

# We make everyday life easier

Annual and Sustainability Report 2023

**postnord**



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### About the Annual and Sustainability Report

The Board of Directors and the President & Group CEO of PostNord AB (publ), corporate identity number 556771-2640, hereby present their Annual and Sustainability Report for the 2023 financial year. The Annual and Sustainability Report encompasses the PostNord Group as a whole, unless otherwise indicated. The Board of Directors' Report, which has been audited as described in the Auditor's Report on pages 89-92, comprises pages 6-48. The statutory Sustainability Report comprises descriptions of PostNord's

world, business model, strategy and employees on pages 6-31, risk management and TCFD on pages 32-38 and in-depth information on sustainability on pages 94-113. PostNord's Sustainability Report has been produced in accordance with the GRI Standards. Information on sustainability is provided mainly on pages 6, 11, 12, 14, 15, 16, 17, 21, 22-31, 33, 34, 36-38 and 95-113. Detailed information regarding the scope of the Sustainability Report is provided in the GRI Index on pages 110-113. The auditor's statement on the statutory Sustainability Report is on page 114.

## Vision

### The favorite carrier of the Nordics

Our vision is that customers and consumers should choose us because we offer them the best solution.

## Purpose

### We make everyday life easier

We make everyday life easier for many people, in many ways. For example, the PostNord app enables people to have online purchases delivered to their home safely and conveniently and to track their deliveries. Making everyday life simpler is also about constantly improving efficiency in our operations.



# PostNord in brief

PostNord connects companies, public authorities and private individuals. Via our unique network, we make business, trade and communication possible to, from and within the Nordics. In 2023, PostNord delivered in all 243 million parcels and 994 million letters and other mail items.



## 994

letters and other mail items, millions

## 243

Parcels, millions

## 94.0%

weighted parcel delivery quality

## -55%

CO<sub>2</sub>e, tonnes<sup>1)2)</sup>

## -22%

CO<sub>2</sub>e/parcel, kg<sup>1)2)</sup>

## 24,500

Employees, FTE

## 39.3

SEKbn Sales

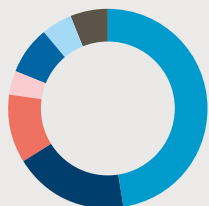
## -564

SEKm Operating income

## 9,500

Parcel distribution points in the Nordics

Net sales per segment 2023



● Sweden, 48% (47%)
● Denmark, 19% (18%)
● Norway, 11% (12%)
● Finland, 4% (3%)
● International, 8% (8%)
● Strålfors, 5% (5%)
● TPL 6% (8%)

<sup>1)</sup> Relative to baseline year 2020.

<sup>2)</sup> Previously reported values have been recalculated. See pages 97 and 110 for more information.



● Parcel terminals  
● Mail terminals

PostNord's delivery network also incorporates a number of hubs and depots in the Nordic region that are not shown on the map.

# CEO's comments

**2023 was characterized by continued challenging external conditions that resulted in lower demand and high costs. This has been partly offset through ongoing cost adjustments and price increases. At the same time, we have continued to invest in developing sustainable and competitive offerings that make everyday life easier for our customers and consumers.**

Sales for the Group amounted to SEK 39,301 million (40,212). Operating income totaled SEK -564 million (357). The decline in earnings is mainly attributable to impairment losses, reduced parcel volumes and reduced profitability in business-to-business operations. Adjusted operating income totaled SEK 500 million (666). Price increases have been implemented and capacity adjusted to cope with the lower volumes and the high rate of inflation. Our operations involve high fixed costs, and so quickly adapting capacity to changes in volume trends is a challenging process. We are continuing to work on developing flexibility in our business model.

## Continued focus on building competitiveness and implementing our strategy

The focus of our work remains on transitioning to a more competitive business model, adjusting our capacity to demand, implementing price adjustments and phasing out unprofitable parts of our offering. During the year, we launched a wide-ranging Cost Leadership Program aimed at strengthening PostNord's competitiveness in the parcels market. The program also aims to introduce a common product portfolio for the Nordic market.

On April 1, 2023, we made certain adjustments to our Group structure in order to take advantage of the growth potential we have identified in the Nordic market for parcels and third-party solutions. As a result, we are merging our non-Nordic operations

within PostNord International and since January 1, 2024, the Group's TPL operations in Sweden, Denmark and Finland have been merged into a separate segment, PostNord TPL.

In 2023, our Swedish business launched a new, more business-oriented, cost-effective and flatter organizational structure. The new organization divides operations into three separate business areas: Mail, Logistics and Parcels.

Based on the organizational changes implemented, PostNord is well equipped to continue executing our strategy.

## Investing for future opportunities

In parallel with adapting the organization to meet challenges here and now, we are investing in technology and customer offerings to position ourselves for future opportunities in the parcels market. We are continuously developing our business to meet the needs of our customers and consumers, by offering them attractive solutions that simplify their everyday lives. We are continuing to expand our parcel locker network, which combined with our distribution points and home delivery service, provides a wide range of options for consumers. At year-end, we had 9,500 parcel distribution points in operation in strategically selected locations in the Nordic region. We have also built up a Nordic network of parcel sorting terminals to further strengthen our position in the attractive and long-term growing parcel market.



During the year, PostNord Finland implemented its own network of parcel distribution points including parcel lockers to replace its partner model. Control over the service point network makes it possible to operate efficiently and sustainably, with the focus on the customer at all times.



In recent years, we have invested in selected terminals, upgrading them with new sorting technology and expanded capacity. In Sweden, we tested AI solutions for smarter parcel sorting and optimal loading during the year. These initiatives are made in order to reduce our carbon dioxide emissions, to increase efficiency in our logistics chain and production, and make work easier for our employees.

### A sustainable PostNord

As a major logistics player in the Nordic region, we are manifesting climate leadership by being at the forefront of the industry's climate transition. During 2023, we established more "green corridors" between a majority of cities in Sweden and Norway. PostNord Sweden was the first with Nordic Swan Ecolabeled e-commerce transportation and I took part in the Swedish government's national climate meeting, where we highlighted the importance of long-term rules in climate policy. During the year, PostNord also chaired The Pathways Coalition, which is made up of stakeholders involved in the transition of heavy transport in line with the Paris Agreement.

In order to maintain a high pace in our climate transition, PostNord took out an SEK 1.2 billion loan with the Nordic Investment Bank (NIB). Green financing – financing linked to sustainability values – contributes to PostNord's goal of transitioning to fossil-free transportation and operations by 2030. During the year, we invested in facilities and a number of vehicles.

At year-end, 67 percent (59) of the energy used in PostNord's own vehicle fleet was renewable.

In addition to manifesting climate leadership, our sustainability agenda includes two other important commitments: Caring for our people and unleashing the power of diversity. In 2023, we took measures to facilitate heavy lifting in production and worked for better conditions for drivers.

PostNord has signed up to and continues to support the UN Global Compact. Our strategic sustainability issues are firmly rooted in the UN's Global Sustainable Development Goals.

### Financially sustainable mail business

On January 1, 2024, our universal service obligation in Denmark ceased. Exceptions apply to mailings to the visually impaired, a postal service to small islands and international mail. The Ministry of Transport in Denmark has designated PostNord Denmark (Post Danmark A/S) to maintain these three specific tasks over a transitional period on a remunerated basis. PostNord Denmark is expected to be negatively affected financially by the new Danish Postal Services Act. In the fourth quarter we recognized an impairment loss on property, plant and equipment in the Danish mail business. The impairment was recognized as a result of a review of future estimated cash flows prompted by the new Danish Postal Services Act. To meet the challenge of this new reality, PostNord Denmark is adapting its offering, organization and prices.

We are the proud provider of the universal postal service in Sweden. During the year, we continued to implement quality-enhancing measures to ensure mail quality that will live up to regulatory requirements, going forward. A year ago, the main report from the Commission of Inquiry on the future scope of and financing for the universal postal service was presented to the government. The report states that the universal service obligation involves a net cost for PostNord as provider. We hope that decisions on regulatory relief, in the form of revised quality requirements, will be taken as soon as possible. This would delay the point in time at which the mail business can no longer be operated without State aid.

### Joint efforts take us forward

PostNord is made up of many competent and committed employees. This inspires me with confidence in the continued work of implementing our strategy and the important task of continuing to deliver on our customer promise on a daily basis. I would like to thank all my colleagues and staff for your important contributions during the year. In addition, I would like to thank our partners, customers and consumers for their excellent cooperation, and for constantly helping us to improve.

**Annemarie Gardshol**  
*President and Group CEO*

# Business environment and the market

PostNord's activities are divided into two service categories: parcel and logistics services (eCommerce & Logistics) and digital and physical communication (Communication Services). Our activities include the universal postal service, as part of the universal service obligation in Sweden and, up to year-end, in Denmark.

## PostNord's world

### Dominant megatrends

Two megatrends, digitalization and sustainability, are having a major impact on PostNord. Digitalization means declining mail volumes, while the expansion in e-commerce will create long-term growth in parcels. This trend has reshaped PostNord's operations since the Group was established more than ten years ago. Simply put, we have evolved from a postal service company that also delivers parcels, to a logistics company that also delivers mail.

Sustainability is an issue for everyone. Customer and consumer demands for fossil-free or zero-emission deliveries continue to grow. Such expectations may be challenging, but there are also business advantages for market players who succeed in this respect. PostNord's sustainable logistics agenda is aimed at matching the requirements and expectations of even the most ambitious customers. We intend to contribute to positive change for the people around us and to radically reduce the climate footprint of transportation in the Nordic market.

The transportation and logistics business models are also evolving, with the focus on convenient deliveries and lower costs. PostNord aims to win in the market and on that basis needs to take into account consumer requirements for convenience and price-sensitivity among customers, as well as fierce competition.

## Parcel and logistics market

### Developments in the market

The growth in digital commerce and the expectations of consumers are driving the need for logistics and transportation services.

The parcel and logistics market is characterized by competition and price pressure, a high degree of innovation and a rapid

pace of change, growing digitalization and automation, as well as major fluctuations in parcel volumes. Parcel volumes consist in large part of small parcels distributed in the big cities, where competition from new last mile operators has mounted. Furthermore, another country accounts for a significant share of volumes.

Previously, PostNord competed with traditional logistics organizations such as DHL, DB Schenker, Posti, Posten Norge, Bring and GLS. Today, the market is more complex, with new market participants and alliances focusing mainly on specific parts of the logistics chain to increase efficiency and strengthen the customer offering.

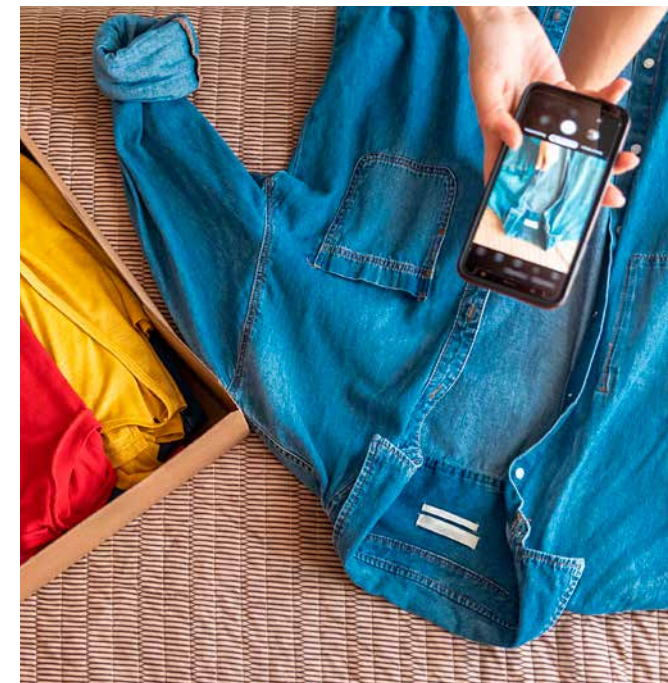
To consumers, the changing landscape creates new offerings and possibilities. Online shoppers are mostly given a choice of distributors, delivery options and payment methods.

To be competitive in the parcels and logistics market, providers need to meet high demands from customers regarding predictability, speed, punctuality, price and sustainability.

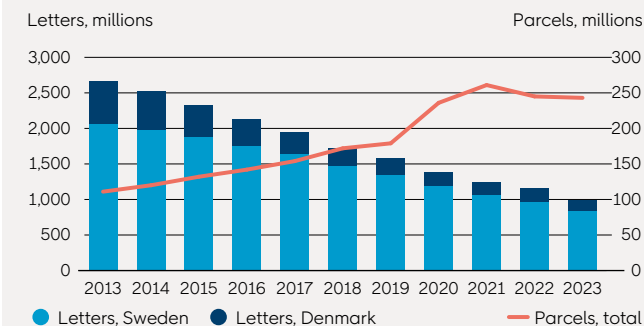
The year of 2023 was marked by the challenging external environment. Russia's invasion of Ukraine has caused increased economic uncertainty, leading to higher prices for capital and fuel, for example. Competition for volumes has become tougher, especially in last-mile transportation.

Customers and consumers have high expectations. Preferences are shifting and more and more people are preferring delivery to the home or to parcel lockers, driving growth in those segments. The trend for consumers to be provided with details of exact delivery times has gained in strength.

The Nordic parcels market in 2023 remained at more or less the same level as in 2022.



Trend of mail and parcel volumes in the PostNord Group





### *PostNord's position and potential*

PostNord holds a leading position in the Nordic logistics and parcels market, thanks to our comprehensive offering and extensive network, both geographically and in terms of partnerships. Our size allows us to benefit from economies of scale, and with around 4,000 service points and approximately 5,500 parcel lockers complementing our home delivery service, we are well placed for continued growth.

PostNord is committed to meeting the needs of customers and consumers and strengthening our position in the market. We are transforming and optimizing our operations to get more out of our existing terminals and networks, while investing in new infrastructure.

We also see potential for even better ways of leveraging our combined strength. With a more clearly defined Nordic offering, we will be able to benefit from synergies, strengthen PostNord's overall customer offering and gain further market shares.

### **Digital and physical communication market**

#### *Developments in the market*

The market for physical communication is characterized by structurally declining mail volumes. Letters, Christmas cards and postcards sent by private individuals account for a minor share of volumes. The largest volumes are sent by large companies, such as banks and energy companies, and public authorities. Direct mail also accounts for a significant share of the market, but is expected to decline in an increasingly digitalized world.

On January 1, 2024, the Danish universal service obligation ceased. Exceptions apply to mail for the visually impaired, postal services to small islands and international mail. The Ministry of Transport in Denmark has designated Post Danmark to continue with the three specific tasks over a transitional period on a remunerated basis. PostNord continues to provide the universal postal service in Sweden.

At the same time, mail delivery is subject to competition, especially in densely populated areas. PostNord's main competitors in Sweden are CityMail and Svensk Direktreklam and the main competitor in Denmark is DAO. In many sparsely-populated areas, PostNord is the only postal operator, clearly indicating the difficulty of achieving profitability outside urban areas.

The long-term trend of declining volumes continued during the year.

### *PostNord's position and potential*

Until year-end 2023, PostNord was the largest player in physical communication in both Sweden and Denmark.

PostNord's services in physical communication consist mainly of administrative communications such as invoicing, distribution of newspapers and magazines and advertising.

PostNord Strålfors offers services enabling businesses to automate their information provision and communication via digital platforms. PostNord Strålfors also offers printing and enveloping services for physical communication.

PostNord is constantly adapting its operations as the market for physical communications shrinks. We are continuing to develop our offering in physical and digital communications, as well as in combinations of physical and digital services.

# Regulated and competitive postal market

The postal market in Sweden is regulated but at the same time exposed to competition. The market in Denmark is competitive and, at the beginning of 2024, only partially regulated.

## Conditions and requirements

Providing the universal postal service in Sweden means, for example, ensuring that everyone has access to a postal service of good quality at reasonable prices. PostNord is also required to provide a special postal service for the elderly and people with disabilities in rural areas, as well as Braille items for the visually impaired. PostNord receives no State aid for performing the universal service obligation in Sweden.

In Sweden, 95 percent of domestic mail (other than Economy Mail) must be delivered to the recipient within two days. Since 2019, PostNord has been allowed to compensate for the decline in volume through greater flexibility in pricing. On January 1, 2023, the rate for single letters in Sweden was raised from SEK 13 to 15.

PostNord's license conditions for Sweden were updated after the outbreak of war in Ukraine, including with regard to support for Sweden's Total Defense system. Our responsibilities include the preparation of risk analyses and business continuity plans for situations of heightened alert. During heightened alert, we must be able to make staff available for cooperation with PTS (the Swedish Post and Telecom Authority).

In Denmark, PostNord had an agreement with the Danish State in 2023 as to compensation for the net costs of the universal service obligation. On January 1, 2024, the universal service obligation in Denmark

ceased. Exceptions apply to mailings to the visually impaired, a postal service to small islands and international mail. The Ministry of Transport in Denmark has designated PostNord Denmark (Post Danmark A/S) to maintain these three specific tasks over a transitional period on a remunerated basis.

## Consequences to PostNord's operations

PostNord Denmark is expected to be negatively affected financially by the new Danish Postal Services Act. To meet the challenge of this new reality, PostNord Denmark is adapting its offering, organization and prices.

In Sweden, the requirement for a universal postal service remains. This demands an infrastructure in the form of transportation networks, staff and vehicles, irrespective of the number of items sent. Fewer items sent via a fixed infrastructure lead to higher costs per item. This puts pressure on the financial viability of the universal service obligation.

PostNord Sweden has restructured and rationalized operations to cut costs in pace with the decline in mail volumes. We emphasize the seriousness of the situation in our continuing dialog with elected representatives, owners, regulatory authorities and society at large. Mail is now delivered on alternate days in Sweden. Parcels, Varubrev and Express Mail Domestic are still delivered every day.

## Further adjustments necessary

Current laws and regulations trace their origin to the first EU Directive in 1997. Changes to our delivery mod-

els have resulted in significant cost savings. However, further adjustments will be necessary, as mail volumes and postage revenues decline. Postal regulations need to be adapted and future financial support requires clarification.

In Sweden, the main report of the Postal Financing Inquiry on the future scope and financing of the universal postal service has been submitted to the government. The report states that the universal service obligation involves a net cost for PostNord as provider. We want decisions on regulatory relief, in the form of revised quality requirements, to be taken as early as possible. This would delay the point in time at which the mail business can no longer be operated without State aid.





# Strategy focusing on parcels and mail

The e-commerce, parcels and communication markets are changing radically. This is presenting both challenges and opportunities. PostNord's strategy focuses on the core business: parcels and mail.

## Strategic framework

PostNord's overarching ambition is to create value in parcels and logistics and to fulfill our universal postal service. We create value through good profitability in each business segment and competitiveness through commercial and operational synergies between our different business operations and Nordic platform.

