

2020

## Code of Conduct



## Message from the CEO

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### **Dear PostNord employees,**

Both as individuals and as a business, we are defined by our actions. This is why it is crucial that the actions we take are the right ones. We all work hard to deliver on PostNord's purpose to make everyday life easier. PostNord's values – present, reliable and sustainable – are fundamental to our core activities of delivering parcels and letters. Our values guide us in our day-to-day activities and represent what we want to be recognized for by our customers and the society as a whole.

But values do not always give clear guidance on what to do in specific situations. This is why this Code of Conduct sets out which legal requirements and internal rules are key to our operations, and what behavior is expected from all PostNord employees and business partners in those areas. It has been adopted by the Board, which should be taken as a signal of importance. Every employee has the responsibility to familiarize themselves with and follow this code, and a special responsibility lies on our managers. PostNord expects our leaders to be accountable, brave and committed. In the area of this Code of Conduct, this means that we expect our managers to be role models in acting responsible and to take it upon themselves to ensure that their teams are equipped with the necessary tools to be able to comply with this code. It also means that they should always be open to discuss this code and any questions that may arise with their employees, regardless of the sensitivity or potential consequences of the subject.

I am confident that all PostNord employees want to do what is right and behave responsibly in interactions with colleagues, customers and suppliers. Let this code become part of your daily work and a means of steering us, so that we will receive the confidence that we seek from the outside world!

Annemarie Gardshol  
*Group CEO and President*

## Introduction to the Code of Conduct

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### **Code of Conduct and relationship to other laws and regulations**

This code sets out what conduct is expected of PostNord and its employees. The code is applicable to all employees, regardless of their terms of employment. PostNord also demands that our business partners – including suppliers, agents, contractors and other external parties – follow all relevant parts of the code by signing our Code of Conduct for Suppliers<sup>1</sup>. The code may be supplemented as needed by policies, instructions and guidelines that constitute more detailed internal regulations.

The code represents a minimum standard and therefore needs to be adhered to, even if local legislation stipulates a lower standard. PostNord complies - and expects all its employees and business partners to comply - with applicable laws and regulations.

### **Roles and responsibilities**

The code is adopted by the Board of Directors. The CEO has ultimate responsibility for implementation of the code and compliance by all employees of the PostNord organization, as well as for incorporation of relevant parts into agreements with PostNord's business partners. The CEO is responsible for ensuring that the code is regularly reviewed and revised as needed.

The Group Leadership Team and all managers must serve as positive role models. Managers are expected to introduce new employees to the code during their onboarding, as well as have a regular dialogue about its relevance in day-to-day duties. Compliance with the code and following mandatory trainings must also be addressed during performance reviews.

It is the responsibility of all employees to be familiar and comply with the code. All employees are to follow the mandatory Code of Conduct training. Employees can always bring up questions about the code with their immediate manager but can also address the Head of Compliance. Non-compliance can lead to disciplinary actions, up to and including termination of employment.

<sup>1</sup> PostNord has two Codes of Conduct for Suppliers: i) the Code of Conduct for Suppliers and ii) the Code of Conduct for Suppliers of Road Transport. When this document is referring to Code of Conduct for Suppliers, it covers both codes. Depending on the service our business partner delivers (road transport or "other services"), one of the two codes applies.

## Reporting violations of Code of Conduct and Whistleblowing

Employees and business partners that are aware of or suspect violations of the code have the responsibility to raise these issues. The earlier a problem is discovered, the better chance we have to repair the situation. Wherever possible, reporting should be done to the immediate manager, HR, or a member of the local management team. However, if for any reason the employee or business partner does not feel comfortable using these channels, they can also make use of the whistleblower channel. The Whistleblower portal is available at:

<https://postnord.whistleblownetwork.net>

PostNord will not accept any form of retaliation against whistleblowers and has internal procedures in place to safeguard whistleblowers. Any employee who engages in retaliation will face disciplinary action, up until termination of employment.

## Business ethics

PostNord is strongly committed to upholding the highest ethical standards in every aspect of our business. Our owners require PostNord to be a role model for sustainable business, for which strong business ethics among employees are fundamental.

## Anti-corruption

PostNord has a zero-tolerance policy when it comes to bribery and other types of corruption. PostNord does not accept any attempt at improper influence on the part of current or prospective business partners, customers or other stakeholders. No employee or business partner may accept, approve a promise of or demand any type of benefit that may be perceived as corruption. Neither our employees nor business partners<sup>2</sup> who represent PostNord may be the target of improper influence. Similarly, employees and business partners who represent PostNord may not act in a way that attempts to improperly influence the decisions of others or can be perceived as doing so.

