Norge works on reducing recurring and high levels of sickness absence, we also focus on preventive measures. We continue our commitment to the health promotion programme at the same time as our managers and occupational health service continually focus on early intervention and preventive measures. In 2016 preventive interviews was the most popular service provided by our occupational health service provider. The aim of these interviews is to prevent sickness absence by focusing on prevention work in physical and psychosocial working environments.

There is still reason to believe that systematic use of tools and measures reduces sickness absence. Systematic follow-up of employees on sick leave contributes to predictable processes for all parties involved. Use of Postmodellen, Posten Norge's procedure for following up sickness absence, has been and will continue to be an important tool. In 2017 this model will be revised and further developed to make us even better equipped to further reduce sickness absence.

## Posten Norge and Bring are racism-free workplaces

GRI indicators G4-HR3: Incidents of discrimination and corrective action taken.

Integration and diversity are two of the Group's priorities in the area of corporate social responsibility. This means that the Group should have an explicitly racism-free profile and play an active role in integration activities both internally and externally. In cooperation with Norwegian People's Aid, Posten Norge has been a racism-free zone since 2001. The Group's whistleblowing mechanism did not handle any incidents of discrimination in 2016. The Group's annual organisational survey has included the statement «There is no discrimination in my unit» since 2005. On a scale of 1-7, where 7 is best, the answers to this statement scored on average 6.3 in 2016, the same result as in 2015 (G4-HR3).

In 2016 Posten Norge's own mentor programme for promoting integration among unemployed women with immigrant background was run for the fourth time. The aim of the programme is to increase the women's knowledge about Norwegian working life and to assist them in the job-seeking process. This year the programme was arranged in cooperation with an external actor, Moving Mamas. Twenty-three unemployed women with immigrant background are participating in the programme. Nineteen resource personnel from the Group are serving as mentors, and Moving Mamas is providing four mentors from its own network. Posten Norge continues to use both male and female mentors.

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## 2

## Attractive workplace

GRI indicators: LA1, LA2, LA12, EC5

One of Posten Norge's four main goals is to offer attractive workplaces and a good working environment. An attractive workplace will attract the most highly skilled and committed employees. Posten Norge and Bring rely on their employees to succeed in achieving their goals and strategies. The Group depends on having employees who produce and deliver first-rate service, in addition to technical personnel with expertise in digital technology, user experience and new customer interfaces. As a labour-intensive organisation, a shortage of suitable manpower represents a significant risk.

### Stakeholders

- **Employees:** Important for attracting and retaining suitable employees. Affects efficiency.
- **Corporate customers:** May affect service quality.

### How we work

Creating attractive workplaces is not centralised within one specific unit; it is something all employees and managers in Posten Norge and Bring create together, every day. A company that is perceived as a unified organisation makes for an attractive employer. This impression is created when our customers meet our employees, through our digital front-line customer services, how we are portrayed in the media, marketing campaigns and, not least, through our job advertisements.

The marketing department and information department in Group Communications are responsible for strategic brand attraction, and using their marketing and information channels they project Posten and Bring as modern, forward-looking businesses that have their customers and employees at heart. An active PR team answers questions from the media and works to promote positive publicity about the company.

### Composition of the workforce

GRI indicator G4 LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group, and other indicators of diversity.

At year end 2016, the Posten Group had 16 992 permanent employees. The Group also has temporary employees and employees with other employment conditions such as on-call temporary staff who can be called on when needed. Posten Norge and Bring have employees in 15 countries, 78.9 per cent of whom are permanently employed in Norway. The countries with the most employees after Norway are Sweden with 16.2 per cent and Slovakia with 2.1 per cent. Overall, the Group's workforce decreased by 8.6 per cent, with Norway accounting for the largest decrease. This is largely due to the discontinuation of mail deliveries on Saturdays.

The percentage of female employees in 2016 was 33.8 per cent, and women make up 28.2 per cent of Group management. The Group appointed its first female CEO in 2016. The new incumbent previously held the position of CFO. However, a woman was temporarily appointed CFO, while the Group management's permanent employees numbered four women and three men. If the CFO is included, the percentage of female employees was 62.5 per cent in 2016. The parent company has 37.3 per cent women, and 32 per cent of managers are women. Group HR/HSE monitors the proportion of women in the Group, and the Group



wants the gender balance among managers to be relatively similar to that for the rest of the Group.

In 2016, 45.5 per cent of employees were aged over 50 and 40.4 per cent were aged between 30 and 50 (see Table 2.5). This assures the Group of a stable workforce.

Table 2.5: Age distribution among the Group's employees

Age interval	Management	Employees	Total
Under 30	3.0%	15.0%	14.2%
30 to 50	48.7%	39.7%	40.4%
Over 50	48.2%	45.3%	45.5%
Total	100.0%	100.0%	100.0%

Group management has set new diversity targets whereby 17 per cent of employees in the businesses in Norway should have immigrant background. Based on an internal survey in 2016 of all employees in the Norwegian part of the Group, 14.5 per cent of employees are estimated to have immigrant background, representing a slight decrease of 0.2 percentage points compared with 2015.

To increase diversity in management positions, corporate staff units and administration in Norway, a specific target has been set for 9 per cent of employees in these job categories to have immigrant background by the end of 2020. In 2016, 6.3 per cent of the employees in these positions had immigrant background. The number of managers with immigrant background is estimated at 4.6 per cent, representing an increase from 4.4 per cent in 2015. No members of Posten Norge's Board of Directors have immigrant background (see Table 2.6).

Table 2.6: The Board of Directors of Posten Norge, by background, gender and age

Number	Men	Menn, %	Women	Women, %	Total	Total
Non-minority background	6	100%	4	100%	10	100%
30 to 50	0	0%	1	10%	1	10%
Over 50	6	60%	3	30%	9	90%
Minority background	0	0%	0	0%	0	0%
Total	6	60%	4	40%	10	100%

## Equal pay and equal opportunities

GRI indicator G4 EC5 Standard entry-level pay levels, by gender, compared with local minimum wages offered at the company's significant operating sites.

The Nordic countries do not apply minimum wage policies. Wage levels and starting wages are adjusted through negotiations between employee representatives and employers. Most of Posten Norge and Bring's employees are employed in Nordic countries. See the organisation chart at [postennorge.no](http://postennorge.no).

GRI indicator LA2 Benefits provided to full-time employees but not to temporary or part-time employees, by significant operating sites.

Overall, 99.9 per cent of all Group employees work in companies that offer the same benefits to temporary employees as are offered to permanent employees. These are adjusted under collective or other agreements or are offered by individual companies. 95.6 per cent of Group employees are covered by collective agreements (G4-11).

## The restructuring is increasing employee turnover.

GRI indicator G4 LA1: Total number and frequency of new recruitments and employee turnover, by age group, gender and region.

The Group has adopted rules that govern central aspects of local recruitment policies with regard to recruitment processes, equal opportunities, non-discrimination and mobility within the Group.

In 2016 the Group recruited 799 new employees to permanent positions, 55 per cent of whom were recruited in Norway.

Table 2.7: New employee hires in Norway in 2016, by age and gender.

### Norway

Age interval	Men	Menn, %	Women	Women, %	Total	Total, %
Under 30	88	20%	39	9%	127	29%
30 to 50	181	41%	38	9%	219	50%
Over 50	91	21%	2	0%	93	21%
<b>Total</b>	<b>360</b>	<b>82%</b>	<b>79</b>	<b>18%</b>	<b>439</b>	<b>100%</b>

Table 2.8: New employee hires outside of Norway in 2015, by age and gender.

### Outside Norway

Age interval	Men	Menn, %	Women	Women, %	Total	Total, %
Under 30	102	28%	43	12%	145	40%
30 to 50	152	42%	30	8%	182	51%
Over 50	26	7%	7	2%	33	9%
<b>Total</b>	<b>280</b>	<b>78%</b>	<b>80</b>	<b>22%</b>	<b>360</b>	<b>100%</b>

The Group had a turnover of 17.1 per cent in 2016. The turnover for men was 1.1 percentage points higher than for women. The turnover for part-time employees in the Group was 39.1 per cent in 2016. This figure is high due to the discontinuation of mail deliveries on Saturdays. This is also the reason for the high turnover in the under-30 age group, since many in this group were employed in permanent positions on Saturdays (see Table 2.9). The total turnover for permanent employees in the parent company was 13.4 per cent. The turnover for women was 3.5 percentage points higher than for men. The Group is continuously restructuring, and we see that this rate of turnover is necessary in order to align manpower management with market trends.

Table 2.9: Employee turnover in Norway, by age and gender.

## Norway

Age interval	Men	Menn, %	Women	Women, %	Total	Total, %
Under 30	413	39,1%	213	45,1%	626	41,0%
30 to 50	290	8,6%	162	10,7%	452	9,3%
Over 50	356	8,4%	334	12,0%	690	9,9%
<b>Total</b>	<b>1059</b>	<b>12,2%</b>	<b>709</b>	<b>14,9%</b>	<b>1768</b>	<b>13,2%</b>

Table 2.10: Employee turnover outside Norway, by age and gender.

## Outside Norway

Age interval	Men	Menn, %	Women	Women, %	Total	Total, %
Under 30	280	47.6%	106	36.4%	386	43.9%
30 to 50	429	30.0%	89	16.5%	518	26.3%
Over 50	197	34.0%	36	24.3%	233	32.0%
<b>Total</b>	<b>906</b>	<b>34.9%</b>	<b>231</b>	<b>23.6%</b>	<b>1137</b>	<b>31.8%</b>

\*Turnover figures include voluntary and involuntary resignations, as well as retirees.

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## 3 Good managers

Own indicator: Employee satisfaction

All the employees in Posten Norge and Bring play an important role. Of the 16 992 permanent employees in the Group, approximately 1 200 are managers with personnel responsibilities. All of them play an important role in implementing the Group's strategy.

People are motivated by many factors, such as experiences of self-efficacy, autonomy and recognition, and by tasks that are perceived as meaningful. Good managers stand out by being conscious of these factors and exercising leadership with them in mind. Good management improves performance, cooperation and undesirable turnover, which in turn influence effectiveness and goal achievement. Recruitment and development of good managers is therefore regarded as a priority task in achieving the Group's goals.

### Stakeholders

- **Owner and public authorities:** Relevant to Posten Norge's goal achievement.
- **Corporate customers:** Good management may impact the quality of services provided to customers.
- **Private customers and local communities:** Good management may impact the quality of services provided to customers.
- **Employees:** Decisive for motivation and performance. Important for attracting and retaining suitable employees.

### How we work

Recruitment and development of good leaders is part of our long-term strategic organisational development. Responsibility for this work lies with Organisational Development in Group HR, but the most important developments take place in the managers' day-to-day management. Organisational Development develops group-wide structures and content and helps with implementing measures in the line management.

Group management is regularly updated on organisational development activities and kept informed about the progress of central measures. One example of this is the annual reporting on management capacity and capabilities

The Group's managers must practise value-based leadership that balances involvement and control. Managers are role models in the way they conduct themselves, and must bring the Group's values to life. Our managers embody the following qualities: visibility, clear leadership, willingness to take and delegate responsibility, ability to develop and inspire employees.

These qualities are measured as part of the organisational survey. The Group's managers are expected to follow up on the results of this survey and implement measures that are monitored in a separate plan (G4-27). The corporate staff can monitor the plans and the progress of measures that are implemented. They can also measure trends in the results from the organisational survey (if more than five persons respond).

Systematic appraisal interviews between managers and employees are carried out at least once a year and are known as PLUSS interviews. Managers are responsible for engaging in dialogue with employees on central initiatives and topics that affect working processes and the working day out in the units.