Our strategic priorities are to win in parcel and to operate a financially sustainable mail business. Adjacent businesses complement and strengthen the core business. All strategic initiatives are based on our purpose of making everyday life easier and our vision of becoming the favorite carrier of the Nordics. PostNord's strategy is supported by five enablers.

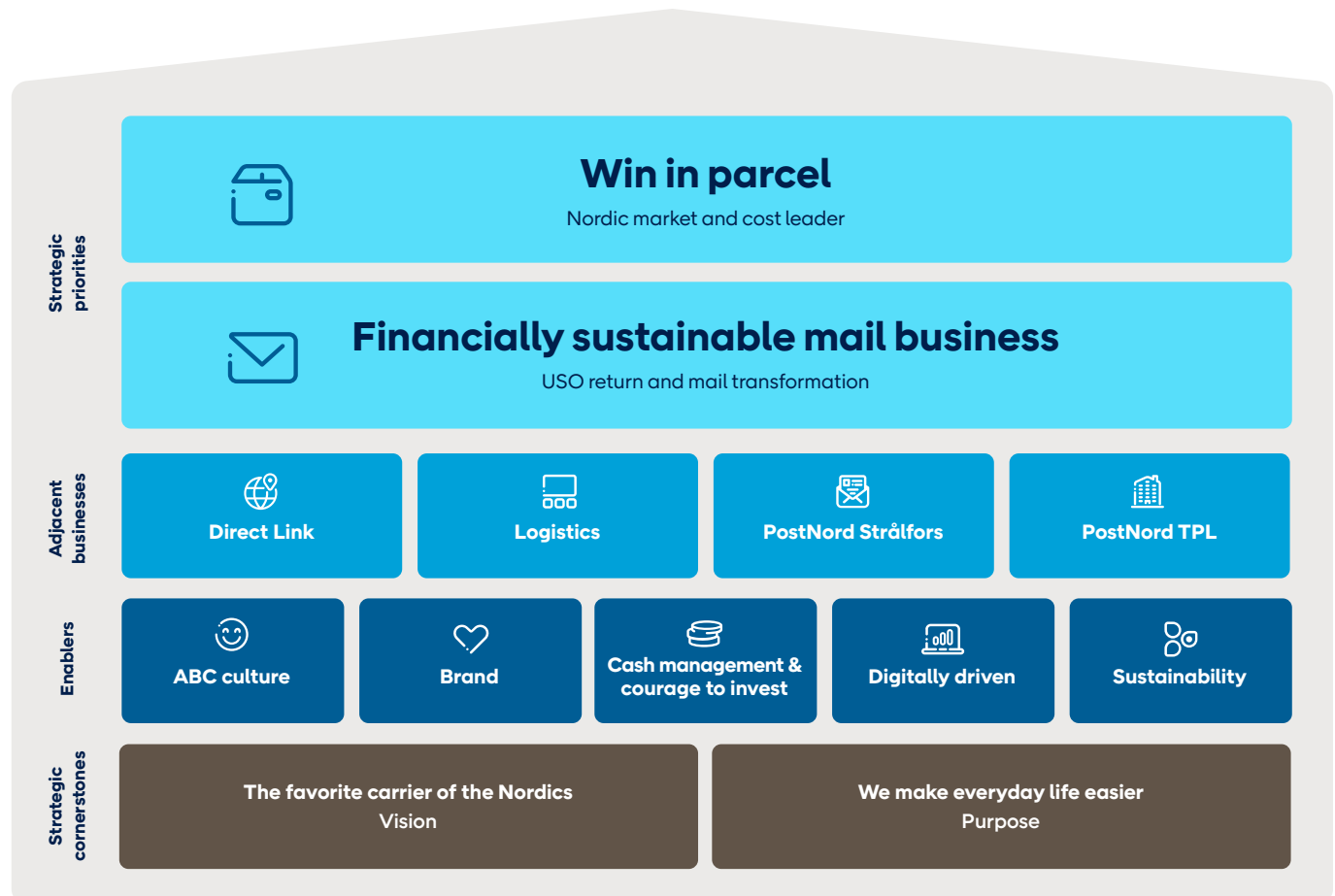
## Strategic priorities

### Win in parcel

In parcels, our aspiration is to be the market leader in Sweden and Denmark, the second largest in Norway and Finland and cost leader in all four markets. Cost leadership means offering the lowest cost per parcel in all delivery channels, that is, to homes, parcel lockers and service points, as well as to businesses. To succeed in this aim, we need to constantly improve our offering, as well as the customer experience and perception.

### Financially sustainable mail business

PostNord is the proud provider of the universal postal service in Sweden. We are adapting our operations to maintain a financially sustainable mail business for as long as possible and to perform our universal service obligation cost-efficiently.





With fewer letters being sent, revenue is decreasing and the cost per item sent increasing. PostNord has made a series of changes to address the decline in volume, one of which has been the introduction of alternate-day delivery in Sweden. Further changes will be needed in terms of prices, quality requirements and financing of the postal service.

Denmark's new legislation on the universal postal service means that we have to assess the situation and adapt our organization, offering and prices to ensure that we operate our business in a sustainable way.

#### Adjacent businesses

Four adjacent businesses are contributing to our strategic priorities: Direct Link, Logistics, PostNord Strålfors and PostNord TPL.

- **Direct Link**, now part of PostNord International, serves as PostNord's extended arm for international sales and drives parcel volumes to the Nordic region.
- **Logistics** consists mainly of groupage cargo, part loads and courier and express services. The logistics business supports the parcels business through commercial and operational synergies, while generating its own profits.
- **PostNord Strålfors** develops omnichannel solutions for customer communication and payment solutions, and creates synergies with PostNord's mail business.
- **PostNord TPL**, now a separate segment, focuses on expanding third-party logistics solutions throughout the Nordics, broadening the product portfolio and making use of synergies with the parcel business.

#### Enablers

To put our strategy into practice, we have defined five fundamental enablers that span all business segments and are helping us succeed in our strategy.

##### *ABC culture*

Being accountable, brave and committed (ABC) is key to the success of our strategy. Accountable means seeing the big picture, doing what is best for the Company as a whole and taking responsibility for sharing best practices and improving our operations. Brave is about acting with integrity, focusing on what matters most and learning and growing together. Committed means that leading an ever-changing business with a strong dedication and a constant focus on customers and consumers.

##### *Brand*

Having a strong brand is crucial to PostNord in general, and to growing our parcels business in particular. The fact that many people know us is a strong starting point. The point then is always to maintain a focus on the customer and the consumer and to create positive experiences and associations. Our aim is to make more people appreciate and choose us, time and time again.

##### *Cash management and courage to invest*

The continued decline in mail volumes requires a strict focus on cash flow, a commitment of resources, and a willingness to invest in growth areas.

### *Digitally driven*

We are modernizing our IT infrastructure, building new data platforms and establishing clear data governance processes. We are also building new key data-driven practices and capabilities. This is crucial to our strategy of increasing the pace of innovation, further developing our customer offerings and competing with players that have emerged in the data and technology field.

### *Sustainability*

PostNord's agenda for sustainable logistics is helping us realize our strategy and is making a significant difference for people and the environment. Being ambitious and performing on sustainability is a fundamental requirement if we are to be relevant to customers and other key stakeholders. Our climate transition – shifting the business from fossil-dependent to fossil-free – is particularly business-critical.

### *Strategic initiatives*

PostNord has five strategic initiatives, the main purpose of which is to make the Group market and cost leader in parcels in the Nordics.

### *Cost leadership*

Customers want value for money and in a highly competitive industry maintaining the lowest cost per parcel is key. Cost leadership is not just about cutting costs – it demands a fundamental, long-term transformation of our operating model. By simplifying and improving processes and production, we aim to increase quality and develop a degree of flexibility that will enable us to handle major variations in parcel volumes.

During the year, PostNord launched a cost leadership program covering seven areas: product standardization, process standardization, skills enhancement, performance management, network management, planning and workforce, and culture.

### *Win in the last mile*

PostNord is gearing up to win the battle for the last mile, i.e. delivery to the final destination. Here we face tough competition, both from logtech companies and from newspaper and parcel distributors.

The focus is on improving our offering and reducing cost per parcel, for example by developing home delivery, parcel lockers and other forms of self-service. It is also important to ensure safe and convenient deliveries.

### *Digitally driven*

PostNord has been using digital solutions for decades and we are now taking the next step to becoming a truly digitally driven company. To be competitive today requires a higher level of digitalization, automation and advanced analytics. PostNord is developing new data-driven capabilities and ways of working that underpin our aspiration to be market and cost leader.

### *Climate transition*

Climate leadership is one of three commitments in PostNord's agenda for sustainable logistics. The overall goal is to become fossil-free by 2030. Our main focus is to convert PostNord's and our transportation suppliers' vehicles from fossil-dependent to fossil-free. We work in a coordinated and structured way in order

to set standards, leverage best practices and take joint decisions across the Group.

### *The world to the Nordics*

We aim to leverage our Nordic network and offering in order to increase business from large international e-commerce companies. We do this by offering senders from around the world a simple and frictionless route into the Nordic region.

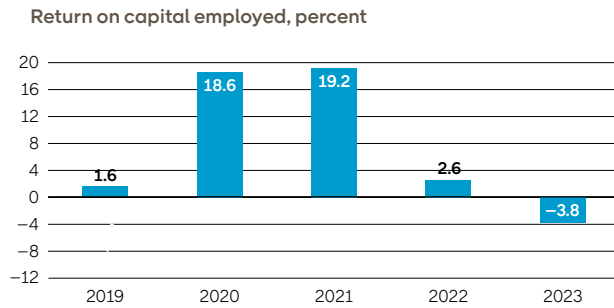


### Financial targets

Our targets are long-term and designed to be assessed over a period of 3–5 years. The financial targets were set by PostNord's owners in 2014.

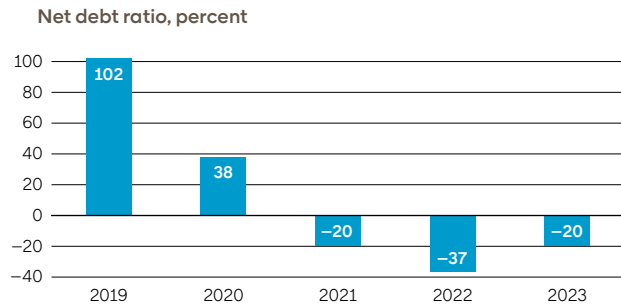
#### Profitability

**Target:** The target for return on capital employed is 10.5 percent.  
**Outcome:** –3.8 percent (2.6)



#### Capital structure

**Target:** The target for net debt ratio (including pensions but excluding lease liabilities) is 10–50 percent.  
**Outcome:** –20 percent (–37)



#### Dividend policy

**Target:** Dividend should amount to 40–60 percent of net income for the year.  
**Outcome:** No dividend (no dividend).

### Sustainability targets

PostNord's sustainability commitments and targets are part of the Group strategy.

#### We manifest climate leadership

Our overall goal is fossil-free transportation and operations by 2030. More specifically, we are aiming for two operational targets and two science-based targets. The science-based targets have been approved by the Science Based Targets initiative. The base-line year for all climate targets is 2020.

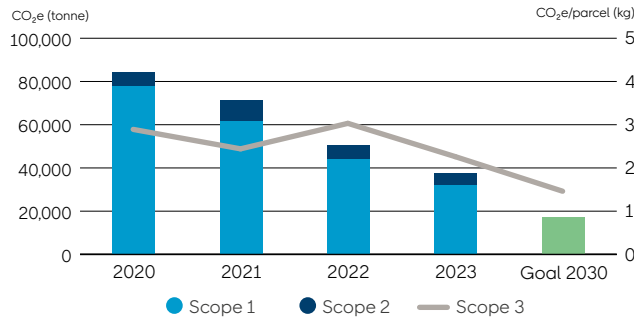
**Target:** –80 percent greenhouse gas emissions in scopes 1 and 2 by 2030

**Outcome:** –55 percent relative to the baseline year

**Target:** –50 percent greenhouse gas emissions per parcel in scope 3 by 2030

**Outcome:** –22 percent relative to the baseline year

Science-based climate targets <sup>1)</sup>



<sup>1)</sup> Previously reported values have been recalculated. See pages 97 and 110 for more information.

Read more on pages 95–97.

#### We care for our people

Our overall goal is to provide safe workplaces and to promote fair conditions for suppliers' employees. The first two targets apply to PostNord's employees, the second two to purchasing and suppliers.

**Target:** No fatal accidents at work

**Outcome:** 0

**Target:** LTIFR well below benchmark

**Outcome:** Reported by country, see page 100.

**Target:** Truck Transport Social Guidelines to be implemented in operations by 2025

**Outcome:** Implementation in progress

**Target:** Responsible Procurement Index (RPI) 100 by 2026

**Outcome:** 93 (90)

The target year for RPI 100 has been moved from 2025 to 2026 to be more realistic, given that not all activities have been implemented as planned since the pandemic. Read more on page 99.

#### We unleash the power of diversity

The overall goal is to be an inclusive workplace.

**Target:** Inclusion Index well above benchmark (>82)

**Outcome:** 77 (76)

Read more on page 100.

# Group

**Net sales totaled SEK 39,301 million (40,212). Operating income totaled SEK –564 million (357). The result is charged with impairment of goodwill totaling SEK –903 (–) million and impairment of property, plant and equipment totaling SEK 152 million (–). Income was also negatively affected by reduced parcel volumes and reduced profitability in the business-to-business operations. Adjusted operating income totaled SEK 500 million (666).**

## Net sales and income

Net sales decreased by –4 percent (–2), excluding acquisitions, disposals and exchange rate effects. In the wake of digitalization of message flows, mail volumes decreased by –13 percent overall (–13); –13 percent (–14) in Sweden and –13 percent (–6) in Denmark. The Group's parcel volumes decreased by –2 percent (–6). Business-to-consumer volumes were unchanged at 0 percent (–8), while business-to-business decreased by at –10 percent (0). Sales of the Group's other logistics services (third-party logistics, groupage cargo and pallets) decreased by –6 percent (1).

Group operating income totaled SEK –564 million (357). Operating income was also negatively affected by reduced parcel volumes and reduced profitability in business-to-business operations. Income is charged with items affecting comparability in the amount of SEK –1,064 (–309) million, consisting primarily of impairment of goodwill in Norway of SEK –903 (–) million and impairment of property, plant and equipment in Denmark of SEK –143 (–) million. In the preceding year, items affecting comparability consisted mainly of transformation costs for staff reductions in Sweden and Denmark.

The Group's adjusted operating income was SEK 500 million (666). Other operating income totaled SEK 651 million (843), mainly comprising exchange rate gains and compensation for the universal service obligation in Denmark. Government compensation in connection with the Covid-19 pandemic amounted to SEK – million (67). Net financial items amounted to SEK –28 million (–198), comprising interest income of SEK 177 million (58), interest expense totaling SEK 102 million (–84) on pensions, interest expense totaling SEK 124 million (95) on leases and other financial

expenses totaling SEK 183 million (77) arising from loans and exchange rate fluctuations. Income taxes for the period totaled SEK –72 million (–181). Net income for the year totaled SEK –664 million (–23).

## Financial position and cash flow

Equity totaled SEK 11,045 million on December 31, 2023, compared with SEK 13,744 million on December 31, 2022. The change is attributable in the main to revaluation of pensions amounting to SEK –1,862 million, net income for the year of SEK –664 million and a negative translation difference as a result of the Swedish krona strengthening against other currencies.

The Group's net debt totaled SEK 3,817 million (1,137) including the Group's pension liability and lease liabilities in accordance with IFRS 16. Interest-bearing liabilities consist of non-current liabilities of SEK 6,911 million (6,893) and current liabilities of SEK 2,414 million (2,323). The net debt ratio including pensions and lease liabilities (net debt/equity) was 35 percent (8). The Group's financial preparedness on December 31 totaled SEK 5,457 million (7,086), consisting of cash and cash equivalents of SEK 3,457 million (3,886), unutilized confirmed credit facilities of SEK 2,000 million (2,000) and an unutilized confirmed loan of – (1,200).

Cash flow for the year totaled SEK –428 million (–2,372). Cash flow from operating activities totaled SEK 2,033 million (1,646). The change from the preceding year arose mainly through the decrease in income and increased investments. Investments in property, plant and equipment and in non-current intangible assets totaled SEK –1,303 million (–1,868). The investments relate mainly to vehicles, machinery and capitalized IT development.

The decrease from last year is mainly due to lower investments in terminals and machinery in Norway, Finland and Germany. Amortization of loan liabilities totaled SEK –819 million (–513) and amortization of lease liabilities SEK –1,633 million (–1,466). A reimbursement of SEK 1,085 (982) million was received from the Postens Pensionsstiftelse. The change from the preceding year also reflected a decrease in tax paid, along with a part settlement of SEK 30 million (20) received from PostNord Försäkringsförening.

Income, SEKm <sup>1</sup>	2023	2022
Net sales	39,301	40,212
<i>of which, Communication Services</i>	<i>12,693</i>	<i>13,199</i>
<i>of which, eCommerce &amp; Logistics</i>	<i>26,609</i>	<i>27,012</i>
Operating income (EBIT)	–564	357
Operating margin, %	–1.4	0.9
Items affecting comparability, net	–1,064	–309
Adjusted operating income (adjusted EBIT)	500	666
Adjusted operating margin, %	1.3	1.7
Income before tax	–592	158
Net income for the year	–664	–23
Earnings per share (SEK)	–0.33	–0.01
Cash flow from operating activities	2,033	1,646

<sup>1</sup> For definitions, see Note 32, page 84.



	Dec. 31	
	2023	2022
<b>Net debt (SEKm)</b>		
Interest-bearing liabilities	9,325	9,216
Pensions and disability pension plans	-1,791	-3,918
Long and short-term investments	-259	-276
Cash and cash equivalents	-3,457	-3,886
<b>Net debt incl. pensions and lease liabilities</b>	<b>3,817</b>	<b>1,137</b>
Net debt ratio incl. pensions and lease liabilities	35%	8%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-3,817</b>	<b>-5,232</b>
Net debt ratio incl. pensions but excl. lease liabilities	-20%	-37%

### Parent Company

The Parent Company conducted very limited activity, in the form of intra-Group services. On December 31, 2023, it had 2 employees (2). Other operating income totaled SEK 17 million (24). Operating costs totaled SEK -11 million (-36). Financial items totaled SEK 222 million (70). A Group contribution received amounted to SEK 5 million (20). Net income for the year totaled SEK 204 million (78).

### Proposed appropriation of the Company's net income

The Board of Directors proposes that the unappropriated net income SEK 3,764,435,604 be appropriated as follows:

To be carried forward	SEK 3,764,435,604
<b>Total</b>	<b>SEK 3,764,435,604</b>

### Important events

- On April 1, 2023, the Group's financial reporting changed with regard to the classification of operations into segments. PostNord's third-party logistics operations in Sweden and Denmark were separated from the PostNord Sweden and PostNord Denmark segments into a separate segment, PostNord TPL. At the same time, the Svensk Adressändring and Adresspoint businesses were transferred from the Other business activities segment to PostNord Sweden. Accordingly, the former Other business activities segment became PostNord

International, consisting of PostNord's operations outside the Nordic region; Direct Link and PostNord Germany.