A benefit is improper, or may be perceived as being, if it encourages the recipient to perform their duties in a manner that is disloyal to their employer. A benefit does not need to have financial value in order to be improper. Particular caution must be taken when interacting with government or public officials; providing gifts to public persons is illegal in many countries and should therefore be avoided. PostNord External Benefits and Business Entertainment Instructions further details what can and cannot be accepted. As guidance, benefits should never exceed the (equivalent of) 500 SEK. If an employee has doubts whether a gift or other type of benefit is improper, it should always be discussed with the manager. In case of doubt, the most appropriate decision is always to abstain.

<sup>2</sup> Suppliers and postal agents

**Conflicts of interest**

Business decisions must always be based on objective reasons and may not be influenced by personal interest that are not relevant to PostNord business. A conflict of interest can for example arise because of a private or family relationship, or a financial interest in a company that has business relationships with PostNord. If a risk of conflict of interest arises, an employee must always notify their immediate supervisor in advance so that appropriate action can be taken. Employees should disclose financial interests they, a family member or close friend have in a company that has business interactions with PostNord, and where they can personally impact the business with that company. When employees want to hire a family member or close friend, this should be discussed in advance with their immediate supervisor and HR. In order to further prevent conflict of interests, employees are obliged to inform PostNord for employment in addition to their employment at PostNord (e.g, consultancy, board membership, second employment).

**Competition**

Effective competition is a key component of a well-functioning economy. It promotes innovation and increases the range of services that are being provided, which benefits both consumers and the community in general. PostNord will not conduct nor tolerate any activities that restrict effective competition. PostNord has a special compliance program in place to ensure employees are aware that discussions or agreements with actual or potential competitors on pricing, market sharing, or otherwise exchange of competitively sensitive information are strictly forbidden. Employees that work in areas where competition law concerns can arise, are expected to be familiar and comply with the PostNord Competition Law Policy.

**Confidential information and insider trading**

All employees and business partners of PostNord that have access to confidential information must always act prudently and not share confidential or proprietary information with uninformed colleagues or un-authorized third-parties, unless specifically authorized to do so.

Given that PostNord has issued bonds on the NASDAQ Stockholm, it must meet separate requirements for disclosure and handling of insider information. Insider information refers to a fact, development or circumstance that has not yet been made public or is not generally known. The fact must also be important enough as to materially affect the price of the bonds. PostNord complies with all insider trading laws and regulations, and employees and business partners must not use inside or otherwise sensitive information for personal gain, or influence others decision to trade in bonds. PostNord Disclosure and Insider Trading Policy contains additional details on the topic.

**Privacy and data protection**

PostNord respects every individual fundamental right to protection of personal data and complies with data privacy laws such as GDPR concerning collecting, processing, and retaining of personal data. Employees that work with personal data must always handle information in line with the instructions given by PostNord. All processing of personal data must be justified and used for specified and legitimate business purposes only. Discovered or suspected breaches of data privacy must immediately be reported to the IT Service Desk.

**Trade rules and sanctions**

As a global provider of logistic services, PostNord must comply with international trade rules and sanctions. Trade sanctions can prohibit to conduct business in certain countries, or to do business with certain individuals or organizations. Employees that work in areas that may be affected by trade sanctions must be aware of and follow PostNord's Trade Sanctions Policy.

**Political contributions and activities**

PostNord observes neutrality with regard to political parties and candidates. Political lobbying, as part of a legitimate business activity, is done in a transparent manner and in compliance with international treaties and national law.

**Financial reporting**

PostNord must comply with all relevant regulations that govern accounting and reporting. PostNord follows the International Financial Reporting Standards for its annual reporting and issues a sustainability report in accordance with GRI Standards. PostNord AB's annual and sustainability report, as well as its interim reports, form the basis of external communication concerning the performance of the Group.

**Employees and Working conditions**

PostNord respects and supports internationally recognized human rights as set forth by the UN Declaration of Human Rights and the International Labour Organisation's Core Conventions. PostNord is a signatory of the UN Global Compact and follows the OECD guidelines for Multinational Enterprises. PostNord will always promptly address any problem that arises in connection with a violation of human rights.

**Child labor or forced labor**

PostNord does not tolerate or employ any form of child labor or forced labor.

**Freedom of association**

All employees are entitled to join associations, as well as to establish an organization, and bargain collectively in accordance with laws.

**Working hours and overtime**

PostNord must comply with national laws and regulation regarding workers' contracts, work hours and overtime. Personnel shall be offered conditions of employment in accordance with legal requirements, or levels in accordance with a central collective agreement, with regard to working hours, remuneration, holiday, sick leave and parental leave.