# Record-high level of employee satisfaction

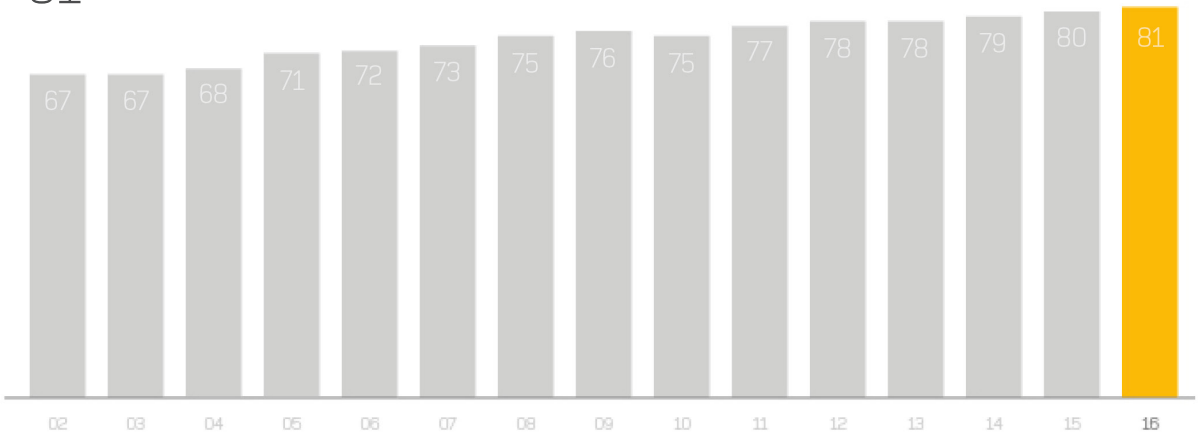
Own indicator: Employee satisfaction

The annual organisational survey showed a high level of employee satisfaction in the Group. In 2016, 84 per cent of Group employees responded to this survey. The total index in the survey has risen gradually, and has shown a significant increase from 61 when it was launched in 2001 to a new record high of 81 in 2016. This is the best result ever for the Group, and one few other large comparable businesses can match.

Figure 2.11 Trends in employee satisfaction from 2001 to 2016

EMPLOYEE SATISFACTION  
scale from 1 to 100, where 100 is best

81





# Our relationships and partnerships

## OUR CAPITAL AREAS



Our employees



Our relationships and partnerships



Our networks and expertise



Our ability to change



Our financial capital

It is strategically important for Posten Norge and Bring to maintain, create and strengthen relationships with key stakeholders. Good relationships and communication with the owner, customers, partners and suppliers are key to achieving our desired results.

The Group sets a high standard of integrity, which helps ensure that the Group operates in a responsible and fair manner and in accordance with applicable laws. We also require our suppliers and partners to comply with this standard of integrity.

There are four aspects that we consider crucial when reporting on this capital area, to ensure that the area is properly managed. We report on the following GRI indicators for each aspect:

1

### Customer-oriented

Own indicator: Delivery quality, GRI indicator: PR 5

2

### Open and effective communication

Own indicator: Reputation

3

### Integrity

GRI indicators: S03, S04, S05, S07, PR8

4

### Supplier management

GRI indicators: S09, S010, LA14, LA15, HR10, HR11, EN32, EN33



For us, customer orientation means understanding each customer's business and how we can help to create a fantastic experience for the customer's customer. Through our expertise, service-minded mail carriers and drivers, and digital solutions that make it easier for our users, we will help our customers succeed.

Our customer's brand is in our hands when we deliver throughout the Nordic region each day. This is a huge responsibility and obligation.

At the same time, we are continually looking for improvements and opportunities to innovate new solutions that create added value for our customers, large and small. This is clearly stated in our customer promises: Posten – «We live to deliver» and Bring – «Finding New Ways»

## Stakeholders

- **Owner and public authorities:** Quality indicator. Concerned with Posten Norge's value-creating function in rural areas. Legislative requirements concerning coverage levels and availability
- **Corporate customers:** Posten Norge increasingly contributes to delivering on promises to customers (interview). Key differentiator when selecting Posten Norge as a partner
- **Private customers and local communities:** Affected by Posten Norge's everyday service, reliability and reputation.
- **Employees:** Linked to pride, efficiency and satisfaction

## How we work

In 2014, the Group launched Kundens Stemme (The Customer's Voice), a tool which continually measures customers' experiences with services or enquiries. The measurements are based on the Net Promoter Score (NPS) method, and include questions relating to loyalty and satisfaction concerning both the brand and the actual point of contact for the customer. The Net Promoter Score allows both corporate customers and private customers to give feedback to the Group on their overall perception of the company. Results and feedback from our customers are followed up in the line organisation, forming the basis for customer-oriented continuous improvement within the organisation.

Good delivery quality is crucial for Posten Norge and Bring in order to satisfy the owner's licence requirements, but also to earn the trust of our customers. We therefore measure the delivery of letters and parcels on an ongoing basis to monitor the delivery quality in Posten Norge's distribution network. The measurements contribute to ensuring a robust nationwide distribution system. Measurement of mail delivery quality is carried out in accordance with a European standard using test mailings, and is conducted by an external company.

Posten Norge does not undertake its own customer surveys related to social and environmental issues. The topic of corporate social responsibility is addressed by the Posten Norge and Bring sales organisation when raised by customers (G4-26). Health, safety, environment and quality are on the agenda at all operational meetings, both internally and externally with customers and suppliers.

The focus on corporate social responsibility among Bring's customers is increasing, particularly in the offshore segment.

Posten Norge AS, the Logistics Norway Division and Bring Cargo AS are ISO 9001:2008-certified within the following business areas: international and national shipping and logistics, parcels, freight and warehousing, aircraft and marine, and offshore. Bring International & Offshore is also certified in accordance with Achilles and follows NORSOK S006N and the Norwegian Oil and Gas Association's guidelines 116 and 091. The certifications clarify the requirements set down for Bring International & Offshore within the areas of health, working environment, safety, external environment and quality.

Bring International & Offshore is also represented on the boards of several industry associations and is active in the development of its local communities.

## High customer satisfaction with Posten Norge and Bring

GRI indicator PR 5: Results from customer satisfaction surveys

In 2016, 26 per cent of those who received an NPS invitation provided feedback about their experience after having contact with customer service, telemarketing, or self-service (Mybring), or after receiving a delivery.

Overall, on a general level for 2016, the quarterly results show that customer satisfaction with all the contact points is at the same level as the previous year. Posten Norge works continually to improve the contact points, but the customer's service expectations change over time, while the Group is undergoing changes that may indirectly affect the experience and feedback at certain times. During 2016 the measurements were also expanded to include multiple units, but collectively these have little effect on the total.

Customer service started the year with the best quarterly result for satisfaction since measurement began in 2014, but experienced a negative trend during the spring, which was then partly compensated by a slightly positive trend in the third and fourth quarters. Mybring (self-service) experienced stable quarterly measurements, but a weaker fourth quarter. Satisfaction with completed deliveries generally stabilised at a high, even level compared with the other contact points.

No overall goals have yet been determined for NPS because Posten Norge is still in an implementation phase in several contact points. The units within the respective contact points established, or are establishing, goals as sufficient data and insights become available about what affects developments. The structure and form of overall NPS goals will be considered during 2017.

## Good delivery quality

Own indicator: Delivery quality

Delivery quality for priority mail (delivered overnight) was 86.1 per cent for 2016.

This is 1.1 percentage points above the owner's licence requirement and 0.7 percentage points better than the previous year. Other licence requirements linked to domestic quality goals were also met. Delivery quality for non-priority mail was 95.9 per cent within four days compared to the licence requirement of 85 per cent. Delivery quality for parcels was 87.9 per cent within four days, which also exceeded the licence requirement of 85 per cent. We will work hard to maintain this excellent delivery quality in the coming years.

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## 2 Open and effective communication

Own indicator: Reputation

Open and effective communication is crucial to building a good reputation, creating understanding for the decisions the Group makes, and to help develop solid relationships with key stakeholder groups.

Reputation and ability to adapt could be negatively affected if the stakeholders' information needs are not met. Employees, customers, investors, partners, suppliers and special interest organisations want an overview of how Posten Norge and Bring operate. Inadequate internal communication could lead to challenges in restructuring processes, lower efficiency and challenges in realising synergies.

### Stakeholders:

- **Owner and public authorities:** Want information on whether Posten Norge meets its required rate of return and fulfils its social responsibility.
- **Corporate customers:** Dialogue is a prerequisite for customer information, and corporate customers look for simplicity when communicating with Posten Norge and Bring
- **Private customers and local communities:** Want simplicity when communicating with Posten Norge
- **Employees:** Linked to company pride and potential restructuring processes
- **Suppliers:** Predictability in tender competitions
- **Investors and banks:** Clear information is important for analyses and decisions related to lending and insurance and pension premiums

### How we work

Group Communications must support the Group's business strategies and goals and contribute to a good reputation, strong brands, satisfied customers and proud employees. The information department is responsible for group-wide internal and external communication channels and the Group's Financial Report and Sustainability Report. The Group has an active media team that acts as point of contact with the media.

The Group's marketing department is responsible for the Group's communication with potential and existing customers. The Group endeavours to adhere to the Norwegian Marketing Act in all market communication with its customers. The Group's annual marketing plan is quality-assured against this legislation. The Group has a procedure to ensure that all external communication is quality-assured by Group Communications.

The Group uses Ipsos MMI's annual profiling survey on major Norwegian companies as its measurement parameter for perceived reputation of Posten Norge and Bring.

In 2016, 116 companies were evaluated with regard to overall impression, environmental awareness, corporate social responsibility, finances and ethics. The survey is based on a nationally representative selection.

## Good reputation for environmental awareness

Own indicator: Reputation

Posten Norge enjoys an excellent reputation. In 2016 Posten Norge ranked 14th on overall impression in Ipsos MMI's survey.

This is an improvement of eight places, from 22nd place last year, and six places better than the target of 20th place. Sixty-eight per cent have a «very good» or «fairly good» impression of Posten Norge.

We are very pleased with this result, especially when this improvement comes during a challenging year which included the end of Saturday mail delivery and changes in the rural postal service. This shows that the Group has managed to cope with difficult issues in an effective manner. The high ranking shows that the Group has established a good, robust reputation, and that people understand that «Posten Norge is changing because people are changing.» We will retain the goal of 20th place in 2017. The reason for this is the fast pace of change and the demanding restructuring still to come.

Bring is included in the measurement for the first time and received the same score as Posten Norge, with 68 per cent having a «very good» or «fairly good» impression of the company. Bring ended up in 13th place in overall impression.

In this survey, corporate social responsibility and ethics are defined as a company's ability and willingness to adhere to laws and regulations, and to act fairly and responsibly towards employees, customers, consumers and the authorities. In 2016, 54 per cent stated that they had a good impression and 23 per cent that they had a bad impression of Posten Norge within this area. Posten Norge moved to 9th place from 8th place in the previous year. Bring ranked 14th place with respect to social responsibility and ethics.

Environmental awareness is defined as how a company is viewed with regard to protection of the environment in the broadest sense, both in terms of production and in its use of products in general. Posten Norge moved from 5th place in 2015 to 4th place in 2016 in this area. Posten Norge was only beaten by environmental notables such as the recycler Norsk Gjenvinning, the national railway NSB and the dairy company TINE within the area of environmental awareness (G4-27). Bring ended up 11th in this year's environmental awareness measurement.

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## 3 Integrity

GRI indicators: S03, S04, S05, S07, PR8

Posten Norge and Bring's integrity standard is particularly focused on the areas of corruption and other financial irregularities, legal competitive practices, social dumping, privacy protection and information security.

We continually focus on maintaining a high standard of integrity. We demand the same of our suppliers and partners; they must undertake to comply with our Ethical Standards for Suppliers. High requirements concerning internal and external integrity help raise the standard across our entire industry and enhance relations with key partners.

Inadequate compliance with the integrity standard could result in significant negative consequences for our reputation and financial results. Investment in internal training and knowledge-building are therefore crucial to ensure compliance. We also focus on monitoring that our suppliers and partners adhere to our standards of integrity.

### Stakeholders

- **Owner and public authorities:** Requirements set down in legislation as well as expectations.
- **Corporate customers:** Set down clear requirements concerning follow-up of integrity in their invitations to tender and when entering into contracts.
- **Suppliers:** Concerned with fairness during the processing of tenders and collaborative relationships.

### How we work

The Group's lawyers have an overall responsibility for ensuring that our integrity standard has the correct content and is properly disseminated within the Group. This involves creating and maintaining group-wide tools such as guidelines and manuals, e-learning programmes and training courses. These tools will enhance understanding of the standard and compliance with it. Group management is updated every six months on the status, risk situation and ongoing initiatives in the work related to compliance with the integrity standard within the Group. A network of local resource persons in each division and subsidiary will ensure that there is adequate information about group-wide tools, and that these tools are implemented locally.

The overall principles for the work with integrity are outlined in the Group's ethical guidelines, integrity handbook and the Group policy for corporate social responsibility. These principles are then put into operation via rules and group-wide tools. Managers and other key employees are given regular information and training on the integrity standard to ensure a high level of competence within the organisation.