- The Annual General Meeting of PostNord AB (publ) was held on April 25, 2023. The meeting passed resolutions, for example, on election of the Board and appointment of auditors, and to the effect that no dividend is to be paid to the owners.
- An Extraordinary General Meeting of PostNord AB (publ) was held on August 21, 2023. The Meeting resolved to approve the election of Jenny Lahrin and Anja Bach Eriksson as members of the Board until the end of the next Annual General Meeting. They replaced Erik Sandstedt and Charlotte Strand who resigned from the Board of Directors at their own request on July 1, 2023.
- On September 28, it was announced that Peter Kjær Jensen, Group Vice President and Head of PostNord Denmark and PostNord International, has decided to leave PostNord.
- Anja Bach Eriksson resigned from the Board at her own request, effective October 24, 2023. PostNord will convene an Extraordinary General Meeting (EGM) in connection with the shareholders' proposal to elect a new member to the Board of Directors.
- On November 20, it was announced that Kim Pedersen had been appointed as new Deputy CEO of PostNord, CEO of PostNord Denmark and Head of PostNord International. He took up his post on December 1.
- On November 30, 2023, the Danish Parliament passed a new Postal Services Act in Denmark. The new act entered into force on January 1, 2024, marking the end of the Danish universal service obligation. Exceptions apply to mail for the visually impaired, postal services to small islands and international mail. By decision of the Ministry of Transport in Denmark, Post Denmark is to continue with the three specific tasks in 2024 on a remunerated basis.
- On December 6, 2023, Mathias Krümmel resigned from his position as CEO of PostNord Sweden and member of the Group Leadership Team. Ylva Ekborn, former Head of PostNord Accelerate and CEO of PostNord Strålfors has taken over as Acting CEO of PostNord Sweden. Ylva Ekborn has been a member of PostNord's Group Leadership Team since 2018. Annemarie Gardshol, President and Group CEO of PostNord, is serving as Acting Head of PostNord Accelerate.

### Major events after the reporting period

No major events after the reporting period.

### Licensed and notifiable operations

PostNord conducts licensed and notifiable operations under national legislation in Sweden and Denmark. Strålfors' graphic production facilities are licensed licensing, PostNord TPL has licensed or notifiable logistics facilities and PostNord Sweden has a number of vehicle washing facilities that are notifiable.

### Statutory sustainability report

PostNord has prepared a statutory sustainability report that is separate from the Board of Directors' Report. The scope of the sustainability report is described on the inside cover of this report.

### Operating segments

The Group's division into segments is primarily based on the companies' geographical domicile, plus the segments PostNord Strålfors, PostNord TPL and International, which are coordinated according to the nature of their operations. The operating segments reflect the Group's operational structure.

Operating income (SEKm) and operating margin (%) by segment <sup>1</sup>	2023		2022	
	SEKm	%	SEKm	%
PostNord Sweden	669	3.2	752	3.6
PostNord Denmark	-168	-2.0	-286	-3.6
PostNord Norway	-958	-19.7	-24	-0.4
PostNord Finland	-25	-1.6	-43	-2.8
PostNord Strålfors	163	7.4	100	4.8
PostNord TPL	54	1.9	110	3.2
PostNord International	19	0.5	89	2.4
Other and eliminations	-318	-	-341	-
<b>Group</b>	<b>-564</b>	<b>-1.4</b>	<b>357</b>	<b>0.9</b>

<sup>1</sup> On April 1, 2023, PostNord adopted a new segment structure.

# PostNord Sweden

PostNord Sweden offers a comprehensive range of distribution solutions in e-commerce, logistics and communication. PostNord Sweden is also responsible for the universal service obligation in the country. Through this service and because we reach every household and business in Sweden, PostNord Sweden helps to make it possible to live and work throughout the country.

**94.7%**  
Delivery quality parcels (93.6%)

**92.4%**  
Delivery quality mail (94.7%)

## Market

During the year, PostNord Sweden continued to improve its offering and maintain its position as market leader in the Swedish parcel market. At the same time, PostNord Sweden is working to adapt the business in the short term to new communication patterns, with long-term declining mail volumes and, in the near term, reduced parcel volumes.

## Operations during the year

During the year, efforts continued to ensure high quality and service levels and to adapt operations to volume. For about a year now, PostNord Sweden has been operating under a new organization based on the three business areas mail, logistics and parcels. At the end of the year, former CEO Mathias Krümmel was replaced by Ylva Ekborn, former head of PostNord Accelerate and CEO of PostNord Strålfors.

PostNord Sweden has developed its e-commerce services to facilitate the continued growth of e-commerce and meet the needs of recipients.

As mail volumes decline, we face a growing need to restructure the mail business. Against that background, PostNord Sweden is reviewing its operations to ensure efficient production. For example, mail sorting at the mail terminal in Årsta, Stockholm, was transferred to the Rosersberg terminal during the year.

We are the proud provider of the universal postal service in Sweden. During the year, we continued to implement quality-

enhancing measures to ensure mail quality that will live up to regulatory requirements, going forward. A year ago, the main report from the Commission of Inquiry on the future scope of and financing for the universal postal service was presented to the government. The report states that the universal service obligation involves a net cost for PostNord as provider. We want decisions on regulatory relief, in the form of revised quality requirements, to be taken as early as possible. This would delay the point in time at which the mail business can no longer be operated without State aid.

Our overhaul of all modes of transportation and transformation of the vehicle fleet is in full swing, with a view to fossil-free operations by 2030.

During the year, PostNord Sweden's e-commerce transports were awarded the Nordic Swan Ecolabel. In addition, the number "green corridors" in southern Sweden was increased.

## Finance

Net sales totaled SEK 21,162 million (21,178). Operating income totaled SEK 669 million (752) and adjusted operating income SEK 688 million (982). Items affecting comparability consist of transformation costs arising, for example, from closure of the mail terminal in Årsta, Greater Stockholm. The lower income is attributable to challenges in fully adapting capacity to lower parcel volumes. In addition, profitability was impacted negatively by substantial pressure on prices in the market.

SEKm, unless otherwise indicated	2023	2022 <sup>1</sup>
Net sales	21,162	21,178
of which, Communication Services (external)	8,140	8,563
of which, eCommerce & Logistics (external)	10,703	10,426
of which internal	2,319	2,189
Operating income (EBIT)	669	752
Operating margin, %	3.2	3.6
Items affecting comparability, net	-19	-230
Adjusted operating income (adjusted EBIT)	688	982
Adjusted operating margin, %	3.3	4.6

<sup>1</sup> Figures presented for comparison have been restated in accordance with the new segment classification.



# PostNord Denmark

PostNord Denmark offers a comprehensive range of distribution e-commerce and logistics solutions, with a nationwide network of service points offering high service availability and generous opening hours. In 2023, PostNord Denmark was also responsible for the universal service obligation in the country.

**95.1%**  
Delivery quality parcels (93.4%)

**95.2%**  
Delivery quality mail (96.8%)

## Market

Denmark is one of the most highly digitalized countries in the world where physical mail is concerned, including the public sector. Mail volumes continue to decline. In addition, macroeconomic challenges such as increased uncertainty, rising interest rates and higher inflation have negatively impacted PostNord Denmark. Despite these challenges, PostNord Denmark maintained its strong position in the market during the year as one of the Danes' favorite parcel delivery companies. At the same time, PostNord Denmark was the provider of the universal postal service in 2023.

## Operations during the year

As a consequence of the difficult situation in the world and increased costs, PostNord Denmark has needed to continuously to adapt its operations.

In order to continue to live up to the high expectations of customers and consumers, PostNord Denmark is constantly developing different delivery options. During the year, PostNord Denmark increased the number of parcel lockers it operates and continued to invest in parcel robots.

PostNord Denmark has long been the provider of the universal postal service, and in recent years received compensation from the Danish State for doing so. On January 1, 2024, the Danish universal service obligation ceased. Exceptions apply to mail for the visually impaired, postal services to small islands and international mail. By decision of the Ministry of Transport in Denmark, PostNord Denmark is to continue with the three specific tasks in 2024 on a remunerated basis. PostNord Denmark is rapidly adjusting its organization, offering and prices to meet the new reality.

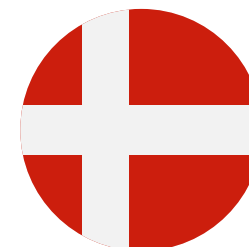
PostNord Denmark has continued to focus on its sustainability agenda with the aim of achieving climate leadership. To this end, PostNord Denmark has more than 200 electric cars in operation.

## Finance

Net sales totaled SEK 8,285 million (8,003). Operating income totaled SEK –168 million (–286) and adjusted operating income SEK –25 million (–215). The improved operating income is attributable above all to personnel reductions in both production and administration. These actions are part of the ongoing improvement programs and the continuous adaptation to declining mail volumes. Items affecting comparability amounted to SEK –143 (–71) million through the impact of impairment of property, plant and equipment above all in the mail business due to changes in the universal postal service. The item affecting comparability in the preceding year related to restructuring costs.

SEKm, unless otherwise indicated	2023	2022 <sup>1</sup>
Net sales	8,285	8,003
of which, Communication Services (external)	2,457	2,519
of which, eCommerce & Logistics (external)	4,576	4,372
of which internal	1,252	1,112
Operating income (EBIT)	–168	–286
Operating margin, %	–2.0	–3.6
Items affecting comparability, net	–143	–71
Adjusted operating income (adjusted EBIT)	–25	–215
Adjusted operating margin, %	–0.3	–2.7

<sup>1</sup> Figures presented for comparison have been restated in accordance with the new segment classification.







# PostNord Norway

PostNord Norway continues to simplify, streamline and invest for customers and consumers through its logistics and e-commerce offering.

**90.9%**  
Delivery quality  
parcels (92.2%)

## Market

The market in Norway was challenging due to the world situation, which has continued to affect consumer purchasing behavior, and in turn volume reductions. Furthermore, costs have increased across the board in society, which has affected the logistics and transportation industry.

Climate-friendly solutions, home delivery and click & collect with simple, flexible and fast deliveries are highly in demand. Parcel lockers remain popular as a delivery option. The market is also characterized by smaller players continuing to gain in strength via niche offerings.

## Operations during the year

PostNord Norway has continued to invest in its terminal network to increase production capacity and on that basis to position itself even more strongly in what is an attractive parcel market long term. In 2023, the Kristiansand and Drammen terminals opened and the parcel locker network expanded. In addition, improved services were trialed, especially in home deliveries. Digital interaction with consumers was simplified and improved.

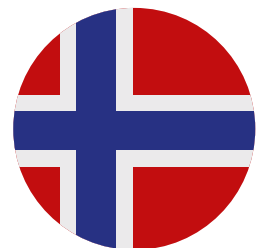
In parallel with efforts to improve its offering, PostNord Norway took actions to raise productivity and reduce costs. Major adjustments were made and price increases implemented during the year.

During the year, PostNord extended the reach of its green corridors. In addition, PostNord Norway signed an agreement with Einride during the year as part of the electrification of heavy transports.

## Finance

Net sales totaled SEK 4,868 million (5,318). Operating income totaled SEK –958 million (–24) and adjusted operating income SEK –56 million (–16). Operating income was charged with a goodwill impairment of SEK –903 million (–8). Income was also negatively affected by challenges in adapting capacity to sharply reduced parcel volumes.

SEKm, unless otherwise indicated	2023	2022
Net sales	4,868	5,318
of which, Communication Services (external)	97	79
of which, eCommerce & Logistics (external)	3,917	4,297
of which internal	853	942
Operating income (EBIT)	–958	–24
Operating margin, %	–19.7	–0.4
Items affecting comparability, net	–903	–8
Adjusted operating income (adjusted EBIT)	–56	–16
Adjusted operating margin, %	–1.2	–0.3





# PostNord Finland

PostNord Finland is strengthening its logistics and e-commerce offering by simplifying and streamlining.

**86.7%**  
Delivery quality  
parcels (88.1%)

## Market

The market was characterized by a continued challenging market situation and tough competition. PostNord Finland's goal is to strengthen its position in the market by further developing its offering, operations and infrastructure.

## Operations during the year

PostNord Finland is investing in developing an attractive offering, a strong distribution network and an infrastructure that supports growth. This includes modern terminals with advanced sorting processes in Turku, Tampere and Vantaa.

During the year, PostNord Finland replaced its partner model with its own network of service points. This included establishing its own parcel lockers. Control over the service point network makes it possible to operate efficiently, sustainably and always with the customer in focus. The change has adversely impacted on the quality of delivery. Efforts are being made to strengthen quality going forward.

PostNord Finland's import and business-to-business volumes decreased during the year. At the same time, domestic business-to-consumer volumes increased significantly. PostNord Finland consolidated its position as the leading player in health-care logistics.

## Finance

Net sales totaled SEK 1,604 million (1,525). Operating income totaled SEK –25 million (–43). Income improved through higher net sales and the fact that the last mile business was operated using a higher proportion of own personnel. Costs remain high as a result of actions for future growth in the form of investments in terminals.

SEKm, unless otherwise indicated	2023	2022
Net sales	1,604	1,525
<i>of which, Communication Services (external)</i>	–	–
<i>of which, eCommerce &amp; Logistics (external)</i>	1,116	1,059
<i>of which internal</i>	488	466
Operating income (EBIT)	–25	–43
Operating margin, %	–1.6	–2.8
Items affecting comparability, net	–	–
Adjusted operating income (adjusted EBIT)	–25	–43
Adjusted operating margin, %	–1.6	–2.8



# PostNord International

The segment is made up of Direct Link, which offers distribution solutions worldwide and a logistics operations in Germany handling import and export flows via Europe to the Nordics.

## Direct Link

Outside the Nordic region and Germany, PostNord also operates via Direct Link. Direct Link's primary offering to international e-commerce companies and marketplaces is distribution of products to consumers in the Nordics and internationally. Direct Link also makes it easier for e-commerce companies to establish operations in new markets, by providing services such as market analysis, direct marketing and logistics solutions for warehousing. Direct Link has companies and employees in China, Hong Kong, Singapore, the UK, Poland, Germany and the USA.

## Germany

PostNord's logistics operations in Germany handle import and export flows between Europe/the continent and the Nordics. Customers consist largely of companies in the fashion industry, which faced tougher external conditions and reduced trade during the year. At the same time, the customers concerned are big, with consumers in large cities, which makes them an attractive proposition. Parcel volumes decreased during the year by -17 percent (-10)

## Finance

Net sales totaled SEK 3,575 million (3,724). Operating income totaled SEK 19 million (89). Income decreased as a result of sharply lower parcel volumes in Germany due to lower exports to the business-to-consumer market in the Nordics. Income for Direct Link improved due to growth in Asia, changes in product mix and cost reductions.



SEKm, unless otherwise indicated	2023	2022
Net sales	3,575	3,724
of which, Communication Services (external)	-	-
of which, eCommerce & Logistics (external)	3,562	3,713
of which internal	13	11
Operating income (EBIT)	19	89
Operating margin, %	0.5	2.4
Items affecting comparability, net	-	-
Adjusted operating income (adjusted EBIT)	19	89
Adjusted operating margin, %	0.5	2.4

# PostNord Strålfors

PostNord Strålfors develops and offers solutions in communication, invoicing and payment. These services offer companies with a large number of customers and suppliers new opportunities to create stronger and more personal relationships. PostNord Strålfors is an important part of society's communications infrastructure in the Nordics, handling approximately 1.5 billion messages and invoices on behalf of its customers every year. PostNord Strålfors operates in Sweden, Denmark, Norway, and Finland.

## Market

The digital services market continues to grow, while the market for physical communication continues to decline as a result of digitalization. As in previous years, the physical communications market is characterized by increased consolidation. PostNord Strålfors holds a strong position in customer communications in the Nordics, despite fierce competition in all areas of operations and countries.

## Operations during the year

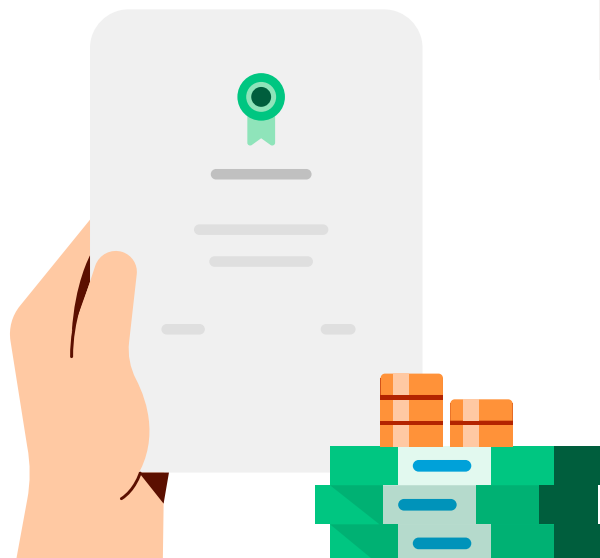
PostNord Strålfors continued with its improvement program to address the growing digital market and the structurally declining market in physical communications. During the year, PostNord Strålfors departed from unprofitable segments. At year-end, Lisbet Karlsson took over from Ylva Ekborn as CEO of PostNord Strålfors.

PostNord Strålfors is investing in both skills and technology to develop its digital offering. During the year, PostNord Strålfors further expanded its service portfolio, adding several new channels and services. The Nordic omnichannel offering has been complemented by the addition of a payment solution based on open banking. Physical production is being streamlined and optimized on an ongoing basis to exploit synergies across the Nordic network.

## Finance

Net sales totaled SEK 2,201 million (2,076). Operating income amounted to SEK 163 million (100). Income increased through efficiency improvements in production, together with price and mix effects, all of which contributed to a positive income trend in both physical and digital businesses.

SEKm, unless otherwise indicated	2023	2022
Net sales	2,201	2,076
of which, Communication Services (external)	1,999	1,833
of which, eCommerce & Logistics (external)	–	–
of which internal	202	244
Operating income (EBIT)	163	100
Operating margin, %	7.4	4.8
Items affecting comparability, net	–	–
Adjusted operating income (adjusted EBIT)	163	100
Adjusted operating margin, %	7.4	4.8



# PostNord TPL

PostNord TPL is a leading third-party logistics operator with activities in Sweden and Denmark. PostNord TPL provides the Nordic market with innovative and cost-efficient logistics solutions all the way from producer to consumer.

## Market

The market was again characterized by a challenging world situation. The general trend was that customer demand was lower during the year.