**Safe and healthy workplace**

PostNord must offer a safe and healthy workplace from a physical, mental and social perspective. PostNord works systematically and transparently on improving the working environment. PostNord performs mapping and risk analyses to manage and minimize risks in the workplace in order to prevent occupational injury and illness. All employees, as well as business partners at PostNord workplaces, must make sure that they perform their duties in accordance with relevant instructions and use the necessary protective equipment.

A large part of our business takes place on the road, so road safety is crucial to PostNord. PostNord conducts systematic road safety initiatives that are continuously evaluated and improved. Employees who drive any kind of vehicle on the job must always comply with applicable traffic regulations, as well as PostNord's internal rules. This means all employees driving for PostNord will wear seat belts, keep a safe distance from the vehicle ahead, respect and comply with speed limits, plan driving with consideration for road conditions and traffic, and take responsibility for keeping vehicles in a safe condition. Driving will never be carried out under the influence of alcohol, drugs, pharmaceuticals or while fatigued, and mobile phones will only be used in hands-free mode. Driving must always be done in compliance with the existing regulations regarding driving and rest times. Drivers and terminal workers must always ensure that their load is secured according to applicable regulation and follow internal instructions for company specific goods.

**Diversity and inclusion**

PostNord believes differences contribute to a more dynamic and attractive workplace and that every employee has the right to be treated with respect. No employee may be discriminated, bullied or harassed in any way, for any reason or under any circumstances. PostNord actively pursues diversity and gender equality at all levels of the organization.

More details can be found in the PostNord Diversity Policy. Managers must serve as role models and take a proactive approach to diversity and gender equality. This includes preventing and correcting bullying, harassment and other improper treatment on the work floor.

### **Alcohol and drug abuse**

No employee or business partner may perform their duties or be at a PostNord workplace under the influence of alcohol or drugs. PostNord is committed to support employees who have substance abuse problems. Employees with alcohol or drug issues have a responsibility of their own to seek help through health services, or by reaching out to their immediate manager.

### **Social media**

Posting on social media on behalf of PostNord is assigned to specific individuals only, and only PostNord official channels are allowed to use PostNord's logos, images and texts. Employees and business partners are not allowed to use social media in such a way that it can damage the reputation of PostNord. More guidance for employees in this area is given in Instructions for Social Media Activity. If an employee is uncertain about what they have the right to do on social media and what is permitted in the context of the employment relationship, the employee should ask their immediate manager.

### **Business partners**

PostNord aims to build sustainable business with our business partners, that creates value for all, by limiting the negative impact from the supply chain on society and the environment, combat bribery and corruption and contribute to social, environmental and economic development. We take responsibility for the business partners with whom we cooperate and expect the same level of integrity, honesty and ethical behavior from them as they can expect from us. We achieve this by ensuring that the Code of Conduct for Suppliers is always part of the contractual agreement with suppliers, and that the suppliers we use are approved from a sustainability perspective. PostNord's purchasing department is responsible for coordinating the Group common sustainability approval process for suppliers, including of placing relevant requirements on, risk-assessment, approval and follow up our supplier's sustainability performance.

## Coordinated purchasing

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Purchasing is coordinated throughout the Group. Coordination allows PostNord to take advantage of all its purchasing power, ensure synergies as well as securing that PostNord is compliant with applicable procurement laws and regulations. PostNord's purchasing department is responsible for governing and leading all sourcing activities within the Group ensuring competitive terms and conditions from sustainable suppliers. More information can be found in the PostNord Procurement Policy.

## Societal commitment and sponsoring programs

PostNord participates in various partnerships and trade associations that provide us with an opportunity to improve our industry, serve as a good and responsible member of the community and cultivate confidence in our company. PostNord confines its social commitments and sponsoring programs to a limited number of major projects. All of our sponsoring programs must benefit both the organization with which we are collaborating and PostNord itself.

## Environment

PostNord aims to offer sustainable parcel and letter solutions that reduce both our own environmental impact, and that of our customers. Our environmental responsibility must be an integral part of our core activities. PostNord works diligently to minimize the impact of its activities on the environment. PostNord collaborates with external partners to promote environmentally sustainable technological development. PostNord engages in dialogues with our stakeholders about the environment and aims to be a respected partner when it comes to environmental issues.

PostNord must pursue a systematic, transparent, holistic environmental effort that we continuously evaluate and improve. We must utilize energy and other natural resources in an efficient manner. When specifically called for, we subject the products and services we purchase to environmental requirements from a lifecycle perspective. PostNord reports on its environmental impact, as well as on the environmental activities it adopts, in its yearly sustainability report.

The contributions and initiatives of all employees are vital to achieving our overall environmental targets. Managers must see to it that their employees follow the appropriate environmental training relevant for their day-to-day tasks.