The Group's lawyers are also responsible for the management and operation of its group-wide whistleblowing mechanism. This mechanism was established in 2008 and is available to all Group employees regardless of the country or company with which they are associated.

If employees experience, discover or suspect unacceptable conditions, they are encouraged to notify their immediate superior. Where this is not possible or found too difficult, everyone employed by the Group can contact the Group's whistleblowing mechanism. Employees can report anonymously.

The whistleblowing mechanism is easily accessible and can be reached by email, telephone and mail. The Group's whistleblowing mechanism ensures that reports are handled appropriately with regard to both the person reporting and the person(s) whose actions are reported. An important part of this process is to ensure that the whistleblower is not subjected to retaliation after submitting a report.

The General counsel will in individual cases report to the CEO, and may, when deemed necessary, report directly to the Board Chair. The Group's whistleblowing mechanism reports every six months to the internal control committee, the CEO and the Board's audit committee. The report details the number and type of reports received, the result of each report and the measures and activities initiated and implemented. In addition, a report is presented annually to the working environment committee in Posten Norge AS.

## Identification of integrity risks

GRI indicator G4 SO 3: «Total number and percentage of operations assessed for risks related to corruption and to significant risks that are identified.»

As a part of the process to assess the risk of violation of the integrity standard, including the risk of violation of the anti-corruption rules, a survey was carried out across all divisions within the Group this year, as in previous years.

The survey this year was more detailed than previously, and also included additional topics, including whistleblowing. In addition, in 2016 division affiliation was registered to also capture this dimension.

The survey, which was conducted anonymously, covered the subjects of corruption, competition law, labour rights, whistleblowing, privacy protection and information security. The survey was sent to Group management, managers at level 3 in the Group and other selected management groups in Norway and abroad. The survey was sent to 94 people, of whom 74 responded.

In addition to the survey, in-depth interviews were conducted regarding international transport. The topics covered in the interviews were corruption, competition law, the use of suppliers and labour rights.

The basis for the overall risk assessment linked to compliance with integrity standards also included experiences and observations made by the Group lawyers through general and specific training, and other contact with Group entities and suppliers.

The risk analysis was carried out in spring 2016. The analysis indicates that cross-border transport and illegal anti-competitive practices are still the clearest integrity risks within the Group. Furthermore, it indicates that the EU's coming data protection regulation, which will apply in Norway from May 2018, requires a quality check of existing procedures and routines, as well as information and training measures on this topic. The risk analysis was presented to Group management in June 2016.

## Communication and training

GRI indicator G4 SO 4: «Communication and training on anti-corruption policies and procedures.»

The Group has an integrity programme to help strengthen the Group's standard for ethics and aspects related to integrity. Posten Norge and Bring's integrity standard focuses on the following areas: corruption and other financial irregularities, legal competitive practices, social dumping, privacy protection and information security. Based on these topics, various tools were developed for employees and selected partners. These tools help managers and employees in the Group actively take ownership and live up to the Group's integrity standard. The integrity programme was adopted by the Board of Directors of Posten Norge AS in October 2011.

The integrity programme is based on the Group's ethical guidelines adopted in 2006, and includes ethical guidelines, an integrity handbook and an e-learning programme. The guidelines and integrity handbook were distributed to all Group employees in 2011 and 2012. All new employees receive the ethical guidelines and an integrity handbook when they join the Group. Our partners must commit to comply with the Group's Ethical Standards for Suppliers, which among other things stipulates that corruption is unacceptable and that the supplier must work actively against all forms of corruption. In this regard, see the section Supplier management in the chapter Our relationships and partnerships.

The primary target group for the e-learning programme consists of those employees in the Group deemed to be most vulnerable to the typical risk situations identified in the integrity programme.

The e-learning programme may be completed individually or in groups. The latter is achieved in practice by the managers registering to participate in the e-learning portal and completing the course in plenum with their group or unit. In 2016 the course was completed 268 times by individuals or groups. We are currently unable to register employees who complete the e-learning programme as part of a group. Therefore, we do not have precise numbers on how many people actually completed the e-learning programme in 2016. In 2017 we will look into how we can establish a registration mechanism to capture this.

The 268 registered course completions were distributed within the Group as follows: Four from the Mail Division, 135 from the Logistics Norway Division, 0 from the E-commerce Division, 37 from the Logistics Nordic Division, four from the Group staff units and 88 from the in-store post office group.

To calculate the percentage of employees who completed the e-learning programme in 2016, we must use the 268 registered course completions as a starting point. There were 16 992 permanent employees in the Group at the end of 2016. The 268 registered course completions represent approximately 1.6 per cent of all permanent employees. The primary target group consisted of 8 321 employees at the end of 2016. The 268 registered course completions represent approximately 3.2 per cent of the primary target group.

Considering that the primary target group includes 8 321 employees, relatively few completed the e-learning programme in 2016, even if we assume that several of the 268 course completions involved groups. The reason for the relatively low number is partly because most employees in the target group have already completed this training, and partly because follow-up of the e-learning programme received somewhat less attention in 2016.

In July 2016 the Group rules on whistleblowing were revised. In June 2016 a Group policy and Group rules were established to ensure compliance with privacy protection regulations. These documents were presented to individual management teams and relevant forums, and information and training measures will continue in 2017.

For managers, corporate staff, sales and marketing resources as well as other key employees, there is a need to complete training beyond e-learning. Therefore, a course designed for a classroom setting was developed for this specific target group. This course is based on the integrity handbook and e-learning programme, but goes into more detail and prioritises discussions about relevant dilemmas that arise.

In 2016 approximately 146 people attended these customised training courses. This corresponds to around 0.9 per cent of permanent employees in the Group and around 1.8 per cent per cent of the primary target group. This customised training was mainly carried out in the Logistics Nordic Division, in the Swedish part of the Group's operations.



As mentioned, one of the subjects of the integrity programme is legal competitive practices. To ensure that all employees have sufficient knowledge of and comply with the competition rules, a separate handbook was created in 2013: Posten and Bring's Ten Commandments of Competition Law. The handbook is available in print version in both Norwegian and English, and is also available on the Group's intranet.

## No corruption incidents identified

GRI indicator G4 S05: «Confirmed incidents of corruption and actions taken»

In 2016 the Group's whistleblowing mechanism received one report that was investigated and assessed. The case involved a suspected violation of the anti-corruption rules. After a thorough review of the case it was concluded that no violation of the anti-corruption rules had taken place.

The whistleblowing mechanism also received some notifications that were not processed further. The reason for this was either that the allegations received were deemed unfounded or that the case lay outside the mandate of the whistleblowing mechanism.

In 2016 a link was added to the start page of the Group's intranet to the whistleblowing mechanism page providing more details, including contact information. At the Group forum in February 2016, attended by the Group's level 2 and 3 managers, the whistleblowing mechanism was on the agenda. The whistleblowing mechanism was also on the agenda at Group management meetings, and separate information material was prepared for each EVP to distribute to the employees in their respective organisations. The whistleblowing mechanism was also presented to employees through training on the integrity standard and is clearly mentioned in guidelines and handbooks.

## No fines for non-compliance with laws and regulations

GRI indicator G4 S07: «Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.»

In 2016 the Group was neither fined nor received non-monetary sanctions for non-compliance with laws or regulations.

## No complaints for violation of privacy protection regulations

GRI indicator G4 PR8: «Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.»

Handling of information about individuals and companies is an important part of Posten Norge and Bring's operations. The Group is therefore highly focused on compliance with privacy protection policies to ensure that we process information in accordance with applicable legislation. Compliance with the privacy protection policy formed part of the risk assessment in 2016.

In 2016 the Group continued to work on the further development of procedures to ensure effective compliance with the privacy protection policy.

In 2016 the Group received no complaints from public authorities regarding violations of the privacy protection regulations. Furthermore, the Group received no such complaints from private individuals.

For reporting on the part of the indicator related to the loss of customer data, see the section Information security in the chapter Our networks and expertise.



## Future integrity work

In recent years we have generally focused on implementing the integrity programme's tools. The main focus for 2016 was to develop the methodology for the risk assessment and to make further efforts to strengthen the integration of the programme in the existing channels. In addition, work on the Group's policy and rules on privacy protection had high priority in 2016.

Posten Norge's focus on the integrity programme will continue and be strengthened in 2017. Recent cases show that more stringent requirements are being imposed on companies and management in several areas of law. An example of this is the EU data protection regulation, which will enter into force from May 2018. The regulation will lead to more stringent requirements for businesses that process personal data, and significantly higher fines for failure to comply with the regulation. Until the regulation enters into force, therefore, Posten Norge will focus on implementing the Group's policy documents on privacy protection, which were adopted in June 2016. Furthermore, existing routines and frameworks will be quality-assured and further developed to ensure a systematic approach to compliance with the privacy protection regulations.

In addition to the Group lawyers, who are centrally located, a network of local resource persons was established who will also contribute to local awareness and implementation of the integrity programme.

These local resource persons are important for ensuring familiarity the integrity programme throughout the Group. In 2017 the maintenance and strengthening of this network will be given priority.

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# 4

## Supplier management

GRI indicators: SO9, SO10, LA14, LA15, HR10, HR11, EN32, EN33

Posten Norge and Bring is exposed to reputational risk related to suppliers and subcontractors who to a substantial degree represent Posten Norge and Bring and perform work for the Group, for example in in-store post offices and transport suppliers (G4-10e). Posten Norge and Bring's suppliers therefore influence the company's ability to deliver on customer promises and other strategic goals. As a major operator, the Group has the opportunity to have a positive influence on industry standards and conditions through its corporate social responsibility activities in the supply chain.

### Important stakeholders

- **Corporate customers:** Major companies place demands on Posten Norge and Bring for systematic follow-up. Corporate customers expect suppliers acting on behalf of Posten Norge and Bring to comply with their standards.
- **Owner and public authorities:** Expect acceptable behaviour and no social dumping.
- **This is important because suppliers who represent Posten Norge and Bring indirectly also represent the owner.**
- **Suppliers:** Want predictability and control.

### How we work

Group HR/HSE and the HSE/CSR department ensure systematic, group-wide solutions and coordinate CSR work in the supply chain within the Group. Suppliers with group-wide agreements are followed up by Group Procurement. Transport suppliers are followed up by the relevant divisions and business areas. Divisional coordinators manage local coordinators in any businesses having contact with transport suppliers, and ensure local commitment.

Group management is regularly updated on the status, risk profile and ongoing initiatives in the work related to compliance with the Group's requirements for suppliers. All suppliers who have signed an agreement with the Group must sign the Ethical Standards for Suppliers, which states the minimum requirements placed by the Group on its suppliers, as well as HSE and environmental declarations. The largest road transport suppliers must also sign an environmental transport declaration.

Engaging in dialogue with both existing and potential suppliers is central to the procurement procedures of Posten Norge AS. As part of its standard procurement process (G4-26), Posten Norge engages in both written and verbal dialogue in the form of workshops. In its dialogue with the supplier market, the Group generally emphasises good business practices and compliance with the Group's ethical principles and values. Confidence in the supplier market is a prerequisite for achieving good terms and conditions and covering the Group's procurement requirements satisfactorily. This applies both before entering into a contract and during the contractual period (G4-27).

## Targeted measures against illegal labour practices

GRI indicators G4: SO10, LA15, EN33, HR11: Substantial actual and potential negative consequences for society (SO10) in the supply chain, environmental criteria (EN33), labour practice criteria (LA15) and human rights criteria (HR11) in the supply chain, and for implemented measures.

A total of 115 suppliers submitted self-reporting for the first time in 2016, and 34 suppliers updated existing self-reporting. All of these were assessed on compliance with the Group's Ethical Standards for Suppliers, including HSE, employee rights, human rights, business practices and the environment. Within priority categories (transport, cleaning, work clothing and construction), 58 per cent\* of suppliers submitted self-reporting. These suppliers represent 77.6 per cent of the total procurement costs associated with the priority categories. In the vehicle transport category, which is closely connected to the core business of the Group, 66 per cent submitted self-reporting. These suppliers account for 80 per cent of the total costs of transport services in the Group.

The Group continued its efforts against illegal labour practices within the transport industry, focusing particularly on the carrier and express transport segment.

Six unannounced inspections were carried out at 10 different locations in the Nordic region in connection with the Group's minimum standards for ethics and the environment. In total, 107 drivers and 37 assistants were checked and interviewed. These individuals were associated with 67 different transport suppliers contracted by various Group companies.