## Operations during the year

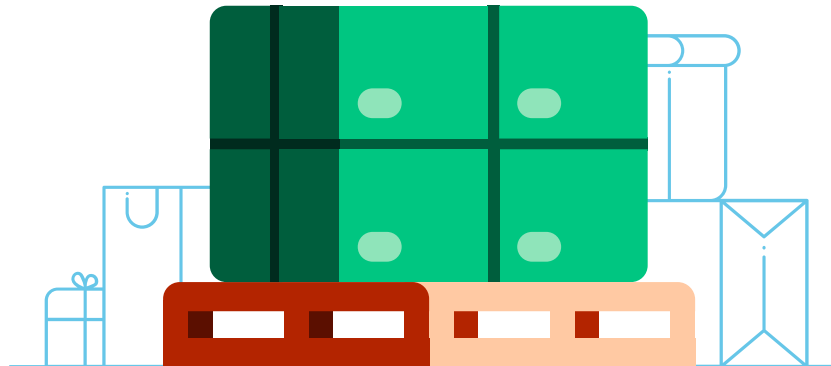
As a logistics partner, TPL helps its customers develop and grow through leading logistics solutions that support these customers in focusing on their goals and winning in their respective markets. PostNord TPL is developing its offering, which includes digital, cloud-based services providing a comprehensive overview and smart optimized deliveries for maximum efficiency and sustainability. The aim of widening the scope of the offering is to be able to assist customers through all or parts of the logistics chain. Fossil-free transportation is an important part of PostNord TPL's sustainability work and an area where it is possible to drive development in the industry. As a step in this process, PostNord TPL has signed the Helsingborg Declaration. This aims to reduce the climate footprint of the logistics chain through, for example, fossil-free transportation.

During the year, PostNord TPL discontinued its operations in Jordbro, south of Stockholm.

## Finance

Net sales totaled SEK 2,773 million (3,396). Operating income totaled SEK 54 million (110). The decrease in income was attributable mainly to lower net sales through the impact of declining demand, lower prices for agency sea freight and discontinuation of the Jordbro-based operations in south Greater Stockholm.

SEKm, unless otherwise indicated	2023	2022
Net sales	2,773	3,396
of which, Communication Services (external)	–	–
of which, eCommerce & Logistics (external)	2,751	3,369
of which internal	22	26
Operating income (EBIT)	54	110
Operating margin, %	1.9	3.2
Items affecting comparability, net	–	–
Adjusted operating income (adjusted EBIT)	54	110
Adjusted operating margin, %	1.9	3.2



# PostNord's agenda for sustainable logistics

PostNord's purpose is to make everyday life easier for consumers and customers. The Group's vision is to be the favorite carrier of the Nordics. This vision and purpose form the framework for PostNord's sustainability commitments.

## PostNord's role in society

As a leading player in parcel and logistics services, PostNord holds a key position in the Nordic business community and society. With our comprehensive network, we enable businesses, public authorities and private individuals to do business, deliver products and communicate with each other. This creates many possibilities, including in sparsely populated areas.

PostNord offers customers and recipients reliable deliveries that help drive dynamic communities. This includes the mission of fulfilling the universal service obligation (USO) in Sweden and, up to the end of 2023, in Denmark.

## Sustainability is key in PostNord's strategy

PostNord's strategy focuses on our core business: parcels and mail. The strategy is to win in parcel and to operate a financially

sustainable mail business. Sustainability paves the way for PostNord's strategy and our climate transition is one of the Group's strategic initiatives. Read more about PostNord's strategy on page 9.

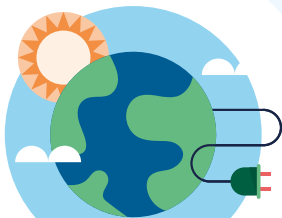
## PostNord's agenda for sustainable logistics

PostNord's Group-wide agenda for sustainable logistics is based on our most material sustainability aspects. The agenda is based on three commitments:

- 1. We manifest climate leadership.** PostNord is taking the lead in the climate transition of the logistics industry. Our overall goal is fossil-free transportation and operations by 2030.
- 2. We care for our people.** We are committed to safety and fair conditions – as a major employer and buyer, PostNord can make a significant difference. The overall goals are safe workplaces and fair conditions in the supply chain.
- 3. We unleash the power of diversity.** By unleashing the power of diversity, we make best use of the experience, skills and perspectives that PostNord's around 30,000 employees bring to the table. The overall goal is to be an inclusive workplace.

Work in line with the sustainability agenda is PostNord's main contribution to the UN Sustainable Development Goals.

## PostNord's agenda for sustainable logistics



### We manifest climate leadership

- Fossil-free 2030



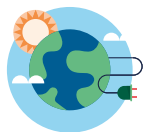
### We care for our people

- Safe workplaces
- On fair conditions



### We unleash the power of diversity

- Inclusive workplace



# We manifest climate leadership

**67%**  
Renewable energy  
in own vehicles

Climate change is one of the greatest challenges of our time. The transport sector accounts for a major share of global greenhouse gas emissions. As a leading player in logistics in the Nordics, we are taking the lead in the industry's climate transition.

## Challenges and opportunities

The Nordic transportation system remains fossil fuel dependent. To meet the climate challenge, the entire transportation sector needs to switch to fossil-free fuels.

The challenges are many and tough, but there are also many opportunities. We can be a solution for other players – many customers have ambitious climate targets and are counting on PostNord to achieve them. Progress depends on partnerships, both inside and outside the transportation sector. For example, our sector is dependent on the energy sector and we need to develop alongside each other.

## PostNord's commitment

PostNord's own transportation represents 11 percent of the Group's total climate impact. We also purchase transportation capacity – outsourced transportation accounts for as much as around 55 percent of PostNord's overall climate impact and 66 percent of the climate impact from our transportation.

That's why our climate agenda seeks primarily to optimize our logistics system and the vehicles that PostNord and our transportation providers operate on the roads of the Nordic countries. In addition to our work in transportation, we are environmentally adapting our terminals and other buildings.

## Climate leadership targets

PostNord's overall climate goal is fossil-free transportation and operations by 2030. More specifically, we are striving towards two operational targets and two science-based targets.

PostNord's operational targets are:

- –40 percent carbon dioxide emissions in transportation and operations by 2025
- Zero emissions from last-mile transportation (light vehicles) by 2027

PostNord's science-based targets are:

- –80 percent greenhouse gas emissions in scopes 1 and 2 by 2030
- –50 percent greenhouse gas emissions in scope 3 per parcel by 2030

During the year, the operational target for last-mile transportation was clarified as being consistent with PostNord's Green Tech Roadmap. The target refers to light vehicles (less than 3.5 tonnes). The science-based targets were approved by the Science Based Targets initiative (SBTi) in 2022 and sit alongside the operational targets already included in PostNord's sustainability agenda.

For definitions, outcomes and further information, see pages 95–97.

## How we work

### Climate transition program: Green by PostNord

Green by PostNord is the Group's climate transition program. The program is in place to ensure that the transition is fast, resource-efficient and successful. Green by PostNord consists of a number of centers of excellence, a program management office and a decision-making committee. Work within the program is guided by our climate change roadmap.

In 2023, centers of excellence were in place for electromobility, biofuels, subcontractor transitioning, green buildings, packaging,

commercialization, support and subsidies, and key metrics and reporting.

The roadmap shows the planning for when and how PostNord's vehicles and those of our transport providers need to be converted to fossil-free operation if we are to achieve our climate targets.

### Climate transition as a customer offering

We are working on various initiatives to bring down emissions and meet customer demand for climate-adapted transportation.

**GREEN CORRIDORS.** The climate and customers cannot wait – more and more e-commerce customers are demanding fossil-free deliveries. Against that background, we are concentrating our climate transition work within certain regions and parts of our network. By focusing on routes where we handle large volumes of parcels, we can meet customers' needs and reduce emissions cost-efficiently. What are called green corridors are now operating between several cities in Sweden and between terminals in Norway. The plan is to continue to expand the number of fossil-free transportation routes in PostNord's markets.

### ECO-LABELLED FOR ENVIRONMENTALLY-MINDED CONSUMERS.

PostNord has been offering Nordic Swan ecolabeled e-commerce transportation in Sweden since autumn 2023. The Nordic Swan Ecolabel makes it easy for consumers to choose a more sustainable delivery option for goods purchased online. The ambition is to offer the label in more markets, benefiting environmentally aware consumers in the Nordic region. Read more under Key events in 2023.

**CLIMATE REPORTS TO CUSTOMERS.** PostNord offers customer-specific climate reports with data on emissions from transportation performed for each customer.

### Conversion of vehicle fleet

The primary means of achieving our climate targets is to convert PostNord's vehicle fleet and those of our transport providers to fossil-free operation. This conversion is business-critical; fossil- and/or emission-free transport will be vital in terms of our ability to compete in the market.

Conditions in PostNord's countries of operation are dissimilar, for one thing because the relative shares of own and procured transportation differ from one country to another. For example, Sweden and Denmark have a relatively high proportion of own vehicles, while Finland and Norway purchase most of their transportation. As a rule, we outsource heavy transportation to transport providers.

**ELECTRIFICATION.** To us, electrification is the most important and, in the long run, the most economical way to make transportation emission-free. Every market is gradually phasing in electric vehicles in line with local production. At year-end, 32 percent (29) of PostNord's vehicle fleet ran on electricity.

When it comes to electric operation, vehicles should be affordable in terms of total cost, offer a good range and be rapidly and easily rechargeable. This requires a highly-developed charging infrastructure. Up to now, electrification of heavy and long-distance transportation has been challenging. It is now evident that the technology has developed faster than anticipated and PostNord is testing heavy-duty electric vehicles. However, in the near future, we expect biofuels to be the first choice for heavy-duty transportation.

**BIOFUELS.** PostNord is constantly increasing the share of renewable fuels in vehicles that previously ran on fossil diesel. We mainly use HVO100. Other biofuels, of which the main option is biogas, require modification or other types of engine.

At year-end, 67 percent (59) of the energy used in PostNord's own vehicle fleet was renewable.

### Collaboration for change

Collaboration with our transport providers is crucial in terms of PostNord's climate transition. In fact, outsourced transportation accounts for around three quarters of PostNord's transport emissions. We mainly outsource heavy, long-distance transportation to providers, and these are the most carbon-intensive. As a major buyer, we exert influence over many carriers and in that way are playing a part in the transition of the sector as a whole.

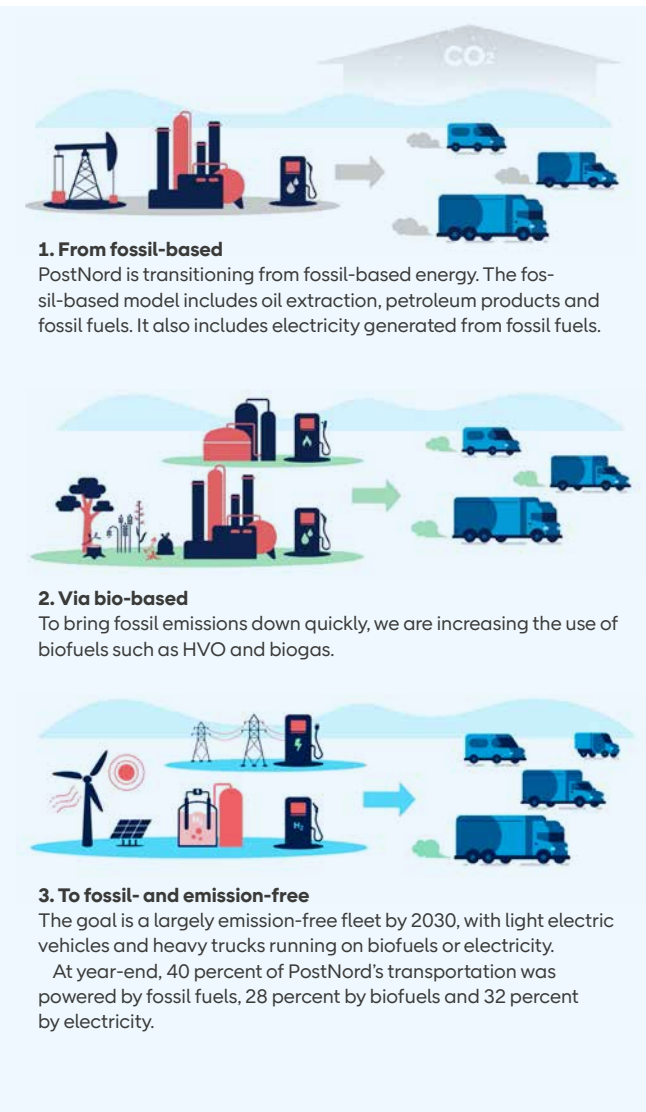
PostNord also works with players in other industries who, like us, are aiming to commercialize fossil-free heavy transport on a large scale, in line with the Paris Agreement. This cooperation is taking place within the framework of the Pathways Coalition. In addition to PostNord, the coalition includes E.ON, H&M Group, Scania, Siemens and Ericsson.

### Climate efficient buildings

When it comes to buildings, PostNord is committed to using less, and cleaner, energy. We are streamlining and reducing energy use in many ways, for example via LED lighting, better temperature control and encouraging changes in behavior.

In properties where PostNord is on an electricity contract, we only buy renewable energy. We are also implementing our own energy production to reduce the need for purchased electricity. Several terminals have solar cell installations.

## Towards fossil-free energy







### Logistics system and capacity optimization

PostNord is constantly striving to develop our business with better planning, controlling and monitoring of production and transportation. We focus on efficiency improvements, reducing energy use and using the right form of energy. A concrete example of this type of initiative is to ensure fully loaded vehicles on optimally planned routes.

### Key events in 2023

**MORE GREEN CORRIDORS.** We continued with the implementation of green corridors, i.e. fossil-free transportation on routes where we handle large volumes. At year-end, we were operating green corridors in Sweden and Norway.

**FIRST TO USE ECO-LABELING.** PostNord was the first to have its e-commerce logistics Nordic Swan ecolabeled. The Nordic Swan Ecolabel sets tough criteria regarding, for example, energy efficiency, renewable fuels, a high proportion of electric vehicles and requirements for working conditions in accordance with collective agreements or the equivalent. At present, consumers in Sweden can choose Nordic Swan ecolabeled delivery when shopping online.

Another important initiative aimed at making it easier for consumers to choose deliveries with limited environmental impact was an industry agreement between the business and employers' association Svensk Handels and Aster. The agreement defines what fossil-free delivery means. E-retailers who want to offer fossil-free delivery options need to sign up to the agreement and remove other environmental claims at checkout. The only exceptions are the Nordic Swan Ecolabel, Fair Transport and Good Environmental

Choice. PostNord Sweden signed up to the industry-wide agreement during the year.

**COST-EFFICIENT ELECTRIFICATION.** During the year, we completed a Nordic procurement process for chargers for distribution vehicles. The objective was to obtain the best price through standardization and synergies across the Group. Ultimately, this will make PostNord's charging infrastructure more efficient and progress our climate transition.

Another initiative was a project to start integrating external digitalization systems and solutions for electrification. The project involves, for example, integrating external charging management

systems with PostNord's fleet management system. Synergies between our own and third-party solutions will enable us to electrify our transportation efficiently and at lower cost.

**TRANSPORT PROVIDERS ON BOARD IN THE TRANSITION PROCESS.** All PostNord's countries of operation focused on increasing the proportion of electricity, biogas and biodiesel used in purchased transportation. This is being done via setting requirements in procurement processes.

We also developed information for transport providers to facilitate their climate transition. Materials include best practices and experiences from PostNord's electrification of light vehicles on the last mile.

**EXTERNAL FINANCING.** To enable the Group to maintain a high pace in its climate transition, PostNord signed an SEK 1.2 billion loan with the Nordic Investment Bank (NIB). Green financing – financing linked to sustainability values – can aid towards PostNord's transition to fossil-free transportation and operations by 2030.

**DIALOGUE AND ADVOCACY.** During the year, PostNord took part in the dialog on climate change, both publicly and directly with the government. This included participation in the government's national climate meeting, ministerial dialogs and public debates.

During the year, PostNord took over the chairmanship of The Pathways Coalition. The coalition consists of stakeholders who contribute to the transition of heavy transportation in line with the Paris Agreement.





# We care for our people

PostNord focuses systematically on ensuring safe workplaces for our own and contracted employees, as well as on fair conditions for truck drivers at external transportation companies and employees at our suppliers.

93

Responsible Procurement Index

Implementation of Truck Transport Social Guidelines in progress

## Challenges and opportunities

PostNord employs around 30,000 people, contracts other personnel for its operations and helps create jobs by buying in transportation and other services and products to a value of more than SEK 20 billion every year. This brings both challenges and opportunities, and a responsibility to make a positive difference.

## PostNord's commitment

When it comes to employees, PostNord's commitments and targets are based, for example, on an impact assessment of human rights risk and in the value chain.

PostNord's impact defines the scope of our commitment. Our targets and initiatives apply to our own employees, contracted staff, drivers driving on behalf of PostNord and employees of other suppliers.

## People targets

PostNord's overall goals are to provide safe workplaces and to promote fair conditions for suppliers' employees. In more specific terms, our targets are:

### Safe workplaces

- No fatal accidents at work
- Lost time injury frequency rate (LTIFR) well below benchmark

For definitions and further information, see page 98.

## On fair conditions

- Truck Transport Social Guidelines to be implemented in operations by 2025
- Responsible Procurement Index 100 by 2026

The Truck Transport Social Guidelines (TTSG) aim to improve working conditions for truck drivers across Europe. The guidelines were developed by a number of transportation buyers and providers working together in CSR Europe, including PostNord. The Responsible Procurement Index (RPI) is an internal index based on purchasing in accordance with PostNord's guidelines. The target year for RPI 100 has been moved from 2025 to 2026 to be more realistic, given that not all activities have been implemented as planned since the pandemic. For definitions and further information, see page 99 and 110.

## Safe workplaces

Everyone at PostNord's workplaces should be, and feel, safe and secure. We strive for a safety culture where everyone plays a part in minimizing the number of workplace accidents and injuries.

## Challenges and opportunities

The majority of PostNord employees drive for work and/or spend time in mobile environments. Situations such as traffic, loading and unloading of goods, heavy lifting and other manual processes may be hazardous. Most workplace injuries at PostNord occur in production and distribution. The most common injuries relate to vehicles, physical strain and slipping accidents. Work may also be

stressful, and threats and violence may unfortunately occur. Over time, there is a risk of strain conditions and injuries.

## How we work

PostNord conducts preventive and systematic work environment management in each country of operation. This work is based on risk assessments of the physical, social and organizational work environment. Every manager ensures that his/her own unit and subordinate units comply with the relevant work environment legislation. Management works with HR, trade unions and work environment representatives to deal with incidents of harassment, threats, violence and robbery. Employees affected by any such incidents must receive help and support quickly.

Alongside regular safety inspections, a systematic audit is conducted at least once a year. Employees have access to e-learning on basic work environment issues and can provide feedback on their work environment in the annual employee survey.

## Key events in 2023

All countries of operation continued their systematic activities to ensure safe workplaces for all employees.

**HELP WITH HEAVY LIFTING.** With the growth in e-commerce, heavy lifting has become a major industry problem, as recognized by the Swedish Work Environment Authority. PostNord Sweden worked intensively on this challenge during the year. We modified processes and workflows and expanded the use of technical facilities such as vacuum lifts. Product and delivery conditions were also



amended to allow for proper planning and handling of heavy parcels. The outcome to employees is that, as a rule, they should not have to lift packages weighing more than 20 kg. The program will run until the first quarter of 2024, after which it will become part of regular operations. Other countries of operation have similar challenges and these are dealt with on the basis of risk assessments. Measures taken include the introduction of assistive devices and adapted routines.

## On fair conditions

### Better conditions for drivers

**CHALLENGES AND OPPORTUNITIES.** The logistics sector faces a number of challenges relating to the employment and working conditions for drivers. These include basic conditions such as access to clean water, sanitation and hygiene, as well as rest and recovery, but also freedom from threats, violence and other criminal activity. Road safety, fraud and a general lack of compliance are additional challenges in the sector.

Drivers working for our transportation providers are subject to PostNord's Supplier Code of Conduct and the Truck Transport Social Guidelines.

### How we work

In addition to PostNord's Code of Conduct, PostNord is, under CSR Europe's Responsible Trucking initiative, involved in making the transport and logistics sector more sustainable. In collaboration with other transport buyers and providers, including BMW

Group, H&M Group, IKEA Supply AG, Scania and Volvo Group, we aim to improve working conditions for Europe's truck drivers.

Responsible Trucking has developed the Truck Transport Social Guidelines (TTSG), which set out requirements regarding labor law conditions for drivers. These requirements include access to toilets, clean water and weather protection at terminals, as well as a channel for submitting observations and complaints. PostNord and other partner companies undertake to comply with TTSG and to pass on the requirements to suppliers and subcontractors.

Responsible Trucking supports the implementation of TTSG through, for example, a spot check tool for drivers arriving at terminals. Responsible Trucking also seeks to influence policy development in relevant areas.

### Important events in 2023

**SURVEY FOR DRIVERS PILOTED.** During the year, we continued the roll-out of TTSG. We piloted Responsible Trucking's spot check tool to give drivers the opportunity to submit observations and complaints anonymously and to see what progress terminals have made with TTSG.

During the period that the pilot took place, information about the spot check tool was posted at the entrances to terminals and other locations that are visible to external drivers. The responses produced a number of suggested improvements, including clear emergency contact information, anonymity for complaints, and safety and weather protection during unloading and loading. Ten terminals in all countries of operation piloted the spot check tool.



## Responsible purchasing

**CHALLENGES AND OPPORTUNITIES.** Every year, PostNord purchases goods and services to a value of approximately SEK 20 billion, from more than 11,000 suppliers. By setting requirements and working with our suppliers on, for example, environmental and social aspects, we influence a large number of companies in many sectors.

### How we work

Responsible purchasing at PostNord encompasses both the Group's actions as a buyer and requirements applying to, and monitoring of, suppliers. Our Responsible Procurement Index (RPI) measures compliance with PostNord's purchasing guidelines. Read more about RPI and outcomes for the year on page 99.

### PostNord as a buyer

Purchases of road transportation are made in each country of operation, while other purchases are procured centrally at PostNord. PostNord's major purchasing categories are transportation, fuel, staffing and IT.

PostNord's purchasing policy and guidelines are based on cost efficiency, competitive tendering, impartiality, risk management and sustainability in the supply chain.

### Monitoring of suppliers

Initiatives to promote a sustainable supply chain are based on compliance with PostNord's Supplier Code of Conduct.

**CODE OF CONDUCT.** This includes requirements for legal compliance, good working conditions, a healthy work environment, respect for the environment and zero tolerance of corruption. The Code forms part of all agreements with suppliers.

**MONITORING.** PostNord's Group-wide process for monitoring supplier compliance with the Code of Conduct includes self-assessment, risk assessment and on-site audits.

**SELF-ASSESSMENT.** The starting point for PostNord's monitoring process is suppliers' self-assessment against the Code of Conduct.

**RISK ASSESSMENT.** The supplier's risk level is assessed by reference, for example, to sector, geographical location, purchasing volume, how business-critical the supplier is, the supplier's self-assessment and our knowledge of the supplier. Suppliers viewed as being associated with high risk are required to undergo on-site audits.

**AUDIT.** PostNord's supplier audits are based on SA8000, a global standard for auditing and certification of social accountability. These audits include a review of documentation, for example, of pay and working hours, inspection of the work environment, audit of the supplier's environmental work and interviews with managers and employees.

In the event that an audit reveals deviations, we ask the supplier to carry out an analysis of the root causes and develop an action plan. We are willing to support suppliers in developing their operations. Terminating the collaboration is seen as a last resort.

**DEVELOPMENT.** The ambition is to shift the emphasis from simply setting and monitoring requirements to extended, longer-term collaborations. If a supplier cannot meet the requirements of the PostNord Code of Conduct, we choose support as a first option.

Various training courses on sustainability in supply chains are available to PostNord employees and to suppliers. For example, we offer an e-learning course at [postnord.com](https://postnord.com). As far as PostNord is concerned, it's about integrating sustainability into the purchasing process. The courses for suppliers aim to facilitate compliance with the PostNord Supplier Code of Conduct.

### Key events in 2023

**UPDATED SUPPLIER CODE.** Work started on updating PostNord's Supplier Code of Conduct during the year. The aim was to more clearly reflect the EU's Corporate Sustainability Due Diligence Directive (CSDDD) and to clarify both PostNord's climate targets and how suppliers are to contribute to those targets.

**SUPPLIER REVIEW.** We reviewed and monitored suppliers via self-assessments, risk analysis and on-site audits. Read more on page 99.

**SYSTEM SUPPORT.** We procured system support to simplify and improve all data management regarding suppliers and compliance with PostNord's Code of Conduct.

**INTERNAL TRAINING.** To develop our own capacity, we conducted a training course in sustainability for the transport organization and buyers.



# We unleash the power of diversity

**77**  
Inclusion Index

PostNord is an organization with a high level of diversity. Our aim is to get even better at deploying this asset to even better effect. Unleashing the power of diversity empowers every employee, and the Company as a whole.

## Challenges and opportunities

PostNord welcomes people who can and want to take the Company forward. Gender, transgender identity or expression, ethnicity, religion or other faith, disability, sexual orientation and age are immaterial. Respect and equal rights, obligations and opportunities are basic principles in how we work.

An active focus on diversity and inclusion enables PostNord to take account of all the perspectives required to meet the various needs of customers, and to develop and strengthen our business. When every employee feels that their opinions and abilities are appreciated and used to best effect, the person's job satisfaction and motivation increase and the working climate improved. PostNord's approach to diversity is set out in the Group's diversity policy.

Of PostNord's approximately 30,000 employees, one third are women and two thirds men. Around a fifth of employees are under 30 years of age and two-fifths over 50. We have a mix of backgrounds, cultures and languages.

## PostNord's commitment

According to PostNord's diversity policy, it is up to everyone in the Company to help bring about an inclusive and respectful work environment. The policy also sets out our responsibilities as employers, managers and leaders, and as employees. According to the policy, diversity should permeate all aspects of the employee process (see Diversity at all stages, below).

## Goals for inclusion

PostNord's commitment is to unleash the power of our diversity and our overall goal is to be an inclusive workplace. In more specific terms, our target is:

- Inclusion Index well above benchmark (>82)

For further information on the index and the outcomes for the year, see page 100.

## How we work

### Culture and leadership

We at PostNord are united in our mission to make everyday life easier and more sustainable for those who live and work in the Nordics. PostNord's desired culture is encapsulated in the acronym ABC: Accountable (take and demonstrate responsibility), Brave (proud and courageous), and Committed (motivated and enthusiastic).

### Diversity at all stages

**RECRUITMENT.** The needs of the business and the skills of the candidates determine who is recruited and promoted. We develop diversity by advertising all managerial and leadership positions internally, and in most cases also externally, and by holding qualification-based interviews. We also analyze the recruiting manager's team composition to identify opportunities to strengthen diversity. When recruiting managers, we aim to have both men and women among the final candidates.

## PostNord's culture

### Accountable: Take and demonstrate responsibility

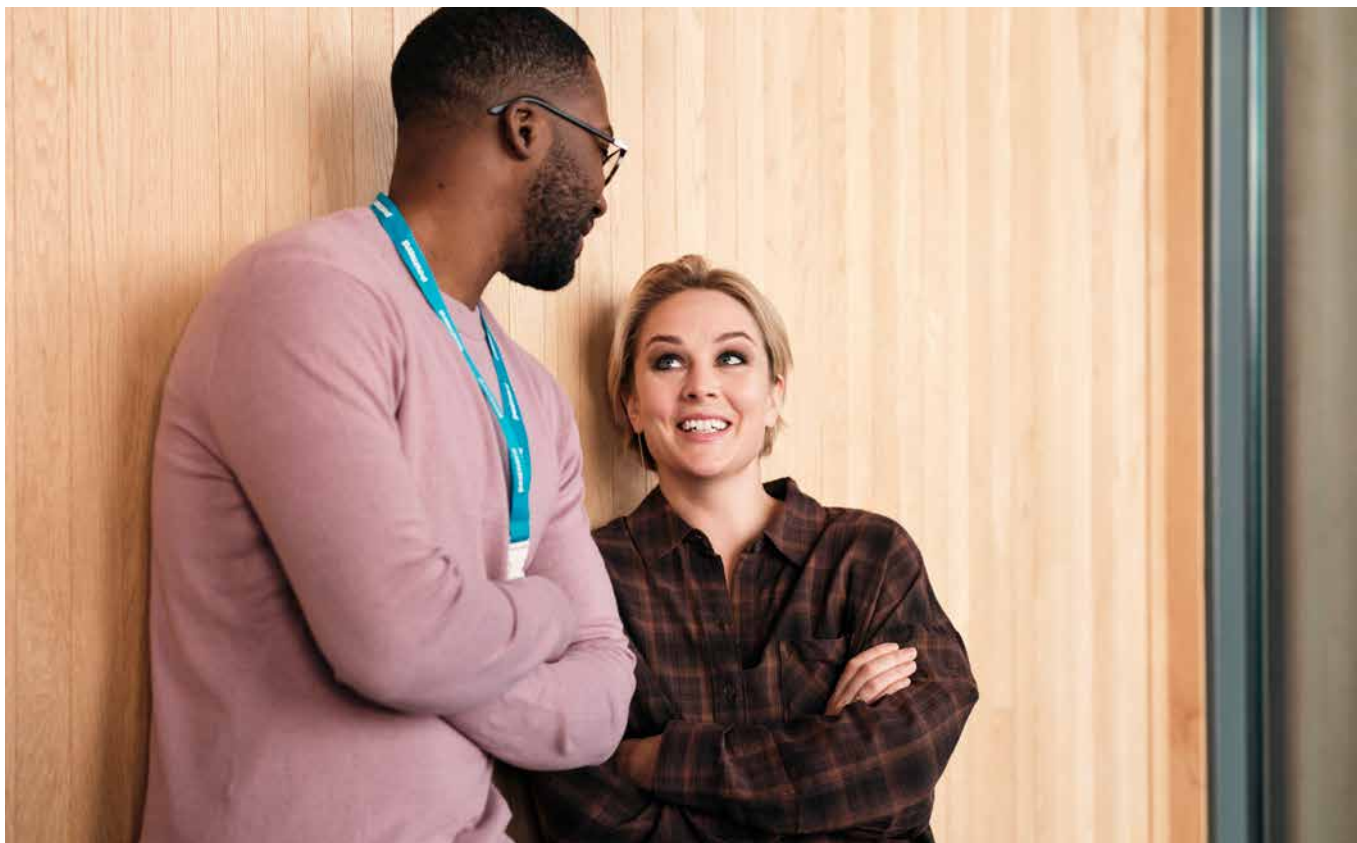
We are One PostNord – we see the bigger picture and do what is best for the group as a whole. We provide clarity and transparency and collaborate towards shared goals. We take ownership to continuously improve our business and systematically share best practices. We take action on sustainability, for our employees, our company and society at large.

### Brave: Proud and courageous

We prioritize boldly to focus on the things that matter the most. We act with integrity and reliability and trust each other. By challenging the current situation, we develop our employees and our business. We learn and grow together with our colleagues, both from our successes and our mistakes. We carry through on decisions made, even in difficult situations.

### Committed: Motivated and enthusiastic

With strong commitment, we lead a business that is in constant change, while always focusing on consumers and customers. We simplify and standardize relentlessly and take action to address the root cause of problems. By listening, pursuing development, and offering and asking each other for feedback, we create an inclusive workplace where our people can thrive.



**DEVELOPMENT AND SUCCESSION.** To enable everyone to develop and contribute to the business, every employee is offered an annual performance appraisal with their immediate manager. This process is coordinated with PostNord's succession planning. A number of development programs, including PostNord Professionals, are offered to promote employee skills development. Diversity is integral to PostNord's various talent and development programs for managers and specialists.

**PAY AND BENEFITS.** Pay and benefits are based on the employee's experience, skills, position and the relevant collective bargaining agreement. In each country of operation, pay surveys are conducted to ensure that pay is fair and non-discriminatory.

**FOLLOW-UP AND REPORTING.** PostNord's annual FOCUS employee survey is used, for example, to determine how we are living up to PostNord's values and aspiration to be an equal opportunity and inclusive workplace.

PostNord operates a zero tolerance policy on discrimination. A specific reporting channel is provided for those who have experienced and wish to report discrimination.

#### **Group-wide employee survey**

18,921 employees took part in this year's employee survey, a response rate of 84 percent (89).

As well as monitoring the goal of being an inclusive workplace, we are particularly interested in the following indicators:

- Satisfaction & Motivation Index, which provides an overview of employee engagement



- Immediate Manager index, which is key as people's perception of their immediate manager has a major impact on engagement.

Read more about the indicators on page 100.

Each team discusses its outcomes and develops a plan to build on strengths and address areas of weakness.

We also monitor the employee experience of PostNord, relative to the customer experience. Results tend to go hand in hand – when employees are happy, so are customers.

#### Group-wide program: PostNord Professionals

PostNord wants to develop a multifaceted workforce able to drive the major changes the Company is undergoing, and to inspire those around it to do the same. PostNord Professionals is an important piece of the puzzle here.

PostNord Professionals is a Group-wide annual program for specialists who can and want to rise to more senior roles within a few years. To be considered for the program, applicants need strong analytical skills, a willingness to learn from others and an ability to translate theory into practical solutions. Employees from diverse backgrounds are encouraged to apply. PostNord Professionals has been developing specialists, and PostNord, since 2014.

#### Key events in 2023

**CULTURE THAT SUPPORTS THE STRATEGY.** During the year, we reviewed PostNord's ABC culture. As part of this work, we broke every aspect of the culture down into behaviors and daily habits. Living PostNord's culture, and truly thinking and acting as a

market and cost leader, is crucial to the success of our strategy. We also developed effective tools to make it easy to start up conversations about culture in working groups and among colleagues.

**A BROADER LOOK AT INCLUSION.** During the year, we expanded the FOCUS survey to get a better view of perceptions of inclusion among employees at PostNord. The new questions deal with free expression of opinions, being yourself at work and equal opportunities for development. At an overall level, these questions received high scores (between 77 and 82 out of 100). As of 2024, the new questions will form part of the Inclusion Index, PostNord's indicator for inclusion.

# Risk and risk management

**Proactive, structured risk management will enable PostNord to achieve its goals. The overall purpose of risk management is to ensure that the risks that may affect the Group's strategy and goal fulfillment are identified and managed in an effective and systematic way that creates value.**

Risk management at PostNord is based on the Group's Enterprise Risk Management Policy, which is established by the Board of Directors. The Group works continuously to identify, evaluate, manage and monitor risks in the world around us and within the business. Risk management is an integral part of strategy work and business planning. Operational risk and related risk control activities are followed up continuously and reported back to the Group Leadership Team and Board of Directors. PostNord's Board of Directors and Group Leadership Team bear overall responsibility for ensuring that the Group's risks are managed appropriately, and appoint functions with responsibility for Group-wide risk control activities. Responsibility within country organizations, Group functions and subsidiaries lies with the relevant manager. The Group's risk management function is responsible for developing and establishing Group-wide procedures and methods for effective risk management, and provides support to the organization. On the next few pages, we describe the risks that PostNord considers most important to address.

PostNord's reporting based on TCFD is provided on pages 36–38. Additional descriptions of climate-related risks and opportunities are given, along with their main potential financial impacts.





# Strategic risks

## DESCRIPTION OF RISK

### Market conditions

PostNord is affected by new preferences in society regarding communication and e-commerce, with declining mail volumes and increasing parcel numbers. At the same time, demands for sustainability in relation to services and products are constantly increasing, in terms of both performance and data reporting. Read about the risk of changing consumption patterns on page 37, in the section on TCFD.

### General economy

External factors such as high energy and fuel prices, high inflation and rising interest rates affect the overall economic situation. This may affect PostNord in the form of reduced volumes and increased costs.

### Postal legislation

PostNord is tasked with providing the universal postal service in Sweden, and maintained the universal service obligation in Denmark until December 31, 2023. The terms of postal regulation affect the Group's competitiveness and its ability to perform the universal service obligation under reasonable financial conditions.

### Financing of the USO

The main report of the Postal Financing Inquiry on the future scope and financing of the universal postal service in Sweden is in preparation in the Government Offices of Sweden. To be able to operate a financially sustainable mail business, PostNord needs to know whether, and if so when, the changes proposed in the report of the Postal Financing Inquiry will be implemented. In Denmark, the Danish universal service obligation ceased at year-end 2023. By decision of the Danish Ministry of Transport, Post Danmark must handle mail for the visually impaired, postal services for small islands and international mail over a transitional period on a compensated basis.

### Conditions for a green transition

PostNord's goal of transitioning to fossil-free transportation and operations are subject, for example, to political decisions, technological development, access to capital and collaboration between participants in PostNord's value chain. Read about supply chain disruptions and their possible consequences on page 37, in the section on climate risk.

## RISK MANAGEMENT

### Market conditions

PostNord manages the changes in market conditions on an ongoing basis, via market research, customer insight analysis, dialog with customers and consumers, development of new services and constant development of the business. Sustainability issues are a central aspect of this work and one of the Group's priority areas.

### General economy

PostNord manages the risks associated with reduced e-commerce volumes through careful forecasting and work to increase flexibility in capacity. PostNord handles increased costs through fuel surcharges and general price increases.

### Postal legislation

PostNord manages regulatory risks through close monitoring and analysis of the world around us and through dialog with the relevant government agencies and political decision-makers to ensure reasonable conditions and expectations regarding mail delivery.