Suppliers found to be in possible violation of the Group's standards were followed up with an audit.

Fourteen road transport suppliers were audited for compliance with the Group's Ethical Standards for Suppliers. Three supplier relationships were terminated as a result of the audit, for violations of the law, among other things. Improvement plans were agreed with 11 of the audited suppliers regarding compliance with the Group's standards.

The Group's audit and control council approves the audits and inspections. The council consists of the Executive Vice President HR/HSE, head of HSE and CSR, head of procurement, and general counsel. The council is presented with risk assessments from the supply chain and in light of these defines risk reduction measures.

A new strategy for corporate social responsibility in the supply chain will be adopted in 2017, which will apply until 2020.

## Road transport – the biggest environmental challenge

GRI indicator G4 EN33: Significant actual and potential negative environmental impacts in the supply chain and actions taken.

A total of 146 road transport suppliers submitted self-reporting related to compliance with the Group's environmental requirements. Four road transport suppliers (2.7 per cent) reported deviations from the Group's minimum requirements for European emission standards (minimum Euro 4) and 14 road transport suppliers (9.6 per cent) reported deviations from the Group's age requirements for light vehicles (maximum age of five years for vehicles under 3.5 tonnes).

The most significant negative environmental impacts identified among the Group's transport suppliers originate from road transport. Road transport accounted for 66 per cent of total emissions at the transport supplier level in 2016, air transport for 17 per cent, ferry transport for 14 per cent and train transport for 1 per cent.

The emissions relate to: emissions of greenhouse gases contributing to global warming, predominantly carbon dioxide, methane and nitrogen oxide, emissions of air pollutants contributing to poorer local environments, such as nitrogen oxides, particulate matter, carbon monoxide, hydrocarbons and finally, traffic noise. No agreements were terminated with any suppliers due to environmental impacts. Even more stringent environmental requirements for transportation suppliers will be considered in 2017.

GRI indicator G4 HR11: Significant actual or potential negative impacts on human rights in the supply chain and actions taken.

No suppliers were identified as having significant actual or potential negative consequences on human rights.

## Criteria for supplier selection

GRI indicators G4 S09, HR10, LA14: Percentage of new suppliers selected based on criteria for social consequences (S09), human rights criteria (HR10), labour practices (LA14) and environmental criteria (EN32).

For all 46 acquisitions implemented by Group Procurement in 2016, there was a requirement in the pre-qualification phase that all suppliers had to accept the Group's Ethical Standards for Suppliers and complete declarations concerning the environment and HSE. The Group's guidelines are available on [www.postennorge.no](http://www.postennorge.no)

\* All percentage calculations are based on a list of suppliers with annual revenue exceeding NOK 2 million during 2016.



# Our networks and expertise

## OUR CAPITAL AREAS



Our employees



Our relationships and partnerships



Our networks and expertise



Our ability to change



Our financial capital

Posten Norge and Bring's networks are the lifeblood of our business. Knowing how to make the best use of our networks is vital if we are to succeed in our strategy of becoming Nordic, customer-oriented, integrated and industrialised. The Group is wholly dependent on good operating models in order to optimise our terminal and logistics networks, and, not least, to reduce our environmental impact on society. At the same time, Posten Norge and Bring are becoming ever more dependent on technology. This technology is a critical factor that keeps a large proportion of our networks and value chains in operation.

There are three critical success factors (aspects) that we must report on in this capital area to ensure it is properly managed. We report on the following GRI indicators for each aspect:

- 1** Environmentally effective transport and logistics  
GRI-indikatorer: EN 15, EN 16, EN 17, EN 18
- 2** Integrated and industrialised networks  
Own reporting
- 3** Information security  
GRI indicator: PR8

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# 1

## Environmentally effective transport and logistics

GRI indicators: EN15, EN16, EN17, EN18

In Norway the transport sector is the largest source of greenhouse gas emissions, while at the same time mobility is fundamental to almost all value creation. If Norway is to meet the EU's expectation of a 40-per-cent reduction in greenhouse gases in sectors not subject to the EU emission targets for 2030, most of the emissions will have to occur in the transport sector. As one of the Nordic region's biggest transport operators, the impact from our CO<sub>2</sub> emissions is significant. The Group's emissions account for around 1 per cent of Norway's climate emissions of 53.9 million tonnes CO<sub>2</sub>e. The environment is one of the Group's most important focus areas within corporate social responsibility, and the Group's two largest climate challenges are reducing CO<sub>2</sub> emissions from heavy vehicles and minimising local pollution. Our biggest initiatives are therefore to phase out fossil fuel for heavy vehicles and electrify vehicles in the cities.

### Stakeholders

- **Owner and public authorities:** The Norwegian government's state ownership policy requires more environmentally friendly operations.
- **Corporate customers:** Major customers (ASKO, IKEA, oil and gas) are concerned with environmental issues and set requirements for Posten Norge.
- **Private customers and local communities:** Customers notice environmental efforts. Posten Norge moved from 5th to 4th place in IPSOS MMI's 2016 reputation survey in the category for environmental awareness. In our experience, customers in Sweden show an interest in the environment.

### How we work

The Group is actively working to reduce the extent of its environmental impact. Posten Norge's environmental vision is «to work in a goal-oriented manner to achieve environmentally effective operations and sustainable development that help us become the world's most future-oriented postal and logistics group.» The overall goal is to reduce the Group's CO<sub>2</sub>e emissions by 40 per cent by 2020. The goal is divided into two periods, 2008-2014 and 2015-2020. The first period has now ended, with emissions reduced by 30 per cent from the base year of 2008. The goal for the next period is a 10-per-cent reduction in emissions by 2020 (using 2014 as the base year). The results from the 2016 carbon footprint show a 10-per-cent reduction from 2015, representing a 13-per-cent reduction since the base year of 2014<sup>1</sup> (total 43 per cent from 2008). A large proportion of the reduction is due to the transition from diesel to HVO in Logistics Norway Division. Reclassification of raw materials and an increased biofuel mandate resulted in reduced supplies and a doubling in price for HVO in 2017. There is therefore great uncertainty about further investment and phasing out of fossil fuels for heavy vehicles. Beyond the transition to HVO, the reduction can largely be explained by a reduction in freight volume, primarily by sea and air. A large proportion of this reduction is probably due to economic cycles. As a result, the duration of the emission reductions is uncertain.

The HSE and corporate social responsibility department in Group HR/HSE ensure the systematic, group-wide reuse of good solutions and a holistic approach. A group-wide environmental network consisting of environmental resource persons from all business areas also ensures that the Group shares lessons learned and best practice throughout the organisation. The expertise we need in specific areas is secured via partners and suppliers. A climate reporting system that covers the entire Group is used to register the Group's total climate impact. The Board and Group management are regularly updated on the status, the risk situation and ongoing initiatives within our environmental work. Our environmental work is also defined in

<sup>1</sup> Market-based method

a separate environmental policy and strategy, which is supported by action plans in the business areas. The Group works according to annual environmental action plans in the business areas, and this work is followed up in quarterly reports, business reviews, management's KPIs and PLUS appraisal interviews. Annual goals are set for the Group and business areas up to 2020.

Interaction between companies, organisations and authorities is key to solving the major environmental challenges facing the Group (G4-16 and G4-27). In 2016 the Group continued its cooperation with the environmental organisation ZERO in Norway and the 2030 Secretariat in Sweden. The Group is a partner in a project to establish environmentally effective distribution of goods in central Drammen, and participates in the international EU project FREVUE in cooperation with SINTEF. The Group engages in ongoing dialogue and cooperation with various parties, such as the dairy company TINE, the Confederation of Norwegian Enterprise (NHO) and the Institute of Transport Economics (TØI), and has held lectures on the environment on several occasions, both in Norway and Sweden, as well as participating in Almedalen Week conference. The Group also participates in Næring for klima (Business for Climate), a collaboration between the City of Oslo and the private sector, and a similar collaboration with the City of Stockholm called Klimatpakten (The Climate Pact). The Group is affiliated with the International Post Corporation, which promotes international industry cooperation, and is also a member of the environmental procurement initiative Svanens Innkjøperklubb and the non-profit recycling organisation Grønt Punkt.

## Reducing greenhouse gas emissions and pollution

GRI Indicator EN15: Direct greenhouse gas emissions (CO<sub>2</sub>e)

In 2016 the Group continued to implement its decision to use renewable diesel for heavy transport. By establishing their own filling facilities and using HVO (hydrogenated vegetable oils) at existing commercial filling stations, Posten Norge and Bring will have over 700 trucks running on fossil-free diesel on Norwegian and Swedish roads. This will result in reduced greenhouse gas emissions and less pollution. This is a second-generation fuel and consists of vegetable oils and waste certified in accordance with the EU's sustainability criteria.

The arguments against first-generation biodiesel, such as that using raw materials like rapeseed oil and sugar cane took up valuable land and pushed up food prices in poor countries, do not apply to HVO. Reclassification of the raw material PFAD from waste to by-product will make it challenging in 2017 to obtain sustainable raw materials that are certified according to the EU's sustainability criteria. To maintain this commitment and avoid going back to fossil fuels will be a high priority for the Group in the future.

The Group has 120 biogas vehicles, including the first in the world to meet the Euro 6 emissions standard. Vehicles that run on bioethanol are being tested in Bergen.

Bring in Sweden continues its commitment to renewable diesel. Bring has 191 vehicles that have consumed over 6.8 million litres of HVO. Bring in Sweden conducted a pilot to test HVO in light trucks where suppliers do not approve of using renewable diesel as fuel. This pilot has been successful, and the fuel functions flawlessly.

The Group now has Norway's largest electric vehicle fleet with more than 1 200 electric vehicles consisting of 580 electric mopeds, 493 electric vehicles and 143 electric trolleys. Our commitment to electric vehicles creates green jobs, and in 2016 one of our vehicle suppliers, Loyds, opened a new factory in Fredrikstad to produce more electric mopeds. Today over 80 per cent of Norway's population lives in cities and towns, and this percentage is expected to increase. The Group's focus on zero emission solutions and its co-locating of these has resulted in totally emission-free mail distribution for 39 city and town centres across Norway. This improves air quality and results in less noise and greenhouse gas emissions.

Posten Norge no longer delivers on Saturdays, which means an end to Friday flights. This has led to a positive environmental impact, since emissions from air transport have been reduced by 11 per cent from 2015.

In 2016 the Group expanded its electric vehicle commitment. With support from the public energy conservation agency Enova, the Group purchased the first two electric vans in the Nordic region of a size suitable for delivery of parcels and freight. The electric vans will be used in the centre of Oslo, will help build a market, and show that electricity is a good option also in this segment.

The Group also upgrades its vehicle fleet regularly, which helps reduce local emissions. The average age of the vehicles in the parent company is 1.8 years. Seventy eight per cent of the vehicles meet the Euro 6 emissions standard and 21 per cent meet Euro 5. The Group has introduced speed reductions for 647 trucks, which has advantages in terms of both the environment and safety.

## Reporting

In 2016 the Group reviewed the reporting system to improve the quality of the data reported. The Group made no changes in emission factors from 2015 to 2016. This is because all the fuel types used in 2016 were also included in 2015, and because the changes in emission factors have been negligible. However, the review uncovered that calculations for some vehicle categories were not completed for certain types of biofuel. Historical data for 2014 and 2015 was adjusted by 14 000 and 4 000 tonnes CO<sub>2</sub>e respectively.

In 2015 the Group reviewed the emission factors used in greenhouse gas reports and switched from reporting on CO<sub>2</sub> to reporting on CO<sub>2</sub> equivalents. CO<sub>2</sub>e gases are CO<sub>2</sub> (carbon dioxide), N<sub>2</sub>O (nitrous oxide) and CH<sub>4</sub> (methane).

This covers all emissions from sources defined in the Greenhouse Gas (GHG) Protocol, except for refrigerant gases, which are not part of CO<sub>2</sub>e. Other greenhouse gases that are not part of the GHG protocol are not reported.

All emissions in the Group's carbon footprint in 2016 are stated in tonnes CO<sub>2</sub> equivalents. Emission calculations are based on a mix of consumption figures, data from various transport systems related to suppliers, and on estimates where data is not particularly precise.