### Financing of the USO

In its consultation response, PostNord Sweden stated its desire for decisions on regulatory relief, in the form of revised regulatory requirements, to be taken as early as possible. This would delay the point in time at which the mail business can no longer be operated without State aid. As provider of the universal postal service in Sweden, PostNord is currently observing the requirements of the existing postal law. PostNord Denmark will be negatively affected financially by the new Postal Services Act. To meet the challenge of the new reality, PostNord Denmark is adapting its offering, organization and prices.

### Conditions for green transition

PostNord is working in a structured way on the green transition within the framework of the Group-wide Green by PostNord program. Transformation of the vehicle fleet is taking place in three phases: from fossil-based, via bio-based, to fossil-free energy. The three phases are running in parallel, as smaller vehicles on shorter routes are the quickest to convert while heavier vehicles on longer routes need more time. PostNord is also actively involved in collaborative initiatives to accelerate the transition to fossil-free transportation.

# Operating risks

## DESCRIPTION OF RISK

### Disruptions

Risk of disruption to critical supplies due to the unavailability of one or more of the resources on which the supply depends.

### Data breaches

Risk of data breaches or unauthorized access to data that could lead to extortion, disruption or leakage of personal data.

### Suppliers who do not comply with the Supplier Code of Conduct

Risk that a supplier or subcontractor violates human rights, underperforms in environmental work, offers poor working conditions or otherwise is in breach of PostNord's Code of Conduct for Suppliers.

### Work-related injuries

Risk of injury to employees, contracted personnel, subcontractors and consultants through accidents.

### Crime and theft

The risk that mail items handled by PostNord on behalf of its customers are stolen by external or internal perpetrators.

## RISK MANAGEMENT

### Disruptions

PostNord operates a Group-wide continuity program to ensure its preparedness for any disruptions in critical deliveries. All critical deliveries are analyzed annually and plans for restoring and maintaining them are established and tested.

### Data breaches

PostNord operates an Information Security Framework that comprises technical protection for applications and the IT infrastructure, training for employees and monitoring of IT providers.

### Suppliers who do not comply with the Supplier Code of Conduct

The PostNord Supplier Code of Conduct is a fundamental part of every procurement exercise, and compliance is monitored through self-assessment and on-site audits. Deviations are identified and managed via PostNord's systematic monitoring process, which includes self-assessment, on-site audits, action plans and follow-up.

### Work-related injuries

PostNord operates an active work environment policy, based on the relevant legislation in each country, with a focus on minimizing the risk of accidents in the workplace.

### Crime and theft

PostNord operates a Group-wide security standard in all its facilities. All suspected crimes are investigated in-house by the security organization, which also works closely with the police in each country.

# Financial risks

## DESCRIPTION OF RISK

### Currency

Risk of negative impact on income due to fluctuations in exchange rates.

### Interest

The risk of the Group's income and cash flow being negatively affected by changes in market interest rates.

### Credit

A credit risk arises (i) in sales to customers, in approval of advance payments to suppliers and in acceptance of guarantees, and (ii) within the Group's cash management and the use of derivative contracts.

### Refinancing

The Group is exposed to how the capital markets are functioning when maturing financing transactions need to be refinanced or if cash flow excluding financing activities turns negative, for example as a result of changes in the general economy, developments in the market or legal issues.

### Pension obligations

In-house pension liabilities are exposed to changes in a number of underlying factors and may have a negative impact on the Group's comprehensive income, equity, net debt ratio and cash flow.

## RISK MANAGEMENT

### Currency

The major share of invoicing, purchasing and wages/salaries is managed in the currency of the Group company concerned. Currency hedging is used primarily for cross-border communication and logistics services.

### Interest

The Group's policy is to limit earnings sensitivity to changes in market interest rates and to strive for an attractive cost of cost of capital. Interest rate sensitivity is controlled via a fixed-interest target for the Group's outstanding interest-bearing liabilities including derivative instruments.

### Credit

Credit risk relating to credit sales is managed by the country organization concerned and customers are subject to a credit assessment before the credit is granted for the first time, on the basis of information provided by credit rating companies. In the case of cash management and derivative contracts, only counterparties with at least an investment grade rating are used.

### Refinancing

The Group's policy on refinancing risk consists of maintaining, at any one time, financial preparedness, taking account of internal and external risks and seasonal variations. The Group's financial preparedness is represented by cash and cash equivalents, short-term liquid investments and unutilized committed credit lines.

### Pension obligations

Asset management risks are governed by the Group's Pension Policy, but also by the Pension Foundation's Joint Board, which is responsible for governance of the Foundation's activities and management. The Board's decision-making is supported, for example, by the Foundation's management organization and annual ALM analyses.



# Climate risks

The Task Force on Climate-related Financial Disclosures (TCFD) provides guidance for reporting on how organizations are affected by climate change and its impacts. The aim is better information provision, more accurate pricing of risk and well-informed decisions on capital allocation.

This section provides information on PostNord's governance, strategy and management of risks and opportunities related to climate change, in accordance with TCFD recommendations. Information on climate-related targets and outcomes is provided on pages 95–97.

## Management of climate-related risks and opportunities

PostNord's Board of Directors and Group Leadership Team bear overall responsibility for ensuring that risks and opportunities, including environmental, are managed appropriately, and identify functions responsible for Group-wide risk control activities. Read about the Group's risk management governance and processes on page 32.

Climate and other sustainability issues are on the Group Leadership Team's agenda several times a year. In 2023 matters such as transition among subcontractors and climate targets were discussed. A Sustainability Deep Dive is performed twice a year as part of the follow-up of the business plans.

The Group Sustainability Committee, chaired by the Group's Head of Sustainability, coordinates PostNord's sustainability work. The Sustainability Committee brings together both country organizations and centralized functions.

The Group's sustainability agenda is a key element in implementation of PostNord's business strategy. The sustainability agenda includes three commitments, with targets and key performance indicators. The climate commitment includes, for example, scientific climate targets, endorsed by the Science Based Targets initiative. The Group's climate commitment and climate transition

program, Green by PostNord, involves cross-functional teams across the Group. The program is overseen by an operational steering group, including representatives from the Group Leadership Team and the Group Sustainability function. The President and CEO sponsors Green by PostNord and in that way monitors ongoing transition plans and results.

## Strategy and financial planning

During 2022, scenario analysis was performed to identify physical and transition risks that are posed by climate change. In 2023, this work was validated and updated. Based on these risks, the financial impact on the Group was analyzed. The analysis included two scenarios assuming lower (RCP2.6, SSP1-2.6<sup>1</sup>) and higher (RCP6, SSP3-7.0<sup>2</sup>) temperature increases. The scenario analysis covered the Group's current markets in the Nordics and Germany.

The description of transition risks in the two scenarios is mainly based on policy documents and studies from national and European authorities. The description of physical risks is based on current climate science, including reports from the Intergovernmental Panel on Climate Change (IPCC). PostNord engaged external experts to analyze the impact of the risks on the value chain.

The table on the next page shows the risks and opportunities that are regarded as most material to PostNord, based on probability and financial impact<sup>3</sup>. The risks and opportunities have been assessed on the basis of the scenarios outlined above, and they are considered equal over the time horizons used.

<sup>1</sup> Equivalent to a temperature increase of about 0.8–1.6 degrees by 2040.

<sup>2</sup> Equivalent to a temperature increase of about 1.0–2.5 degrees by 2040.

<sup>3</sup> A risk or opportunity is deemed to have a high financial impact on PostNord if its effect on EBIT may be more than SEK 100 million. The probability is considered high if estimated at >25 percent. The overall risk/opportunity has been assessed in terms of both financial impact and probability.



## Climate-related risks and opportunities

**S** Short 2022–2025

**M** Medium 2025–2030

**L** Long 2030–2040

Transition risks include own and purchased transportation.

Physical risks include owned and leased properties in PostNord's Nordic operations.

	Type	Description	Main possible financial impact
Transition risks	Legislation	Changes in <b>climate-related policies and legal requirements</b> . <b>S M L</b>	Increased resource requirements and new investments, which may lead to increased costs. Tax changes, for example in carbon tax, affect financial planning.
		<b>Cities limit</b> the number of carriers allowed and/or set requirements for fossil-free transport. <b>S M L</b>	Costs of rapid vehicle fleet replacements and potential loss of revenue if requirements cannot be met.
	Technology	Uncertainties related to <b>new technologies</b> aimed at reducing climate impact. <b>S M L</b>	Failed technology-related investments require financial resources for new investments. This may make it more difficult to achieve the climate targets.
	Market	<b>Changes in patterns of consumption</b> that affect the transportation requirement, e.g. higher demand for locally produced products that may lead to less transportation. Read about PostNord's risk management in relation to market conditions and the economy on page 33. <b>S M L</b>	Reduced demand for PostNord's services, which may result in reduced revenues.
		<b>Increased demands from customers</b> regarding the climate performance of vehicles, for example. <b>S M L</b>	Loss of revenue if expectations and requirements are not met on time. Possible need for new investments if current investment strategy is not in line with future requirements.
		<b>Disruptions in the supply chain</b> that may lead to shortages of vehicle components or fuel, for example. Read about PostNord's risk management relating to availability of vehicles, biofuels and charging infrastructure on page 33. <b>S M L</b>	Delays in, and extra expense for, the transition to a fossil-free fleet, which may lead to reduced revenues.

	Type	Description	Main possible financial impact
Physical risks Acute	<b>Extreme rainfall and flooding</b>	Increased risk of <b>extreme rainfall and flooding</b> may damage property and assets, as well as critical infrastructure. <b>S M L</b>	Reduced flexibility and limited ability to deliver to customer. May lead to repair costs and may require resources for investment in temporary solutions. Insurance costs may also increase.
	<b>Storms</b>	<b>Increased frequency and intensity of storms</b> may damage property and assets, as well as critical infrastructure. <b>S M L</b>	Reduced flexibility and limited ability to deliver to customer. May lead to repair costs and may require resources for investment in temporary solutions. Insurance costs may also increase.
Physical risks Chronic	<b>Higher average temperature</b>	Long-term <b>temperature changes</b> may affect the prices of fuel and materials, as well as requirements for ventilation. <b>S M L</b>	Costs related to updating ventilation and cooling systems in PostNord buildings. Higher costs for operating the vehicle fleet.
	<b>Rising sea levels</b>	Rising <b>sea levels</b> may affect property and assets. <b>S M L</b>	Costs of relocating parts of operations and/or climate-proofing buildings.
Opportunities	<b>Resource efficiency Energy sources Resilience</b>	<b>Reduced use</b> of fossil fuels due to increased electrification and renewable fuels in the vehicle fleet, together with various efficiency measures to reduce climate impact. <b>S M L</b>	Lower and more stable operational costs thanks to reduced dependence on fossil fuels.
	<b>Products and services Market</b>	<b>Growth in market for circular business models</b> and hence an increased need for freight between different market participants. <b>S M L</b>	Increased revenues arising from new needs, increased demand and appropriate offerings from PostNord.
	<b>Energy sources Resilience</b>	Increased in-house <b>generation of renewable energy</b> . <b>S M L</b>	Reduced exposure to volatile energy costs and reduced dependence on external energy sources.
	<b>Resource efficiency Market</b>	<b>Cooperation with other market participants</b> to jointly identify solutions to reduce climate emissions. <b>S M L</b>	Lower cost through joint investments and shared resources, along with more resilient infrastructure.
	<b>Financing</b>	<b>Ambitious climate agenda</b> enables access to capital. <b>S M L</b>	Access to finance for sustainable development and transition is considered good.

The strategy process takes into account changes in PostNord's external environment and an assessment of the Group's ability to achieve strategic goals. The most significant opportunities and challenges are identified, analyzed in terms of potential and limitations, and prepared to enable the Board to decide whether to update or change the strategy. The risks and opportunities associated with climate change form part of this framework and have already had a major impact on PostNord's business strategy, with the lofty ambition of fossil-free transportation and operations by 2030. The risks and opportunities are commercially and financially driven, for example in the form of customers demanding fossil-free deliveries and a general risk to PostNord's reputation if the climate commitment is not achieved. Finally, PostNord sees opportunities in green financing, which can offer more favorable terms than traditional borrowing.

### Management of climate-related risks and opportunities

Climate change poses a risk to our industry and to PostNord. It may affect the business in the short, medium and long term, in terms of both physical and transition risks. Risk management is based on the Group's Enterprise Risk Management Policy, which has been adopted by the Group's Board of Directors. Read more on page 32.

Climate-related risks are integrated into PostNord's risk management and governance model. Pages 33–35 describe how the Group categorizes its most prominent risks and how PostNord's risk management and governance model is structured. Climate-related risks and opportunities are in this way taken into account in the development of strategies, budgets and business plans. The Group's climate transition forms a key element of the Group's business and investment planning. During the year, work on identifying PostNord's climate-related risks and opportunities in the short, medium and long term progressed. The work involved

both country organizations and centralized functions. At year-end, scenario analyses were performed to assess the risks and opportunities associated with both the transition to a low-emission economy and physical climate impact. As a result of this work, we are better able to understand and manage future risks and opportunities in creating a sustainable and resilient organization.

### Climate-related key performance indicators

These indicators are used to assess climate-related risks and opportunities in line with strategy and risk management. PostNord's primary indicators relate to the Group's climate targets and climate transition program. Read about PostNord's climate targets and greenhouse gas emissions on pages 23–25 and 95–97.





# Corporate Governance Report

Properly functioning corporate governance is one of the requirements for creating long-term value for owners and other stakeholders. This Corporate Governance Report has been prepared in accordance with the relevant sections of the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The Corporate Governance Report has been audited by the Company's external auditor.

## Ownership structure

PostNord AB (publ), corporate identity number 556771-2640 ("PostNord") is a Swedish public limited company that is owned 40 percent by the Danish State and 60 percent by the Swedish State. However, the votes at the General Assembly are equally divided (50/50) between the States. The Company is the Parent Company of the Group.

## Control and organizational structure

The main decision-making bodies at PostNord are the General Meeting (GM), the Board of Directors and the President and Group CEO, supported by the Group Leadership Team. The Board has also appointed a Deputy CEO. The owners nominate the Chair of the Board, Deputy Chair and other Board members, propose directors' fees and nominate the GM chair and an external auditor. The GM is the Company's highest decision-making body. The Board of Directors has overall responsibility for the organization and administration of the Company through continuous monitoring and control of the business. The Chair of the Board oversees the work of the Board. The Audit and Remuneration Committees assist the Board in its work. PostNord's President and Group CEO is responsible for and oversees the day-to-day management of the Group in accordance with the Board's guidelines and instructions. The President and Group CEO appoints the Group Leadership Team, which, in addition to the President/Group CEO, comprises the Heads of Group Finance/CFO, Legal and Staff Functions, IT/CIO, Nordic Strategy & Solutions, PostNord Sweden, PostNord Denmark and Deputy CEO, PostNord Norway, Head of PostNord Accelerate and PostNord International. The Head of PostNord

Finland reports directly to the CEO, but is not a member of the Group Leadership Team. The Company's external auditor is elected by the AGM and audits the Annual Report and Consolidated Financial Statements, as well as the management by the Board and the CEO, producing an auditor's report. The external auditor also reviews the Company's Sustainability Report and comments on the Statutory Sustainability Report. PostNord's internal audit function evaluates the Company's internal governance and control. The Group's operational structure follows the legal structure. As a key principle, the organizational structure and governance are based on the operational structure. The postal permits are linked country-wise to the legal entities in Denmark and Sweden (Post Danmark A/S, PostNord Group AB), which means that formal responsibility for the postal permits follows the legal structure. The managers responsible in country and Group functions must ensure that the Group fully meets the legal and regulatory requirements placed upon it.

## General Meeting of Shareholders

Under the provisions of the Swedish Companies Act, the General Meeting is the Company's ultimate decision-making body. At PostNord's Annual General Meeting (AGM), the Swedish Ministry of Finance and the Danish Ministry of Transport vote on behalf of the Swedish and Danish States, respectively. Each State nominates four Board members for the Company. The AGM appoints the Board and auditor, resolves on appropriation of the Company's earnings, votes on discharge of the Board and CEO from liability, and resolves upon other matters in accordance with legislation and the Company's Articles Of Association. The AGM must be held

no later than April 30, as required by the Swedish State's ownership policy. Notice of the AGM is sent by mail to shareholders and is advertised in the daily press, through the Annual and Sustainability Report and on the Group's website. Members of the Swedish and Danish parliaments and the general public are invited to attend and ask questions at the AGM.

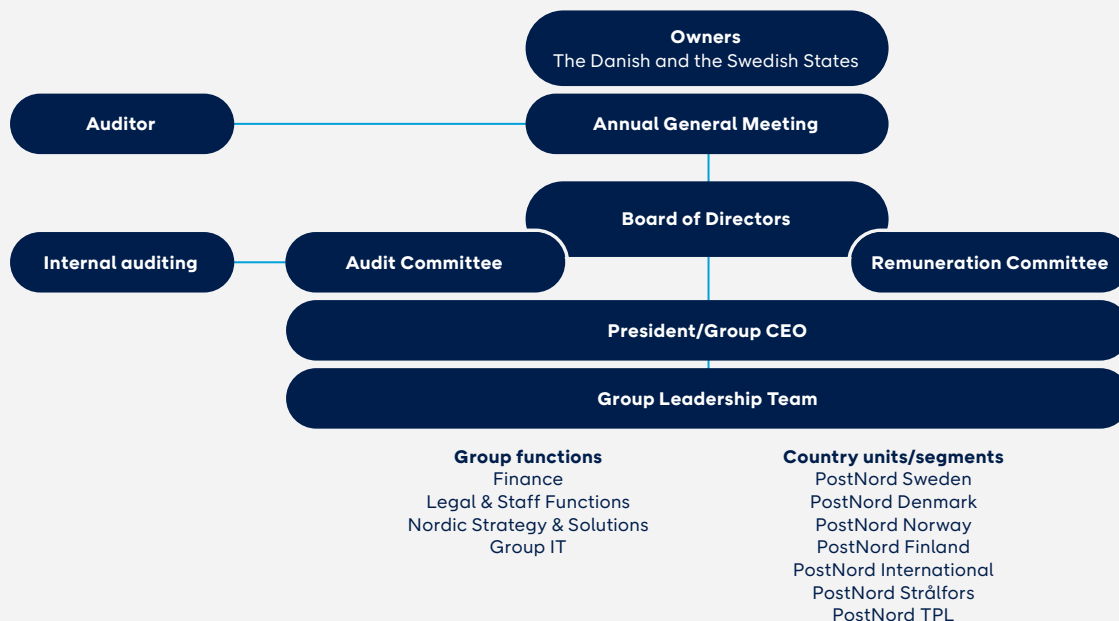
## 2023 Annual General Meeting

2023 AGM was held on April 25, 2023. The owners, the Swedish State and the Danish State, took part through their representatives. The meeting adopted the Group's and the Parent Company's income statements and balance sheets and voted to discharge the Board of Directors and the CEO from liability for the 2022 financial year. The meeting also adopted guidelines for remuneration to senior executives and remuneration to Board members and the auditor. Sonat Burman Olsson, Erik Sandstedt, Christian Frigast, Christian Jansson, Peder Lundquist, Hillevi Engström, Susanne Hundsbaek-Pedersen and Charlotte Strand were re-elected to the Board. Christian Jansson was re-elected Chair of the Board and Christian Frigast was re-elected Deputy Chair. Deloitte AB was elected auditor through the close of next year's AGM, with authorized public accountant Anneli Pihl as senior auditor. The complete minutes of the AGM are posted on [www.postnord.com](http://www.postnord.com)

## Extraordinary General Meeting

An Extraordinary General Meeting was held on August 21, 2023. The owners, the Swedish State and the Danish State, took part through their representatives. The meeting resolved to elect Jenny Lahrin and Anja Bach Eriksson as new members of the Board

### Control and organizational structure



of Directors for the period through the close of the next annual general meeting to replace Board members Erik Sandstedt and Charlotte Strand who made their seats available. Anja Bach Eriksson subsequently resigned from the Board as of October 24, 2023.

#### Annual General Meeting 2024

PostNord's 2024 AGM will be held on April 23.

#### Board's proposed guidelines for remuneration to senior executives

For the 2024 AGM, no changes are proposed in the remuneration principles and other terms and conditions of employment for the Group Leadership Team. The proposal is thus unchanged in that respect from the guidelines that the AGM voted on in 2023 and is summarized in Note 5.

#### Board of Directors

The Board of Directors exercises overall responsibility for the organization and management of the Company by regularly monitoring the business and ensuring that the organizational struc-

ture, management, guidelines and internal controls are adequate. The Board adopts strategies and targets and takes decisions on major investments, acquisitions and divestments of operations.

#### Composition of the Board

The Board of Directors is appointed by the AGM and shall, according to the Articles of Association, be composed of eight Board members and no deputies. The Board also includes three members elected by the employees, and their three deputies. The Swedish State's ownership policy states that no less than three persons of each gender shall serve on the Board if the Board consists of six to eight ordinary members. In 2023, the composition of members of the Board elected at the AGM was as follows.

#### The work of the Board

##### Work procedures

The Board of Directors adopts rules of procedure annually. These govern matters such as the Chair's duties, information to be provided to the Board of Directors and the respective responsibilities

of the President and Group CEO and Board members. There is no allocation of the work of the Board among Board members, other than that performed by the Audit and Remuneration Committees, both of which are appointed by the Board of Directors in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. The Chair of the Board is elected by the AGM, oversees the Board's work and is responsible for ensuring that such work is well-organized and carried out effectively. This includes regular monitoring of the Company's operations in dialog with the CEO and ensuring that other Board members receive the information and documentation necessary to ensure that the Board's discussions and decisions are of high quality. The Chair oversees evaluation of the work of the Board and the CEO. The Chair also represents the Company in issues of ownership. For example, the Chair must perform his/her duties in association with the Deputy Chair, who is also elected by the AGM, and must engage in dialog, for example, on management and agenda issues with the Deputy Chair prior to Board meetings. The Chair and Deputy Chair must also act together to achieve a constructive dialog with the Company's shareholders. The Deputy Chair shall act in the Chair's place in the event of the Chair's absence.

Date	Women	Men
01/01/2023–07/01/2023	4	4
07/02/2023–08/20/2023	3	3
08/21/2023–10/23/2023	5	3
10/24/2023–12/31/2023	4	3

#### Board meetings and issues in 2023

In 2023, the Board met on 18 occasions, including two statutory meetings and two *per capsulam* meetings. The CEO described the



**Board of Directors, attendance 2023**

Director	Board meetings	Audit Committee	Remuneration Committee
Christian W. Jansson	18/18	2/8	3/3
Christian Frigast	17/18		3/3
Susanne Hundsbæk-Pedersen	15/18		3/3
Erik Sandstedt <sup>1</sup>	4/18	4/8	
Jenny Lahrin <sup>2</sup>	9/18	3/8	
Sonat Burman Olsson	16/18	8/8	
Hillevi Engström	16/18		3/3
Charlotte Strand <sup>3</sup>	3/18	4/8	
Peder Lundquist	13/18	8/8	
Anja Bach Eriksson <sup>4,5</sup>	2/18	0/8	
Bo Fröström (E)	17/18		
Daniel Hansen (E)	18/18		
Sandra Svensk (E)	18/18		
<b>Deputy</b>			
Per-Arne Lundberg (Dep. E)	16/18		
Dzevad Ramic (Dep. E)	17/18		
Jess Sloth Hansen (Dep. E)	17/18		

<sup>1</sup> Resigned in July 2023<sup>2</sup> Elected to the Board at the Extraordinary General Meeting held in August 2023.<sup>3</sup> Resigned in July 2023<sup>4</sup> Elected to the Board at the Extraordinary General Meeting held in August 2023.<sup>5</sup> Resigned in July 2023

state of the business and the market situation at each meeting. The CFO reported on the Group's economic and financial position and performance. The Board also approved the Group's strategy, discussed the business plan and addressed reports regarding internal control and financial activities. The work of the Board during the year focused for the most part on the strategy and transformation programs, issues relating to business combinations, impact on the business from the prevailing fluctuations in the general economy, impact on the Group and the Danish business from the Danish government's proposal to amend the Danish Postal Services Act and transfer the task of providing a nationwide postal service to the market, and ongoing issues relating to the delivery obligation for the Swedish organization. The Company's auditor delivered an account of the year's auditing activities and these issues were discussed.

**Board committees****Audit Committee**

The Audit Committee is tasked with preparing the Board for its duties of supervising and assuring the quality of the Group's financial reporting. The Committee monitors the effectiveness of the Company's internal governance and control, as well as systems and processes for the risk management in financial reporting. The Committee's rules of procedure are subject to approval by the Board. The Audit Committee has no decision-making powers, other than for establishing the budget for internal auditing. The Committee also assists the owners in selecting an external auditor. The Committee shall regularly acquaint itself with the external auditor's reports and determine whether the auditors are performing their duties independently, objectively and in a cost-efficient way. The Audit Committee, in consultation with the Group Lead-

ership Team, is the instructing body for the internal audit and its monitoring of internal governance and control, and acquaints itself with internal audit reports. The Committee consists of no less than three Board members and meets at least four times per year. The Company's external auditor must attend any meetings at which the annual accounts, annual report and auditor's report are discussed, and also when required to give an assessment of the Group's financial position. The Chair of the Committee is responsible for regularly apprising the Board of the Committee's activities. Until July 1, 2023, the Committee's members were Charlotte Strand (Chair), Erik Sandstedt, Peder Lundquist and Sonat Burman Olsson. From August 21, 2023, the Committee's members have been Anja Bach Eriksson (Chair), Peder Lundquist, Sonat Burman Olsson and Jenny Lahrin. Since November 15, 2023, the Committee has consisted of Peder Lundquist (Chair), Sonat Burman Olsson, Jenny Lahrin and Christian Jansson. The Committee met a total of seven times. Topics discussed included the following:

- External auditors' reports on the end-of-period audits and internal control.
- Review of financing proposals and financing simulations.
- Review of finance policy.
- Monitoring of the Company's financial reporting and process, as well as recommendations and proposals for ensuring the reliability of the financial reporting.
- Monitoring of the financial control system in respect of the efficacy of the Company's internal controls, internal auditing and risk management.
- Auditing and monitoring of the impartiality and independence of the external auditors. Evaluation of external auditing.
- Proposals and recommendations for the AGM's resolution on election of auditors.



### Remuneration Committee

The Remuneration Committee is tasked with preparing and presenting proposals to the Board regarding remuneration and other terms of employment for the Group Leadership Team. The Remuneration Committee has no decision-making powers. The Remuneration Committee shall consist of no less than three members. The Committee is chaired by the Chair or Deputy Chair of the Board of Directors. The Committee shall meet no less than twice a year. The Chair of the Committee is responsible for regularly apprising the Board of the Committee's activities. In 2023, the Committee consisted of Christian Frigast (Chair), Christian Jansson, Susanne Hundsbæk-Pedersen and Hillevi Engström. The Committee met a total of three times. The topics discussed included the following:

- Remuneration and other conditions for senior executives.
- Drafting of proposed Guidelines for Remuneration to Senior Executives
- Pension provisions for senior executives.
- Remuneration for members of the Group Leadership Team.
- Evaluation of goal attainment and potential, together with succession planning for senior managers.
- Approval of the Remuneration Report.
- Preparation of proposals for a new Deputy CEO.

### Review of the work of the Board of Directors

In accordance with the Board's Rules of Procedure, the Board of Directors is required to ensure that its work is reviewed annually in a systematic and structured process in order to develop the work procedures and efficiency of both the Board and its members. Other areas to be reviewed include whether the Board is addressing the right issues, the integrity of supporting documentation

and how accurately decisions and discussions are recorded in the minutes. In 2023, the Company engaged an external consultant to undertake the review. The review took place in the form of questionnaires addressed to the Board and the President and Group CEO. The external consultant will present the findings of the review at the Board meeting in January 2024 and these will then be discussed by the Board. The Chair of the Board will also communicate the findings to the Company's owners at a meeting.

### Remuneration for the members of the Board of Directors

Remuneration for Board members was determined by the 2023 AGM. Remuneration agreed for the period through the next AGM is payable as follows: Elected Board members: SEK 324,000; Deputy Chair of the Board: SEK 542,000; Chair of the Board: SEK 726,000. Remuneration for work on the Audit Committee is payable at SEK 59,800 to members and SEK 76,000 to the Chair. Remuneration for work on the Remuneration Committee is payable at SEK 25,800 to members and SEK 38,600 to the Chair. Board and Committee member remuneration is not paid to members employed by the Government Offices of Sweden. Remuneration comprising the equivalent of one Swedish base amount (SEK 52,500) is payable to Swedish employee representatives and deputies who take part in Board meetings.

### Auditor

PostNord's 2023 AGM appointed Deloitte AB as the Company's auditors, with authorized public accountant Anneli Pihl as senior auditor. The auditors meet with the Board no less than once a year and also take part in all Audit Committee meetings. In 2023, the Board met with the auditor at one Board meeting. No member of the Group Leadership Team attended the meeting. The

Board members have thus had the opportunity to ask the auditor questions. See also Note 7 on remuneration and reimbursement of expenses to auditors.

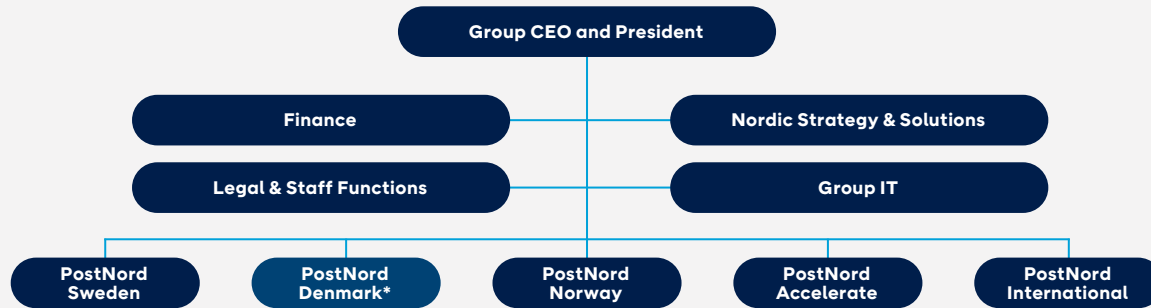
### President, Vice President, and Group Leadership Team

The Board of Directors is responsible for appointment and dismissal of the President and Group CEO and the Deputy CEO. The President appoints, and is assisted by, the Group Leadership Team. The President is responsible for day-to-day management of the Company in accordance with the Board's guidelines and directions. The relationship between the Board of Directors and the President is governed by the Board's Rules of Procedure and the Instructions to the President. The President is accountable to the Board for the day-to-day running of the business and is responsible for implementing the strategic direction set by the Board. Alongside the Board, the Group Leadership Team is the Group's decision-making body and is jointly responsible for ensuring that the Group's business performs in line with the strategic direction established by the Board of Directors. The President oversees the work of the Group Leadership Team. The Board evaluates the President's work on an ongoing basis by monitoring the business's progress toward set targets. A formal evaluation is performed once per year and is discussed with the President.

### Remuneration at PostNord

Decisions on terms of employment and remuneration for the President and Group CEO are taken by the Board of Directors. The Board addresses remuneration issues through the Remuneration Committee. Salaries and wages for PostNord employees shall be in line with the market. For further details on remuneration for senior executives, see Note 5 on employees, personnel expenses, and

### PostNord's control and organizational structure



\*And Vice President

remuneration for senior executives, as well as the Remuneration Report that will be presented at the 2024 AGM. Guidelines on remuneration for senior executives adopted by the 2023 AGM are reproduced in their entirety at [www.postnord.com](http://www.postnord.com) under Corporate Governance.

#### External and internal regulations

PostNord is governed by a number of external and internal regulations, including the following:

##### External regulations

- The Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.
- The Swedish State's ownership policy and guidelines for State-owned companies and the Danish State's ownership principles (Statens Ejerskabspolitik).
- NASDAQ Stockholm's regulations for issuers (PostNord observes the market rules for companies with interest-bearing instruments registered with Nasdaq Stockholm).
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards and the UN Global Compact.
- EU Taxonomy Regulation.

##### Postal regulations

The UPU Convention, the EU Postal Directive, plus national legislation and regulations in Sweden (e.g. the Swedish Postal Services Act and the Postal Ordinance) and Denmark (e.g. the Danish

Postal Services Act, the Post Danmark A/S Act and the Order on Conveyance by Post and Postal Services).

##### Internal rules and regulations

- The Articles of Association, the Board's rules of procedure (including Instruction to the President and Group CEO) and the Audit and Remuneration Committees' rules of procedure.
- Document hierarchy for the Group's governing documents, Code of Conduct, Supplier Code of Conduct and Group policies (see also pages 105–107).
- Delegated authority procedure for the Group.
- Operational governance PostNord.
- Framework for internal governance and control of financial reporting.
- Guidelines for determining terms of employment for senior executives.

##### Articles of Association

PostNord's Articles of Association govern, for example, where the Board of Directors is domiciled, the limits for the Company's capital stock and the Company's financial year. The Articles of Association do not contain any specific provisions as to appointment or discharge of Board members or as to amendment of the Articles of Association. Furthermore, the Articles of Association do not contain any restrictions as to how many votes each shareholder can cast at the AGM. The current Articles of Association are available on PostNord's website [www.postnord.com](http://www.postnord.com)

##### Deviations from the Swedish Corporate Governance Code

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

- Deviation from section 1.1 regarding publication on the Company's website of information on the time by which a request from a shareholder to have a matter discussed at the meeting must have been received in order to be included in the notice of meeting. The Company has only two shareholders, who are notified directly.
- Deviation from Chapter 2 regarding requirement for a nominating committee. PostNord does not have a nominating committee, as the nomination and appointment of Board members is performed in accordance with the principles agreed upon by the owners. Nominations are made via consultation between the owners. The references to the Nomination Committee in sections 1.2, 1.3, 4.6, 8.1 and 10.2, and the reference to the Nomination Committee Instructions in section 10.3 are therefore also not applicable.
- Deviation from section 4.5 regarding the requirement for Board members to be independent of the owners. The purpose of the rule is to protect minority owners. However, protection for minority owners is not relevant to the governance of PostNord. PostNord has only two owners and there is therefore no reason to account for the independence of the Board members.

## Directors' report on internal governance and control over financial reporting

### Organization

The Board of Directors is ultimately responsible for ensuring that the Company has an effective system of internal governance and control. The Board's rules of procedure define internal governance and control of financial reporting as a process through which the Board, the President and employees ensure beyond reasonable doubt that the financial reporting is reliable. The Audit Committee is tasked with preparing the Board for its duty of assuring the quality of the Company's financial reporting. The Committee monitors the effectiveness of the Company's internal governance and control, as well as systems and processes for the risk management of financial reporting. The work is undertaken via regular meetings with PostNord's management and external auditors and examination of accounting principles applied, and also at adoption of new accounting standards or valuation matters. The Group's operational structure differs from its legal structure. As a key principle, the organizational structure and governance are based on the operational structure. The organizational structure of the Group consists of the segments represented by the country organizations and a number of Group functions.

### Governing documents

PostNord's operational governance is based on the Group's set financial and non-financial goals. Details are available in a summary document, Operational Governance for the PostNord Group. This contains a description of the business and sets out rules, for example, for the internal allocation of responsibilities. The primary governing principles are management by objectives and decentralized profit center responsibility. All units in the Group comply with uniform accounting and reporting instructions. The Group's delegated authority procedure and other governing documents are intended to facilitate and ensure compliance with regulations. The delegated authority procedure is mandatory and governs the decision-making authority within the Group. The delegated authority procedure is based on the allocation of responsibilities, adopted by the Group Board of Directors in its rules of procedure, between Board of Directors and President/Group CEO. Its aim is, through delegation of authority, to ensure effective internal governance and control. The Group Board of Directors' rules of procedure define the matters that require decision by the Board of

Directors. The President's areas of authority comprise everything that, under the law or the Board's rules of procedure (or specific Board decisions) does not have to be decided by the Board. PostNord's principles of internal governance and control are based on the framework developed by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission.

### Risk assessment

Management and managers in Group functions are responsible for identifying and managing risks within their respective areas of responsibility. This is done as part of the Group's organization-wide risk management process and via regular business reviews in the Group's units. Risks associated with financial reporting are identified and evaluated along with other types of risks. Financial reporting risks are also addressed by the Audit Committee and the Board, which evaluate and monitor the management of these risks on a regular basis. See also the section on Risk and Risk Management on pages 32–35.

### Control activities

Governing documents and accounting and financial reporting processes are updated by the Group's Accounting and Control function in the event of changes to legislation, accounting rules, reporting requirements etc. The year-end accounting and reporting process includes controls regarding accounting principles, valuation and disclosure requirements. The control activities also include checks for compliance with decision-making and authorization rules, reconciliation, manual and programmed checks and the allocation of duties and responsibilities in processes and procedures. To a large extent, finance and payroll administration services are outsourced. Quality is ensured through the monitoring of internal control activities and reporting on compliance with agreed service levels and quality criteria. The Group's Accounting and Control function is responsible for consolidated reporting and consolidated year-end accounts. This responsibility includes analyses of the financial results of the segments (the country organizations) and Group functions.

### Information and communication

The Swedish State's ownership policy sets out the principles for external reporting that are applicable to State-owned companies. As PostNord has issued bonds that are listed on Nasdaq

Stockholm, the regulations governing listed companies apply. The Group's governing documents for financial reporting are continuously updated and published via the Group intranet and other channels. The Board and Audit Committee receive and review all quarterly reports and the Group's annual report and sustainability report before publication. Information for the Group's external stakeholders is disseminated through press releases and PostNord's website. The Group also provides financial reports direct to its Danish and Swedish owners.