## Total carbon footprint shows major progress

The Group reduced its emissions by 10 per cent from 2015 to 2016 (49 051 tonnes CO<sub>2</sub>e). The reduction was achieved due to implemented greenhouse gas measures, the transition to HVO, more efficient means of transport, and purchases of guarantees of origin.

Table 4.1: Total carbon footprint for the Group in tonnes CO<sub>2</sub>e from 2014 to 2016. Scope 1 is GRI indicator EN15, Scope 2 is GRI EN16 and Scope 3 is GRI EN17.

[tonnes CO <sub>2</sub> e]*	2014	2015	2016	20163
<b>Scope 1</b>	<b>136 078</b>	<b>128 595</b>	<b>106 541</b>	<b>109 949</b>
Road	135 407	127 981	105 995	109 404
Buildings	670	613	546	546
<b>Scope 2 (location-based)</b>	<b>21 558</b>	<b>15 609</b>	<b>15 131</b>	<b>15 131</b>
<b>Scope 2 (market-based)</b>	<b>50 342</b>	<b>11 951</b>	<b>2 453</b>	<b>2 453</b>
Electricity (location-based)	19 184	13 091	12 678	12 678
Electricity (market-based)	47 968	9 432	0	0
District heating	2 374	2 519	2 453	2 453
<b>Scope 3</b>	<b>367 645</b>	<b>349 525</b>	<b>328 617</b>	<b>328 617</b>
Road	234 400	219 141	216 458	216 458
Rail	4 331	5 492	4 655	4 655
Air	68 793	62 630	56 005	56 005
Water	56 072	56 760	47 355	47 355
Business travel	4 049	5 503	4 143	4 143
Total (location-based)	525 281	493 729	450 289	453 698
Total (market-based)	554 065	490 071	437 611	441 019
	2014	2015	2016	2016
Outside of Scopes**	41 253	49 422	66 014	66 014

\*) Emission factors come from the Department for Environment Food & Rural Affairs' (Defra) collection of emission factors from 2015. The emission factors are tank-to-wheel (TTW). For location-based electricity the consolidation method is «operational control» according to the GHG Protocol.

\*\*) «Outside of scopes» is the direct CO<sub>2</sub> effect of the combustion of biofuels.

2 Market-based method for greenhouse gas emissions from electricity assumed

3 Includes acquisitions. In 2016 only the acquisition of Espeland Transport was added to the 2015 accounts.

## Major reduction in emissions from Posten Norge's own vehicles (Scope 1)

GRI Indicator EN15: Direct greenhouse gas emissions

The Group reduced its direct emissions by 14 per cent (18 646 tonnes CO<sub>2</sub>e) from 2015 to 2016. The two climate measures, transition to HVO and biodiesel, together contributed 50 per cent of a 13-per-cent reduction in greenhouse gas emissions in 2016 (16 743 tonnes CO<sub>2</sub>e) compared with 2015. The measures related to HVO and Biodiesel 50 (50% renewable and 50% fossil fuel) apply to the Logistics Norway and Logistics Nordic Divisions. The Mail Division reduced its direct emissions by 12 per cent (2 132 tonnes CO<sub>2</sub>e) due to a smaller fleet and a transition to a higher Euro standard (Euro 6).

Table 4.2 (Scope 1): Direct greenhouse gas emissions in tonnes CO<sub>2</sub>e fell by 14 per cent (18 646 tonnes CO<sub>2</sub>e) from 2015 to 2016.

Scope 1 [tonnes CO <sub>2</sub> e]	2014	2015	2016	2016
Group	136 078	128 595	106 541	109 949
Road	135 407	127 981	105 995	109 404
Buildings	670	613	546	546
<b>Logistics Norway Division</b>	<b>88 784</b>	<b>91 276</b>	<b>75 922</b>	<b>79 330</b>
Road	88 687	91 157	75 855	79 263
Buildings	97	119	67	67
<b>Logistics Nordic Division</b>	<b>27 466</b>	<b>19 420</b>	<b>14 840</b>	<b>14 840</b>
Road	27 050	19 041	14 588	14 488
Buildings	417	379	351	351
<b>Mail Division</b>	<b>19 828</b>	<b>17 899</b>	<b>15 779</b>	<b>15 779</b>
Road	19 670	17 784	15 652	15 652
Buildings	157	115	127	127
<b>Outside of Scopes</b>	<b>n/a</b>	<b>27 024</b>	<b>40 933</b>	<b>40 933</b>

## Reduced emissions from electricity consumption (Scope 2)

GRI Indicator EN16: Energy: indirect greenhouse gas emissions.

The Group increased its electricity consumption from buildings by 3 per cent in 2016. This includes electricity consumption from the Group's 1 217 electric vehicles.

Since 2015 the EU requires reporting of emissions from electricity to use two methods: location-based and market-based. The requirements must correspond with the GHG Protocol. Using the location-based method, the Group reduced its indirect emissions by 3 per cent. This reduction is due to reduced electricity consumption, mainly in the Logistics Nordic Division, where three cold storage facilities in Denmark were closed down at the end of the year. In Sweden, as in 2015, energy mapping was carried out in accordance with statutory requirements. Using the market-based method, the Group reduced its indirect emissions by 79 per cent. This large reduction is due to the fact that the Group bought electricity with guarantees of origin for 100 per cent of the Group's electricity consumption in 2016, compared with 83 per cent in 2015. Electricity with guarantees of origin is power that is produced from renewable energy sources; hydroelectricity in the case of the Group's purchases.

Table 4.3 (Scope 2): Indirect greenhouse gas emissions (tonnes CO<sub>2</sub>e) through electricity consumption

Scope 2 [tonnes CO <sub>2</sub> e]	2014	2015	2016	2016
Group (location-based)	21 558	15 609	15 131	15 131
Group (market-based)	n/a	11 951	2 453	2 453
Electricity (location-based)	19 184	13 091	12 678	12 678
Electricity (market-based)	47 968	9 432	0	0
District heating	2 374	2 519	2 453	2 453

## Stable emissions from suppliers (Scope 3)

GRI Indicator EN17: Other indirect greenhouse gas emissions

Since 2015, emissions from the Group's suppliers have fallen by 6 per cent. The largest decline was in sea and air transport and a somewhat smaller decline in other areas.

Logistics Norway Division reduced its emissions from suppliers by 8 per cent from 2015 to 2016. Emissions decreased in all areas, but the greatest reduction was within sea and air transport. The reduction in emissions from sea transport is explained by reduced activity and the use of newer ships with lower fuel consumption. Posten Norge no longer delivers on Saturdays, which means an end to Friday flights. As a result the division reduced its emissions from air transport by 11 per cent (6 259 tonnes CO<sub>2</sub>e).

Logistics Nordic Division reduced its emissions by 3 per cent from 2015 to 2016. The reduction is greatest in road transport and business travel. Emissions from road transport decreased by 1 per cent (1 397 tonnes CO<sub>2</sub>e). The reduction is due mainly to reduced activity (including in Spain). From 2015 to 2016 the division reduced its emissions from business travel by 46 per cent (1 158 tonnes CO<sub>2</sub>e). Fewer business trips were taken in 2016, but the decrease is also explained by an incorrect reporting of flights in Europe for one of the division's companies in 2015 (627 tonnes CO<sub>2</sub>e).

The Mail Division's emissions increased by 72 tonnes CO<sub>2</sub>e since 2015. The increase is due to increased emissions from road transport, while emissions from business travel were reduced.

Table 4.4 (Scope 3): Other indirect greenhouse gas emissions in tonnes CO<sub>2</sub>e from our suppliers fell by 6 per cent (20 908 tonnes CO<sub>2</sub>e) from 2015 to 2016.

Scope 3 [tonnes CO <sub>2</sub> e]	2014	2015	2016	2016
<b>Group</b>	<b>367 645</b>	<b>349 525</b>	<b>328 617</b>	<b>328 617</b>
Road	234 400	219 141	216 458	216 458
Rail	4 331	5 492	4 655	4 655
Air	68 793	62 630	56 005	56 005
Water	56 072	56 760	47 355	47 355
Business travel	4 049	5 503	4 143	4 143
<b>Logistics Norway Division</b>	<b>223 996</b>	<b>215 217</b>	<b>197 836</b>	<b>197 836</b>
Road	108 846	112 665	111 265	111 265
Rail	4 207	5 371	4 536	4 536
Air	68 196	57 859	51 600	51 600
Water	41 628	38 211	29 429	29 429
Business travel	1 119	1 111	1 006	1 006
<b>Logistics Nordic Division</b>	<b>141 218</b>	<b>131 546</b>	<b>128 002</b>	<b>128 002</b>
Road	124 537	105 583	104 186	104 186
Rail	124	121	120	120
Air	597	4 771	4 405	4 405
Water	14 445	18 549	17 926	17 926
Business travel	1 515	2 523	1 365	1 365
Mail Division	1 947	2 257	2 329	2 329
Road	1 017	893	1 007	1 007
Business travel	930	1 364	1 322	1 322
<b>E-Commerce Division</b>	<b>38</b>	<b>41</b>	<b>36</b>	<b>36</b>
Business travel	38	41	36	36
<b>Staff group</b>	<b>448</b>	<b>465</b>	<b>415</b>	<b>415</b>
Business travel	448	465	415	415
<b>Outside of Scopes</b>	<b>n/a</b>	<b>22 398</b>	<b>25 081</b>	<b>25 081</b>

## Towards a more greenhouse gas emissions efficient organisation

GRI Indicator EN18: Emission intensity for greenhouse gases

Group revenue in 2016 remained about the same as in 2015, while emissions per NOK of revenue were lower. This indicates a more greenhouse gas emissions efficient organisation.

Table 4.5: Group emission intensity for greenhouse gases in the last three years. All emissions are included (Scopes 1-3) in the calculation of emission intensity.

Relative target	2014	2015	2016
CO2e emissions (grams) per NOK 1 earned	22.5	19.5	17.8

\* Market-based, Scope 2 is used in calculating emissions intensity.

## The Group will continue its environmental commitment in 2017

In 2017 the Group will work actively to phase out fossil fuels and replace them with sustainable renewable diesel, continue the electrification of vehicles in cities and towns, and consider a new environmental ambition towards 2030.

Another important priority will be to continue the co-location of units in new terminals with innovative energy solutions. This will reduce the energy consumed and the kilometres driven. At the same time we will recertify our 47 units and certify new terminals. Our employees are our most important resource in our environmental efforts. The Group will continue supporting the Environmental Fund (Miljøfondet) on behalf of all employees and to provide general environmental knowledge through the e-learning programme Step by Step and training in environmentally effective driving.

Quick, efficient and reasonably priced deliveries with a high degree of precision and good solutions that give recipients control is a strategic goal for Posten Norge and Bring. Integrated and industrialised networks are the key to achieving this. The emergence of e-commerce has led to an influx of new solutions, both in terms of delivery options and user-friendly technology. Online shopping creates growing volumes and seasonal fluctuations that can challenge the capacity of the network. Meanwhile, mail volumes are steadily decreasing. All this requires continual adjustment of structures and processes.

## Stakeholders

- **Owner and public authorities:** Have an implicit interest through required rate of return.
- **Corporate customers:** Have an implicit interest if optimisation of the networks affects prices, customer service or quality. They expect their interaction with Posten Norge to be simple.
- **Employees:** Linked to their own working day and workplaces
- **Suppliers:** May affect the working day and expectations
- **Investors and banks:** May implicitly be relevant to credit risk

## How we work

In Posten Norge, we live to deliver. This means managing and operating a large transport network which stretches from customers via terminals and distribution units to recipients throughout the Nordic region. The shipments we transport vary enormously in size and weight – from a letter weighing a few grams to heavy freight weighing many tonnes. The Group's approximately 17 000 employees are responsible for valuable assets in the form of terminals and vehicles. In addition, a large number of small and large local carriers operate throughout the region on contract for Posten Norge and Bring. Considerable expertise is required to structure and manage such a large network. The network must operate cost-effectively, be environmentally friendly, and provide our own employees and our partners' employees with a good working environment and a high degree of safety.

## Making major investments to renew the terminal structure

In recent years the Group has carried out a significant investment programme to renew the terminal structure. To utilise our resources optimally, separate freight and parcel terminals are being co-located.

In addition, the total number of terminals is being reduced to ensure efficiency and full utilisation of capacity. In 2016 new terminals were opened in Drammen and Mo i Rana, and construction of new terminals began in Trondheim, Narvik and Gothenburg. In 2017 the new central logistics centre at Alnabru in Oslo will open. The decline in mail volume and the transition to a single, two-day class of mail means that the activities in the mail terminals will be restructured.

In a vast country like Norway, with its scattered settlement pattern, significant synergies can be gained through joint distribution of various types of freight between terminals, delivery points and distribution units.

## Renewing the Group's technological foundation

Through the programme New Posten and Bring the Group is renewing its technological foundation – both to manage resources in the network and to further develop tools for customers to manage their own logistics. The Customer Portal Mybring is constantly being improved and its functionality expanded. On the recipient side, both Posten Norge's website and tracking app are continually being developed. Within the Group, employees are receiving new tools that make their working day more efficient, improve resource utilisation and enable improvements of work processes. As part of the programme, all work processes are being reviewed to remove unnecessary process deviations and utilise new technology. At the same time, service categories and transport terms and conditions are being simplified and oriented towards the customer.

## Our employees are the key to success

Despite huge investments in buildings and technology, the quality of a network always depends on the people who operate it – their work efforts, motivation and expertise. There is a major restructuring underway in the network. All the Group's employees are actively implementing these changes.

Both logistics expertise and an ability to change will continue to be key success factors in the coming years.

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## 3 Information security

GRI indicator: PR8

Information security means ensuring that all data processed electronically is kept sufficiently confidential and accessible and that they are complete and correct. This means that the data at all times must be protected against unauthorised access and against intentional and unintentional undesirable changes, and that it must be accessible to those who need it, when they need it.

Our work on information security is becoming ever more important for Posten Norge and Bring. The digitalisation and globalisation of society has radically changed the way we work.

Digital tools for delivering mail, tracking parcels and communicating sensitive personal data via Posten Norge's secure digital mailbox, Digipost, are examples of this. Violation of information security can affect our customers and employees, and it can have serious consequences for our business in terms of loss of reputation, increased costs and loss of revenue.

### Stakeholders

- **Owner and public authorities:** Expect implementation of effective information security and compliance with regulatory requirements, including personal data regulatory requirements for information security
- **Corporate customers:** Expect and require adequate information security, including secure and efficient information flow, predictability and absence of downtime.
- **Private individuals:** Customers and employees expect personal information to be handled in accordance with the regulations in a safe and secure manner that supports their work.

### How we work

Posten Norge and Bring's strategy for information security is based on active risk management. The goal is to establish and maintain a level of security that protects personal information, products and services and that also takes reasonable account of risk, cost and operational matters. We work continuously on information security, and focus as much on the employees' knowledge about and attitudes to information security as on the technology that is used to increase the efficiency of information processing.

The department for Information Security in the Group IT staff unit has technical responsibility for information security in the Group. This responsibility involves setting standards and terms, as well as serving as an active adviser and driving force behind establishing adequate information security for all information processing in the Group. This applies to the processing that takes place in the organisation as well as in the systems, applications and networks. The governing standard for information security is set through Group policies and rules. We set security requirements for our suppliers, we work actively on changing attitudes among employees, and we participate in decision-making processes affecting information security. We also closely monitor the ongoing threat situation for cyber security. We carry out security tests of our infrastructure, conduct security audits of suppliers and our internal processes, and take measures to maintain satisfactory information security.

The daily responsibility for information security rests with the line organisation in the business area having the closest relationship to the information being processed. These people are best placed to determine the need for protection and assess the consequences of missing information, confidentiality breaches and undesirable changes to data. Managers are responsible for the information processing in the services and work processes their department owns, develops and administers.



## No complaints of lost customer data

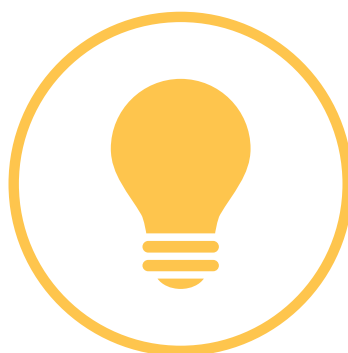
GRI indicator PR8: «Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.»

In 2016 the Group did not receive any complaints from public authorities regarding loss of customer data, nor from private individuals.

For reporting on the part of the indicator related to violation of customer's privacy protection, see the section Integrity in the chapter Our relationships and partnerships.

## Must successfully implement «comprehensive information security»

Our ambition for the future is to support the business needs for innovation and efficiency through increased digitalisation and use of new technology – without sacrificing an acceptable level of risk. For example, information security must continually adapt to changing needs for mobile access and more stringent legal requirements for privacy protection. To achieve this we need to successfully implement comprehensive information security that is supported by industry standards such as ISF's Standard of Good Practice (SoGP) and ISO/IEC27002. Systematic work on risk assessments and awareness of acceptable risk are prerequisites to success in this area.



# Our ability to change

## OUR CAPITAL AREAS



Our employees



Our relationships and partnerships



Our networks and expertise



Our ability to change



Our financial capital

Posten Norge and Bring must be able to adapt to rapid changes in both framework conditions and customers' needs in order to achieve long-term value creation. The markets Posten Norge and Bring operate in are, and have been for a long time, undergoing dramatic developments driven by factors such as globalisation and major technological changes. These have resulted in changes in customer behaviour and greater competition, which, among other things, demand rapid innovation.

There are two aspects of this capital area that we have chosen to report on to ensure our employees maintain a strong ability to change, and not least, a healthy pace of innovation. We report on innovation and service development in accordance with a GRI indicator.

## 1 Competitive framework conditions

Own reporting

## 2 Innovation and service development

GRI indicator: LA10

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# 1 Competitive framework conditions

Own reporting

In order to ensure a good regulatory framework, it is important that Posten Norge works proactively and with a long-term perspective in relation to key authorities. It is especially important to create an understanding of the need to restructure and adapt the service offering in the mail segment. Changing the regulatory framework can often take a long time. One example of this is the process involving the new Postal Services Act that took many years. There are financial and strategic risks associated with framework conditions that are poorly suited to the competition situation and changed customer needs.

## Stakeholders

- **Owner and public authorities:** Expect good, constructive input in relevant processes.
- **Suppliers:** Posten Norge's framework conditions influence suppliers' framework conditions
- **Private customers and local communities:** Framework conditions may have consequences for further development of services (especially mail)
- **Employees:** May affect their working day.

## How we work

Posten Norge's social mission is to ensure the provision of high-quality, cost-effective, nationwide postal services. This is stipulated by the company's articles of association.

As in previous years, Group management held quarterly meetings with the Ministry of Transport and Communications (SD). Corporate social responsibility was the main topic at the last of these meetings in 2016. On 1 January 2017 responsibility for the management of the state's ownership of Posten Norway AS was transferred from SD to the Ministry of Trade, Industry and Fisheries. SD will remain responsible for postal legislation, including the system of state procurement of universal service obligations that are commercially unprofitable.

The Norwegian Communications Authority (Nkom) supervises Posten Norge's fulfilment of its statutory obligations pursuant to the Postal Services Act, regulations and licence. The Group must also deal with other relevant authorities that affect our business, including our corporate social responsibility activities.

Posten Norge has a separate regulatory unit responsible for working on framework conditions nationally and internationally. This includes:

- Dialogue with SD on overall framework conditions
- Dialogue with SD and Nkom on specific matters
- Reporting to Nkom including delivery times and annual product accounts
- Active participation in the Universal Postal Union and in industry organisations at the EU level
- Membership and participation in the employers' association Spekter and the Confederation of Norwegian Enterprise (NHO) Logistics and Transport
- Consultation input and other participation in political matters of significance to the Group

Posten Norge must act as a credible and constructive contributor to discussions on all matters pertaining to regulatory and other matters that directly affect our activities so we can fulfil our role as a socially responsible company and meet our universal service obligations in the Norwegian postal market.

## **Implemented a number of structural changes**

Posten Norge implemented a number of structural changes and measures in the last few years that helped maintain revenue in mail operations despite a significant drop in mail volume. Political acceptance for and amendments to regulatory requirements have to a large extent been necessary conditions for this restructuring. If regulatory requirements are not tailored to the restructuring Posten Norge considers necessary to ensure the satisfactory development of profitability, the extra costs must be financed through state procurement of commercially unprofitable services.

## **Important changes in Posten Norge's framework conditions in 2016**

Posten Norge's limited exclusive right to the distribution of addressed mail was discontinued when the new Postal Services Act came into force on 1 January 2016. The state procurement of commercially unprofitable universal service obligations has been carried forward in the new law. Posten Norge discontinued ordinary mail delivery on Saturdays on 5 March 2016.

Posten Norge's obligation to ensure the delivery of newspapers on Saturdays lapsed on 1 November 2016, after the company Kvikkas won the contract with the Ministry of Transport and Communications for Saturday newspaper distribution in areas without normal newspaper delivery.

In November 2016 the Storting (the Norwegian parliament) approved the white paper dealing with changes in the postal sector, Postsektoren i endring. The approval confirmed that Posten Norge can combine priority and non-priority mail into one class of mail with a two-day delivery time. Posten Norge has begun this transition with the aim of having the solution operational from 1 January 2018. The transition will result in a reduction in the number of employees and provide significant cost savings. Posten Norge was also given greater flexibility to further develop its distribution network, and the opportunity to harmonise the limitation of rural delivery service to households and businesses at least four kilometres away from the nearest designated distribution point.

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## 2 Innovation and service development

GRI indicator: LA10

Most established companies are now undergoing major change and continuous improvement. 2016 was no exception for Posten Norge and Bring. The trends we have seen in recent years – with significant changes in the competitive situation, technology, market dynamics and especially in customer needs, intensified in 2016. This backdrop represents an exciting and challenging situation for Posten Norge, something our customers have also noticed.

One of the changes made in 2016 was to discontinue Saturday delivery as a direct result of reduced mail volumes. Meanwhile, the trend of increasing parcel volumes continues. If we combine this with increasing international trade, we have a backdrop for change that is both wanted and needed.

One of the key drivers of change today is digitalisation. For us in Posten Norge and Bring this represents a broad range of opportunities and some challenges. We continually ask ourselves how we can meet our customers' needs in a better way in the future.

We must take advantage of the digital universe for the benefit of our customers – through new business models, better services, more efficient operations, excellent platforms and – not least – a good digital customer interface. Many of the changes our customers and partners are experiencing are natural and expected developments: Posten Norge is changing because people are changing.

### Stakeholders:

- **Owner and public authorities:** Are interested in return on equity (maintaining it requires adaptability) and at the same time are interested in good restructuring processes.
- **Corporate customers:** Are interested in ensuring that Posten Norge satisfies current customer needs at any given time. Are increasingly demanding new, preferably customised services.
- **Private customers and local communities:** Are interested in ensuring that Posten Norge satisfies current customer needs at any given time. Are increasingly demanding new services and business models.
- **Employees:** Are interested in good restructuring processes that involve, for example, requirements and expectations concerning internal and external mobility. Innovation may affect job numbers.

### How we work:

To secure our positions in markets undergoing rapid change, we must, in addition to acquiring new expertise, undergo a cultural transition. A «digital DNA» must form the foundation as we solve the challenges of tomorrow. We must also continue to develop the way we work to include more agile processes, while expanding our mindset to encompass a broader set of collaboration models.

Through clear management focus we ensure that innovation and creativity are not perceived as a central responsibility, but as something to which all our employees can contribute, from ideas about new disruptive models to continuous improvement of the existing ones.

The Board is committed to raising the Group's capacity for innovation and digital drive to develop new growth areas and solutions for customers, both senders and recipients. In 2017, the Group will update its strategy. The new strategy will be based on how the organisation should work more systematically on innovation in the future.

## Innovation on the agenda

To a greater extent than previously, the changes the Group is experiencing require us to think innovatively in multiple dimensions. It is no longer enough to just think in terms of productivity improvements or smarter ways of using existing services and processes. In order to ensure we succeed tomorrow we have to challenge, develop and change the status quo. Some things will also have to be radically changed. Many industries gained new competitors who have changed the market's dynamics almost overnight. Examples of this include passenger transport, accommodation and banking and finance. The threat inherent in simply reacting is clearer than ever. In our opinion, many of the changes we are experiencing are permanent. This means that innovation is no longer simply an alternative; it is an absolute necessity.

In 2016 we continued our productive partnership with the Centre for Service Innovation at the Norwegian School of Economics (NHH) (see [csi.nhh.no](http://csi.nhh.no)) and also worked actively with many partners on the Customer Care 2015 project. Posten Norge also became a major partner in StartupLab. These collaborations will continue in 2017.

## Measuring our future capacity for innovation

The Center for Service Innovation developed an index called the Norwegian Innovation Index (NII). NII measures customer perception and the innovation capacity of companies. The index is based on the notion that it is not nations that are innovative, but companies. Furthermore, it is not the managers and companies that should judge how innovative they are, but the customers. Data collection is underway and the results will be presented for the first time in April 2017. We will consider using this index as an internal indicator of our capacity for innovation in our Sustainability Report next year.

## Future challenges

Examples of areas that will affect our industry in the future include the network and platform economy, the opportunities inherent in the growth of the online grocery market, the consequences of 3D printing for supply chains, how drones can supplement our existing delivery portfolio, and what the explosive growth of the 'internet of everything' means for our activities. We continuously challenge ourselves with the ambition of being able to deliver even better services to our customers based on the business models of the future. Going forward, the Group will therefore continue to work on developing the postal and logistics ecosystem in which we operate, both alone and together with our customers and partners.

## Working to ensure employees have a strong ability to change

GRI indicator G4 LA10: Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Development opportunities for employees help make the Group a more attractive employer. At the same time, they help to better equip employees to cope with changes in their working day and taking on new tasks.

In addition to the upgrading of skills that takes place on the job, courses are offered via the Group's own learning portal, the Posten and Bring Academy. In 2016 the Academy delivered 46 089 individual e-learning courses, including e-learning adapted for Posten Norge's in-store post office partners in Norway and external carriers.

The Group aims to have the largest possible number of employees in Norway with certificates of apprenticeship. Young people with relevant technical education within transport and logistics are recruited via the apprenticeship scheme.

At the last count in 2016 there were around 1 100 employees with certificates of apprenticeship and around 75 apprentices in training.

For employees in transition, the Group can offer retraining based on individual assessments. The Group also offers scholarships. The scholarships are intended to help motivate employees to upgrade their formal qualifications. Forty-one scholarships were awarded in 2016.

The Group systematically works to develop groups of managers and individual managers on different levels as needed.

In 2016, 81 employees participated in the Group's various management development measures: 46 in the relationship development programme The Confident Manager and 35 in the newly established front-line management programme. Team development courses were delivered at the request of divisions and staff units.

In order to maintain a supply of good management candidates, the Group works on identifying managerial talent.

The Group still uses an electronic tool to conduct PLUSS appraisal interviews. In addition, ambition and willingness for organisational and geographical mobility is surveyed.

The Aspiring Managers programme is intended to recruit more front-line managers from among our own employees. This programme was held once in 2016 for seven participants (G4-LA10).

The Group also developed its own concept for statutory basic training on the working environment. This training consists of three compulsory parts: two e-learning courses and one two-day seminar. The training is intended to provide the participants with an understanding of our HSE work in Posten Norge and Bring, and improve cooperation between the various participants in HSE efforts. Eighty-five managers, employee representatives, safety representatives and HR/HSE employees completed the new training in 2016.

Sixteen participants from the Mail Division and Logistics Norway Division completed the Manager Upgrade programme in 2015.

The goal of the programme is to develop front-line managers who have the potential to take on greater management responsibilities at a higher level or across regions or business areas in the Group.

In 2016 two programmes were completed with a total of 21 participants.

The Group's two-year trainee programme was conducted for the seventeenth time. The trainee programme is part of Posten Norge's long-term focus on management development and the recruitment of critical expertise, and five Group trainees started in 2016. Four summer internships and six university or university college internships were completed in autumn 2016.

The Group continued its commitment in 2016 to increasing the language abilities of employees who do not speak Norwegian satisfactorily. Employees in Posten Norge and Bring in Norway are offered courses in basic Norwegian skills, such as reading, writing and oral skills. The courses are held nationwide and are offered every spring and fall. Thirty-two employees completed the course in 2016. This measure, which receives public funding, is an important tool for integrating employees with immigrant background.



# Our financial capital

## OUR CAPITAL AREAS



Our employees



Our relationships  
and partnerships



Our networks  
and expertise



Our ability to  
change



Our financial  
capital

Our financial capital provides the foundation for our ability to develop Posten Norge and Bring and create long-term value for our owner. Satisfactory financial performance, solidity and liquidity are vital for gaining access to new capital.

There are two critical success factors (aspects) that we must report on in order to ensure we have solid financial capital. We do not report on these aspects in accordance with any GRI indicators.

1 Return on equity  
Own reporting.

2 Solidity and liquidity  
Own reporting.



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# 1 Return on equity

Own reporting.

Good return on equity is required to meet the requirements and expectations from the owner, banks and investors. Return on equity is important for access to capital markets and provides financial flexibility and ability to implement ongoing strategies and investment programmes.

## Stakeholders

- **Owner:** Sets requirements concerning return on equity after tax
- **Investors and banks:** Relevant to raising capital
- **Employees:** Relevant to job security

## How we work

Group Treasury and Property addresses the key financial functions for the entire Group. This department is responsible for ensuring that the Group has financial freedom of action that provides divisions and staff units with the opportunity to operationalise strategies and achieve their goals.

Group Treasury and Property is, via the Group's investment committee, is responsible for quality-assuring all substantial investments in the Group. Investment decisions are based on thorough analyses and must fulfil given criteria to ensure the required return on equity.

Group Treasury and Property and the Group's lenders meet regularly to discuss topics such as investment plans and financing needs. In addition to the Group's presentation of the annual and half-year results, relevant banks and investors are also invited to an annual meeting to review Posten Norge's financial results, strategies and prospects.

## Low return on equity in 2016

It is important for Posten Norge to have the financial flexibility to carry out its investment plans and operations in a challenging market. At the same time all managers and employees in Posten Norge are responsible for ensuring an acceptable return on capital by helping to continuously improve operations.

Posten Norge's investments in new terminals, together with the ongoing improvement programme in the Group, will lead to more integrated and standardised work processes, improved customer experience and increased profitability. Overall, ongoing and future investments and improvement initiatives will contribute to more efficient operations and increased return on equity.

At the end of 2016 Posten Norge's equity was around NOK 5.9 billion and its equity ratio was 38.6 per cent. The return on equity in 2016 was not satisfactory, primarily because of write-downs and provisions as well as challenging markets.

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## 2 Solidity and liquidity

Own reporting.

Solidity and liquidity are important in satisfying the requirements of the owner, banks and investors, and to ensure the Group's ability to implement operational goals.

### Stakeholders

- **Owner:** Expects robust solidity and liquidity
- **Investors and banks:** Relevant to raising capital
- **Employees:** Relevant to job security

### How we work

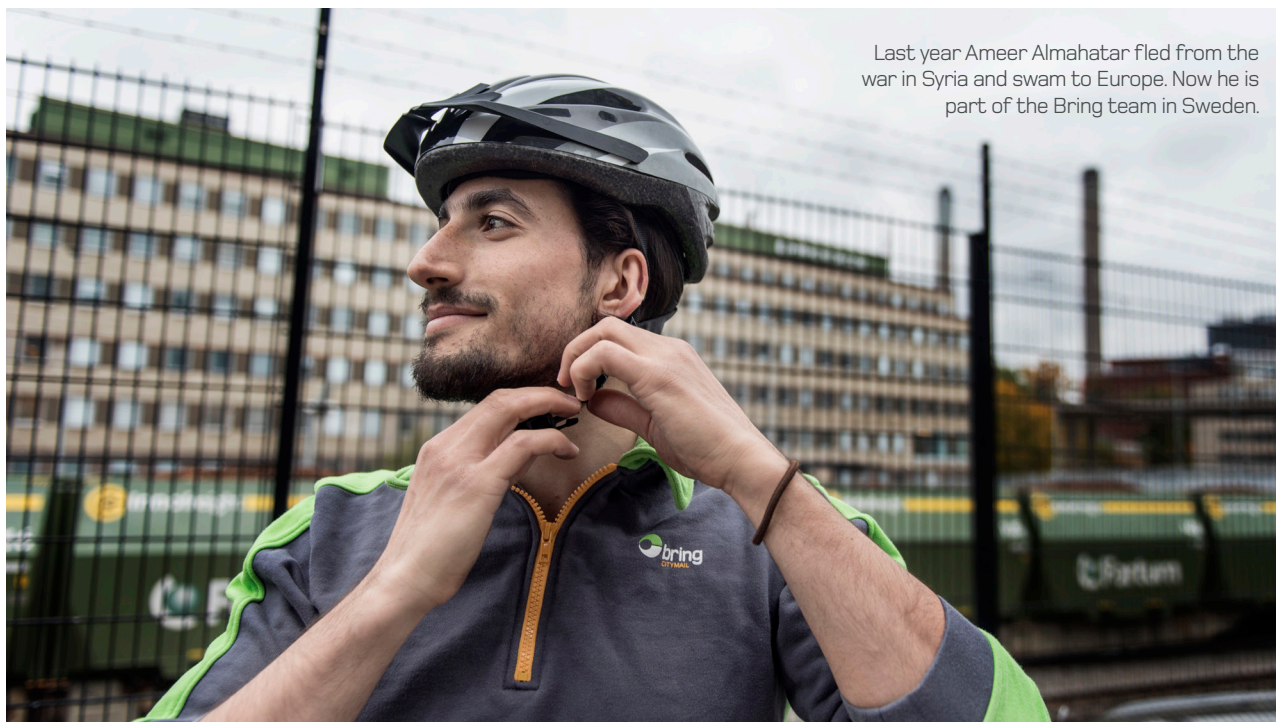
Group Treasury and Property is responsible for liquidity management and solidity. The Group must at all times maintain satisfactory liquidity and loan reserves, and the investment programme is continually monitored so that capital requirements do not conflict with this goal.

### Robust solidity and liquidity

Posten Norge has excellent liquidity and solidity and significant financial flexibility. Good capital discipline has helped enable the Group to implement the company's long-term strategies and further develop the Posten and Bring brands in a constantly changing market.



For a complete overview of our financial capital, please refer to the **financial statements** and **notes** in the Financial Report.



Last year Ameer Almahatar fled from the war in Syria and swam to Europe. Now he is part of the Bring team in Sweden.

## An extra effort

For Posten Norge, corporate social responsibility is about how our operations affect people, the environment and society. The environment, integration and diversity are priorities for the Group.

An extra effort means taking responsibility above and beyond what is expected or profitable. Posten Norge takes special responsibility to reduce the company's impact on the wider environment, and we prioritise a good working environment in all organisational and business development. In addition, the Group takes a particularly active role in its work with integration and diversity, and works toward a racism-free working environment.

This work is important for securing Posten Norge's strong position in society and for strengthening its reputation. A good reputation will help attract and motivate employees, strengthen competitiveness and provide wider scope to further develop the Group's business.

The Group's corporate culture must be characterised by an active attitude to taking social responsibility.

### Group Policy for corporate social responsibility

In 2011, the Group introduced a separate Group policy for corporate social responsibility. This policy is part of the Group's governance documents and describes on a general level how the different disciplines are to be governed and monitored in the Group.

The purpose of the policy is to ensure that the Group complies with applicable legal requirements and expectations from the Group's stakeholders with regard to protecting people and those parts of society and the environment that are affected by the Group's operations. The Group's corporate social responsibility policy is based on Ethical Standards for the Posten Norge Group.

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## Sustainability on the Board agenda

The Board is very satisfied with the corporate social responsibility work that is being done and regards the work on sustainability as exemplary in the way it is linked to the strategy and highlights specific challenges.

The Board believes Posten Norge stands out as a model organisation in the priority areas of: health, safety and working environment (HSE), diversity and the wider environment. The Board closely monitors the work and development, among other things through approval of the annual Sustainability Report.

## Summary of reported performance indicators in 2016

The GRI G4 template includes two levels at which we can report: Core or Comprehensive. For 2015 we met the requirements for Core. In total we report on 29 indicators, 26 of which are GRI indicators and four of which are Posten Norge's own indicators. The Comprehensive level is highly extensive and requires us to report on 42 GRI indicators as well as expanding our profile information.

The auditor verifies all indicators in all texts included in the Sustainability Report (where the performance indicators are reported). We also report profile information. This includes general information about the Group and our operations. Most of this profile information can be found in the Financial Report or on [www.postennorge.no](http://www.postennorge.no). In the auditor's statement, the auditor confirms that this profile information has been reported.

Table 6.1 focuses on which indicators we report within our 13 most important sustainability areas (we also included supplier management), based on a new updated materiality analysis that was conducted in 2015

Our sustainability areas (significant aspects)	GRI: DMA and performance indicators	Number of GRI indicators	Verified by auditor EY
Health, working environment and safety	GRI indicators: LA5, LA6, HR3	3	Yes
Attractive workplace	GRI indicators: LA1, LA2, LA 12, EC5	4	Yes
Good managers	Own indicator: Employee satisfaction	1 own	Yes
Customer-oriented	Own indicator: Delivery quality GRI indicator: PR5	1 + 1 own	Yes
Open and effective communication	Own indicator: Reputation	1 own	Yes
Integrity	GRI-indikatorer: SO3, SO4, SO5, SO7, PR8	5	Yes
Supplier management	GRI indicators: SO9, SO10, LA14, LA15, HR10, HR11, EN32, EN33	8	Yes
Climate-effective transport and logistics	GRI indicators: EN15, EN16, EN17, EN18	4	Yes
Integrated and industrialised networks	Own reporting	Text	Yes
Information security	GRI indicator: PR8	PR8 is also found under integrity	Yes
Competitive framework conditions	Own reporting	Text	Yes
Innovation and service development	GRI indicator: LA10	1	Yes
Return on equity	Own reporting See also the Financial Report	Notes and financial statements	Yes
Solidity and liquidity	Own reporting See also the Financial Report	Notes and financial statements	Yes
<b>TOTAL</b>		<b>26 + 3 own</b>	

## GRI - GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page number (or link)	External assurance
	Information related to standard disclosures and that is required may be included in other reports prepared by the organisation. In those cases, the organisation may refer to where the relevant information can be found.	Confirms whether standard disclosures have been verified by an external party. If yes, include the page number in the report where the external assurance is documented.

### STRATEGY AND ANALYSIS

G4-1	Message from the CEO (page 6-7), Board of Directors' report in the Financial Report	Yes
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### ORGANISASJONSPROFIL

G4-3	This is Posten Norge (page 4)	Yes
G4-4	Segments - <a href="https://postennorge.no/om-oss/organisasjon">postennorge.no/om-oss/organisasjon</a>	Yes
G4-5	Nordic region map - <a href="https://postennorge.no/om-oss">postennorge.no/om-oss</a>	Yes
G4-6	Nordic region map - <a href="https://postennorge.no/om-oss">postennorge.no/om-oss</a>	Yes
G4-7	Corporate governance in the Financial Report	Yes
G4-8	This is Posten Norge (page 5), <a href="https://www.postennorge.no/om-oss/fire-divisjoner">www.postennorge.no/om-oss/fire-divisjoner</a>	Yes
G4-9	Note 1 Segments in Financial Report, <a href="https://www.postennorge.no/om-oss/fire-divisjoner">www.postennorge.no/om-oss/fire-divisjoner</a> , Sustainability Report	Yes
G4-10	Our employees (page 14) Supplier management (page 36)	Yes
G4-11	Our employees (page 14) Equal pay and equal opportunities (page 22)	Yes
G4-12	Sustainability report, <a href="https://postennorge.no/om-oss">postennorge.no/om-oss</a>	Yes
G4-13	Note 23 Financial Report	Yes
G4-14	Corporate governance (section 10) in Financial Report	Yes
G4-15	UN Global Compact (page 2) Global Reporting Initiative G4 (page 63)  Zero, Sintef, Næring for klima, International Post Corporation Svanens Innkjøperklubb and Grønt Punkt (page 41)	Yes
G4-16	Our networks and expertise (page 40-41)	Yes

### IDENTIFIED SIGNIFICANT ASPECTS AND LIMITATIONS

G4-17	<a href="https://postennorge.no/om-oss/organisasjon/konsernstruktur">postennorge.no/om-oss/organisasjon/konsernstruktur</a>	Yes
G4-18	Our strategy to create long-term value (page 8-9)	Yes
G4-19	Our strategy to create long-term value (page 10)	Yes
G4-20	Accounting principles in Financial Report, Sustainability Report	Yes
G4-21	Accounting principles in Financial Report, Sustainability Report	Yes
G4-22	Our networks and expertise (page 40), Our employees (page 14)	Yes
G4-23	Sustainability Report	Yes

## GRI – GENERAL STANDARD DISCLOSURES CONTINUED

General Standard Disclosures	Page number (or link) Information related to standard disclosures and that is required may be included in other reports prepared by the organisation. In those cases, the organisation may refer to where the relevant information can be found.	External assurance Confirms whether standard disclosures have been verified by an external party. If yes, include the page number in the report where the external assurance is documented.
<b>STAKEHOLDERS</b>		
G4-24	Key stakeholders (page 12)	Yes
G4-25	Key stakeholders (page 12), Sustainability Report	Yes
G4-26	Key stakeholders (page 12)	Yes
G4-27	Key stakeholders (page 12)	Yes
<b>REPORTING PARAMETERS</b>		
G4-28	1 January to 31 December 2016	Yes
G4-29	Norwegian edition of the online report 18 March 2017. English edition of the online report 7 May 2017.	Yes
G4-30	Annual reporting	Yes
G4-31	rapport@posten.no	Yes
G4-32	Sustainability report, GRI content index (page 63)	Yes
G4-33	External assurance report (page 68)	Yes
<b>CORPORATE GOVERNANCE, OBLIGATIONS AND ENGAGEMENT</b>		
G4-34	postennorge.no/om-oss, corporate governance in Financial Report, external assurance statement (page 68)	Yes
<b>ETHICS AND INTEGRITY</b>		
G4-56	About Posten and Bring (page 4-5), Sustainability report, Our relationships and partnerships (page 27), Integrity (page 31)	Yes

## GRI – SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page number (or link)	Omitted information	Reason for omission	Explanation for omission	External assurance
	Information related to standard disclosures and that is required may be included in other reports prepared by the organisation. In those cases, the organisation may refer to where the relevant information can be found.	In special cases where it is not possible to document the information, identify what information has been omitted.	In special cases where it is not possible to document the information, provide the reason for the omission.	In special cases where it is not possible to document the information, provide the reason why the information is omitted	Confirm whether standard disclosures have been verified by an external party. If yes, include the page number in the report where the external assurance is documented.
CATEGORY: FINANCE					
EC5	Attractive workplace (page 21)				Yes
CATEGORY: ENVIRONMENT					
EN15	Environmentally effective transport and logistics (page 41-44)				Yes
EN16	Environmentally effective transport and logistics (page 45)				Yes
EN17	Environmentally effective transport and logistics (page 45-46)				Yes
EN18	Environmentally effective transport and logistics (page 47)				Yes
EN32	Supplier management (page 38)				Yes
EN33	Supplier management (page 37)				Yes
CATEGORY: SOCIAL CONDITIONS LABOUR PRACTICES AND DECENT WORK					
LA1	Attractive workplace (page 22)				Yes
LA2	Attractive workplace (page 22)				Yes
LA5	Health, safety and working environment (page 15)				Yes
LA6	Health, safety and working environment (page 16-19)	LA6-1 and LA6-2: Posten Norge does not report on occupational disease rate (ODR) or lost day rate (LDR) by region or gender.	This information is not available. we will consider how or whether we should report on this in the future.	Procedure for reporting of data is not in place.	Yes
LA10	Innovation and service development (page 56-57)				Yes
LA12	Attractive workplace (page 20-21)				Yes
LA14	Supplier management (page 38)				Yes
LA15	Supplier management (page 36-37)				Yes
CATEGORY: SOCIAL CONDITIONS HUMAN RIGHTS					
HR3	Health, safety and working environment (page 19)				Yes
HR10	Supplier management (page 38)				Yes
HR11	Supplier management (page 38)				Yes



## GRI – SPECIFIC STANDARD DISCLOSURES FORTSETTER

DMA and Indicators	Page number (or link)	Omitted information	Reason for omission	Explanation for omission	External assurance
	Information related to standard disclosures and that is required may be included in other reports prepared by the organisation. In those cases, the organisation may refer to where the relevant information can be found.	In special cases where it is not possible to document the information, identify the information	In special cases where it is not possible to document the information, provide the reason for the omission.	In special cases where it is not possible to document the information, provide the reason why the information is omitted.	Confirm whether standard disclosures have been verified by an external party. If yes, include the page number in the report where the external assurance is documented.
CATEGORY: SOCIAL CONDITIONS SOCIETY					
S03	Integrity (page 32)	We currently have no risk analysis that allows us to fully answer S03.	The information is currently unavailable. During 2017 we will consider how we can produce this reporting in the future.	Procedure for reporting of data is not in place.	Yes
S04	Integrity (page 32-34)	Posten Norge does not currently have reporting systems that allow us to fully report on who received information and participated in training by employee category, business partner or region.	The information is currently unavailable. During 2017 Posten Norge will consider how we can produce this reporting for 2017.	Procedure for reporting is not in place.	Yes
S05	Integrity (page 34)				Yes
S07	Integrity (page 34)				Yes
S09	Supplier management (page 38)				Yes
S010	Supplier management (page 36-37)				Yes
CATEGORY: SOCIAL CONDITIONS SOCIETY					
PR5	Customer-oriented (page 28)				Yes
PR8	Integrity (page 34-35), Information security (page 51)				Yes



Statsautoriserte revisorer  
Ernst & Young AS

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Til Styret i Posten Norge AS

## Uavhengig attestasjonsuttalelse - Posten Norges bærekraftsrapport for 2016

Vi har foretatt en uavhengig kontroll av Posten Norges bærekraftsrapport 2016 (Rapporten). Vi har vurdert om informasjonen som blir presentert i Rapporten bygger på relevante kriterier i retningslinjene for bærekraftsrapportering fra Global Reporting Initiative G4 alternativ «core» (GRI G4).

### Ledelsens ansvar

Postens ledelse er ansvarlig for utvelgelse av den informasjon og innsamling av data som presenteres samt utarbeidelse av Rapporten i overensstemmelse med kriteriene i GRI G4.

### Vår uavhengighet og kvalitetskontroll

Vi har overholdt kravene til uavhengighet i Lov om revisjon og revisorer (revisorloven) og andre etiske krav i Den norske Revisorforenings regler om etikk, som er basert på grunnleggende etiske prinsipper som integritet, objektivitet, profesjonell kompetanse og tilbørlig aktsomhet, konfidensialitet og profesjonell adferd.

Vi anvender Internasjonal standard for kvalitetskontroll (ISQC 1) «Kvalitetskontroll for revisjonsfirmaer som utfører revisjon og forenklet revisorkontroll av regnskaper samt andre attestasjonsoppdrag og beslektede tjenester» og har et omfattende kvalitetskontrollsystem som omfatter retningslinjer og rutiner for overholdelse av etiske krav, profesjonelle standarder og gjeldende lover og forskrifter.

### Revisors oppgaver og plikter

Vår oppgave er å avgi en uavhengig uttalelse til styret om Rapporten basert på vårt arbeid. Vårt arbeid er utført i henhold til ISAE 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk økonomisk informasjon». Standarden krever at vi planlegger og utfører handlinger for å oppnå moderat sikkerhet for at Rapporten er utarbeidet i tråd med relevante kriterier for bærekraftsrapportering etter GRI og ikke inneholder vesentlig feilinformasjon.

Vårt arbeid har bestått av følgende aktiviteter:

- Gjennomgang av Postens prosess for utarbeidelse av Rapporten for å opparbeide oss en forståelse av hvordan samfunnsansvaret ivaretas i praksis i virksomheten
- Intervjuet rapporteringsansvarlige for å opparbeide en forståelse av prosessen for utarbeidelse av Rapporten
- På stikkprøvemessig grunnlag verifisert informasjon i Rapporten mot grunnlagsdata og annen informasjon utarbeidet av Posten Norge
- Evaluert helheten i informasjonen i Rapporten og om den bygger på kriteriene i GRI G4, herunder kontrollert konsistens i informasjonen

Etter vår oppfatning er innhentede bevis tilstrekkelige og hensiktsmessige som grunnlag for vår konklusjon.

### Konklusjon

Basert på vår gjennomgang og utførte handlinger er vi ikke blitt oppmerksomme på forhold som gir grunn til å tro at Rapporten ikke i all vesentlighet er utformet i samsvar med kriteriene i GRI G4 eller inneholder vesentlig feilinformasjon.

Oslo, 16. mars 2017

ERNST & YOUNG AS

Eirik Tandrevold

statsautorisert revisor