### Follow-up

- PostNord's business activities are reported and evaluated monthly and measured against business objectives for the units with profit center responsibility. PostNord's financial situation is discussed at each Board meeting.
- Self-monitoring enables early detection and management of any risks and errors. The Board's independent audit and control function is conducted by the Group Internal Audit function, which is tasked with evaluating PostNord's processes for governance, risk identification and risk control.
- The Audit Committee receives regular reports from the Group's external and internal auditors and follows up to ensure that measures are taken on the basis of the auditors' observations and recommendations.
- The Group's companies and functions are evaluated annually with regard to internal governance and control of financial reporting. The evaluation also covers other Group-wide policies, including legal and Code of Conduct issues. Results are compiled by the Group's Accounting and Control function and presented to the Audit Committee. They are used to support the Group in its improvement program.

# Board of Directors



**Christian Jansson**

*Chair of the Board since 2018.*

- Member of the Remuneration Committee since 2018. Member of the Audit Committee since 2023.
- Born in 1949.
- B.Sc. Economics and Honorary Doctorate in economics from Lund University.
- Chair of the Board of Blodtrycksdoktor AB, Excillum AB, Meds Apotek AB and Xaga Surgical AB.
- Formerly CEO of Kappahl, Ellos and Europris. Formerly Chairman of the Board of Apoteket, Min Doktor and Svensk Handel.
- Own and closely related parties' holdings of PostNord bonds: 0.



**Christian Frigast**

*Deputy Chair since 2018.*

- Member of the Remuneration Committee since 2018 and Chair since 2020.
- Born in 1951.
- Master's degree in Political Science (Cand. Polit.).
- Chair of Axcel Management A/S, the think tank Axcelfuture, Danmarks Skibskredit Holding A/S, Aktive Ejere (Active Owners Denmark) and Bestyrelsesforeningen (The Board Leadership Society of Denmark). Deputy Chair of Pandora A/S and Axcel Advisory Board. Board member of Danmarks Skibskredit, EIFO (The Export and Investment Fund of Denmark), Nordsøfonden, CBS Executive Fonden, Nissens.
- Formerly Managing Partner of Axcel Management A/S, among other positions.
- Own and closely related parties' holdings of PostNord bonds: 0.



**Sonat Burman Olsson**

*Board member since 2018.*

- Member of the Audit Committee since 2018.
- Born in 1958.
- M.Sc. Economics from Paris and Executive MBA, Uppsala University. Studied Strategic Management at Oxford and Harvard.
- Board member of Lindab International AB, Lantmännen and Raizen S.A.
- Formerly Group CEO and President of Coop Sverige, Vice President and CFO of ICA Gruppen and VP, Global Marketing Strategies, Electrolux Group.
- Previous positions: Chair of the Board of Svensk Dagligvaruhandel and member of the Boards of Svensk Handel, ICC Sweden, Third Swedish National Pension Fund, iZettle AB and Nestle Corporation.
- Own and closely related parties' holdings of PostNord bonds: 0.



**Susanne Hundsbaek-Pedersen**

*Board member since 2020.*

- Member of the Remuneration Committee since 2020.
- Born in 1967.
- Dipl. Eng. Technical University of Denmark, Copenhagen; MBA IMD Business School.
- Global Head of Pharma Technical Operations (EVP), Hoffmann-La Roche AG, Switzerland.
- Formerly held various management positions at Novo Nordisk A/S, including responsibilities in Diabetes Finished Products Manufacturing, product supply and procurements, finance and IT; and other positions including head of logistics, Olicom A/S, and various technical roles at United Parcel Service.
- Own and closely related parties' holdings of PostNord bonds: 0.



**Peder Lundquist**

*Board member since 2017.*

- Member of the Audit Committee since 2017 and Chair since 2023.
- Born in 1970.
- M.Sc., Political Science.
- CEO, Chief Executive Officer of the Danish Export and Investment Fund, Member of the Board and Audit Committee, Evida.
- CEO, EKF (Denmark's Export and Investment Fund)
- Formerly Head of Division at the Ministry of Finance and the Ministry of Climate, Energy and Utilities in Denmark; Head of Department, Corporate and Budget Office, Ministry of Transport and work on economic issues at Denmark's EU Representative Office in Brussels.
- Own and closely related parties' holdings of PostNord bonds: 0.

# Board of Directors



## Hillevi Engström

Board member since 2022.

- Member of the Remuneration Committee since 2022.
- Born in 1963.
- Police inspector, courses in crisis preparedness for senior executives, Swedish Defence University and the Swedish Civil Contingencies Agency (MSB); course in change management at state level, Stockholm School of Economics; IRMA, mentoring program for female managers; separate courses in, for example, law and labor market knowledge.
- CEO of Trygghetsstiftelsen (Job Security Foundation) and member of the Board of Samhall Aktiebolag.
- Previous positions include Director of Södertörn Fire Brigade and Director of the Municipality of Upplands Väsby, member of the Board of DINA Försäkring AB, member of Sollentuna Municipal Council, Chair of the Board of Sollentunahem AB, Minister for International Development Cooperation, Minister for Employment, Member of the Swedish Parliament, National PVE (Prevention of Violent Extremism) Coordinator.
- Own and closely related parties' holdings of PostNord's bonds: 0.



## Jenny Lahrin

Board member since 2023.

- Member of the Audit Committee since 2023.
- Born in 1971.
- Bachelor's degree in Law from Uppsala University, an LLM from the University of Amsterdam and an EMBA from the Stockholm School of Economics.
- Member of the Board of SBAB Bank AB, V.S. VisitSweden AB, AB Göta kanalbolag, Saminvest AB. Deputy Director in the Government Offices of Sweden.
- Formerly held Board assignments in RISE Research Institutes of Sweden, Swedavia AB, SOS Alarm Sverige AB, Vattenfall AB, Apotek Produktion & Laboratorier AB and served as Chief Legal Counsel and member of the management team of Veolia Transport Northern Europe AB.
- Own and closely related parties' holdings of PostNord's bonds: 0.

## Employee representatives



## Theresia Dissel

Employee representative

- Appointed by ST.
- Board member since 2024.
- Born in 1963.
- Employed by PostNord since 1979.
- Own and closely related parties' holdings of PostNord bonds: 0.



## Daniel Hansen

Employee representative

- Appointed by SEKO.
- Board member since 2021.
- Deputy employee representative 2017–2019.
- Born in 1980.
- Employed by PostNord since 1999.
- Own and closely related parties' holdings of PostNord bonds: 0.



## Sandra Svensk

Employee representative

- Appointed by SEKO.
- Board member since 2017.
- Deputy 2015–2017.
- Born in 1977.
- Employed by PostNord since 1995.
- Own and closely related parties' holdings of PostNord bonds: 0.

## Employee representatives, deputies

### Jess Sloth Hansen

Employee representative

- Appointed by SEKO, represents 3F Post.
- Deputy employee representative since 2020.
- Born in 1963.
- Employed by PostNord since 1988.
- Own and closely related parties' holdings of PostNord bonds: 0.

### Per-Arne Lundberg

Employee representative

- Appointed by ST, represents SACO.
- Deputy employee representative since 2019.
- Born in 1956.
- Employed by PostNord since 2008.
- Own and closely related parties' holdings of PostNord bonds: 0.

### Dzevad Ramic

Employee representative

- Appointed by SEKO, represents 3F Post.
- Deputy employee representative since 2019.
- Born in 1975.
- Employed by PostNord since 2000.
- Own and closely related parties' holdings of PostNord bonds: 0.

# Group Leadership Team



## Annemarie Gardshol

*President and CEO of PostNord, Acting Head of PostNord Accelerate.*

- Roles at PostNord: Chief Strategy Officer (CSO) 2012-2014, Head of e-Commerce & Corporate Clients 2014-2015, CEO PostNord Strålfors 2015-2018, CEO PostNord Sweden 2018-2022, President and CEO PostNord since 2019, Acting Head of PostNord International 2023, and acting Head of PostNord Accelerate since 2023.
- Member of Group Leadership Team since 2012.
- Born in 1967.
- Master of Science in Engineering.
- Previous senior positions at Gambro and Management Consultant at McKinsey & Company.
- Board member of SCA AB and Essity AB.
- Own and closely related parties' holdings of PostNord bonds: 0.



## Kim Pedersen

*Deputy CEO of PostNord, CEO of PostNord Denmark and Head of PostNord International.*

- Roles at PostNord: Deputy CEO of PostNord, CEO of PostNord Denmark and Head of PostNord International since 2023.
- Member of Group Leadership Team since 2023.
- Born in 1965.
- Erasmus University, Stanford and IMD.
- Formerly Global Head of Sales and Marketing at A.P. Moller-Maersk; senior positions at Geodis Group; Bain External Advisor; Senior Advisor at Private Equity.
- Own and closely related parties' holdings of PostNord bonds: 0.



## Viktor Davidsson

*Chief Financial Officer (CFO).*

- Roles at PostNord: Chief Financial Officer (CFO) since 2020.
- Member of Group Leadership Team since 2020.
- Born in 1977.
- M. Eng. and MBA.
- Previous positions: CFO at MediaMarkt Iberia and CFO MediaMarkt Sweden; senior positions at Scandinavian Airlines and Management Consultant at BearingPoint.
- Own and closely related parties' holdings of PostNord's bonds: 0.



## Ylva Ekborn

*Acting CEO of PostNord Sweden.*

- Roles at PostNord: CEO PostNord Strålfors Sweden 2016-2022, CEO PostNord Strålfors Group 2018-2023, Head of PostNord Accelerate (TPL and Strålfors) since 2023, and Acting CEO PostNord Sweden since 2023.
- Member of Group Leadership Team since 2018.
- Born in 1975.
- B.Sc. Economics.
- Formerly held senior positions at Eniro and Tradera Ebay and as Management Consultant at McKinsey & Company.
- Board member of Huscompagniet AS.
- Own and closely related parties' holdings of PostNord's bonds: 0.



## Jörgen Hellberg

*Chief Information Officer (CIO).*

- Roles at PostNord: Chief Information Officer (CIO) since 2020.
- Member of Group Leadership Team since 2020.
- Born in 1969.
- Economics and Leadership.
- Previous positions: CIO and PMO Director Ellos Group, Solution Area Manager IKEA; several senior positions at Getinge, CIO NetOnNet, CIO Finnveden AB.
- Own and closely related parties' holdings of PostNord's bonds: 0.

# Group Leadership Team



**Kristina Lilja**

*General Counsel and Head of Legal & Staff Functions.*

- Roles at PostNord: General Counsel since 2015 and Head of Legal & Staff Functions since 2019.
- Member of Group Leadership Team since 2015.
- Born in 1967.
- Master of Laws.
- Previous positions: VP and Legal Counsel at Husqvarna, corporate lawyer/general counsel roles at Hi3G Access (3), IFS and Cybercom.
- Own and closely related parties' holdings of PostNord's bonds: 0.



**Robin Olsen**

*CEO of PostNord Norway*

- Roles at PostNord: Head of PostNord Logistics in Norway 2008-2014, and CEO of PostNord Norway since 2014.
- Member of Group Leadership Team since 2014.
- Born in 1970.
- Master of Engineering; Master of Management.
- Previously CEO of Tollpost Globe AS.
- Own and closely related parties' holdings of PostNord's bonds: 0.



**Anna van Bunningen**

*Head of Nordic Strategy & Solutions.*

- Roles at PostNord: Head of Nordic Strategy & Solutions since 2021.
- Member of Group Leadership Team since 2021.
- Born in 1967.
- Master of Engineering Physics, MBA, Ph.D. studies in the field of strategy.
- Formerly Director of Corporate Transformation, VP Business Development & Governance, Head of Strategy Development, Strategy Advisor and Senior Project Manager at Vattenfall, CFO at Remeo AB, Project Manager at Boston Consulting Group and Financial Analyst at Carnegie Investment Bank.
- Own and closely related parties' holdings of PostNord's bonds: 0.



# Financial statements





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# Group

## Income statement

SEKm	Note	2023	2022
	1, 2, 4		
Net sales		39,301	40,212
Other operating income		651	843
<b>Operating revenue</b>	3	<b>39,952</b>	<b>41,055</b>
Personnel expenses	5	-15,408	-16,093
Transportation expenses		-11,394	-12,465
Other expenses	6, 7	-9,692	-9,447
Depreciation and impairments	10, 11, 12	-4,023	-2,694
<b>Operating expenses</b>		<b>-40,517</b>	<b>-40,699</b>
<b>OPERATING INCOME</b>		<b>-564</b>	<b>357</b>
Financial income	8	279	58
Financial expenses	8	-307	-256
<b>Net financial items</b>		<b>-28</b>	<b>-198</b>
<b>Income before tax</b>		<b>-592</b>	<b>158</b>
Tax	9	-72	-181
<b>NET INCOME FOR THE YEAR</b>		<b>-664</b>	<b>-23</b>
<b>Attributable to</b>			
Parent Company's shareholders		-665	-25
Non-controlling interests		1	2
Earnings per share, basic and diluted, SEK	20	-0.33	-0.01

## Statement of comprehensive income

SEKm	2023	2022
<b>Net income for the year</b>	<b>-664</b>	<b>-23</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that cannot be transferred to net income</b>		
Revaluation of pension liabilities	-2,341	5,378
Change in deferred tax	480	-1,108
<b>Total</b>	<b>-1,862</b>	<b>4,270</b>
<b>Items that have been or may be transferred to net income for the year</b>		
Translation differences	-171	366
<b>Total</b>	<b>-171</b>	<b>366</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-2,033</b>	<b>4,636</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-2,697</b>	<b>4,613</b>
<b>Comprehensive income for the year attributable to</b>		
Parent Company's shareholders	-2,698	4,611
Non-controlling interests	1	2

**Statement of financial position**

SEKm	Note	Dec. 31, 2023	Dec. 31, 2022	SEKm	Note	Dec. 31, 2023	Dec. 31, 2022
	1, 2						
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
Goodwill	10	1,684	2,639	<b>Equity</b>			
Other non-current intangible assets	10	452	438	Capital stock		2,000	2,000
Property, plant and equipment	11	7,965	8,400	Other contributed equity		9,954	9,954
Right-of-use assets	12	6,079	6,329	Reserves		-1,402	-1,231
Participations in associated companies	13	158	154	Retained earnings		492	3,019
Financial investments	14, 27	248	264	<b>Total equity attributable to Parent Company's shareholders</b>		<b>11,044</b>	<b>13,742</b>
Non-current receivables	15, 22	2,022	4,160	<b>Non-controlling interests</b>		<b>1</b>	<b>2</b>
Deferred tax assets	16	221	261	<b>TOTAL EQUITY</b>		<b>11,045</b>	<b>13,744</b>
<b>Total non-current assets</b>		<b>18,828</b>	<b>22,645</b>	<b>LIABILITIES</b>			
Inventories	17	81	93	Non-current interest-bearing liabilities	21, 27, 29	2,274	1,892
Tax assets		309	356	Non-current lease liabilities	12	4,637	5,001
Trade receivables	27	5,105	5,481	Other non-current liabilities		64	71
Prepaid expenses and accrued income	18, 27	1,522	1,287	Other provisions	23	466	686
Other receivables		80	133	Deferred tax liabilities	16	852	1,317
Short-term investments	14	11	11	<b>Total non-current liabilities</b>		<b>8,293</b>	<b>8,968</b>
Cash and cash equivalents	19, 27	3,457	3,886	Current interest-bearing liabilities	21, 27, 29	870	874
<b>Total current assets</b>		<b>10,565</b>	<b>11,247</b>	Current lease liabilities	12	1,544	1,449
<b>TOTAL ASSETS</b>		<b>29,393</b>	<b>33,892</b>	Trade payables		2,981	3,383
				Tax liabilities		65	476
				Other current liabilities		1,070	1,026
				Accrued expenses and deferred income	24, 27	3,379	3,529
				Other provisions	23	146	444
				<b>Total current liabilities</b>		<b>10,055</b>	<b>11,180</b>
				<b>TOTAL LIABILITIES</b>		<b>18,348</b>	<b>20,148</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,393</b>	<b>33,892</b>

**Statement of cash flows**

SEKm	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Income before tax		-592	158
Adjustments for non-cash items	29	3,019	2,302
Income tax paid		-470	-75
<b>Cash flows from operating activities before change in working capital</b>		<b>1,957</b>	<b>2,384</b>
<b>Change in working capital</b>			
Increase (-)/Decrease (+) in inventories		11	-9
Increase (-)/Decrease (+) other current receivables		589	275
Increase (+)/decrease (-) in other current liabilities		-524	-1,004
<b>Total change in working capital</b>		<b>76</b>	<b>-738</b>
<b>Cash flow from operating activities</b>		<b>2,033</b>	<b>1,646</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	-1,117	-1,701
Divestment of property, plant and equipment		71	50
Acquisitions of non-current intangible assets	10	-186	-167
Acquisition of subsidiary, effect on cash and cash equivalents	30	-	-226
Sale of subsidiary, effect on cash and cash equivalents	30	23	-
Acquisitions of financial non-current assets		-	0
Disposals of financial non-current assets		2	7
<b>Cash flows from investing activities</b>		<b>-1,207</b>	<b>-2,037</b>

SEKm	Note	2023	2022
<b>FINANCING ACTIVITIES</b>			
New loans		1,200	-
Amortized loans		-819	-513
Amortized lease liabilities		-1,633	-1,466
Dividend paid		-2	-2
<b>Cash flows from financing activities</b>		<b>-1,254</b>	<b>-1,981</b>
<b>CASH FLOW FOR THE YEAR</b>			
Cash and cash equivalents at start of year		3,886	6,242
Translation difference in cash and cash equivalents		-1	15
<b>Cash and cash equivalents at year-end</b>	19	<b>3,457</b>	<b>3,886</b>



## Statement of changes in equity

2022, SEKm	Equity attributable to the Parent Company's shareholders					Total equity
	Capital stock	Other contributed equity	Translation reserve	Retained earnings	Non-controlling interests	
<b>Equity, opening balance</b>	2,000	9,954	-1,597	-1,226	2	9,133
<b>Comprehensive income for the year</b>						
Net income for the year	-	-	-	-25	2	-23
Total other comprehensive income	-	-	366	4,270	-	4,636
<b>Total comprehensive income for the year</b>	-	-	366	4,245	2	4,613
Dividend	-	-	-	-	-2	-2
<b>Equity, closing balance</b>	2,000	9,954	-1,231	3,019	2	13,744

2023, SEKm	Equity attributable to the Parent Company's shareholders					Total equity
	Capital stock	Other contributed equity	Translation reserve	Retained earnings	Non-controlling interests	
<b>Equity, opening balance</b>	2,000	9,954	-1,231	3,019	2	13,744
<b>Comprehensive income for the year</b>						
Net income for the year	-	-	-	-665	1	-664
Total other comprehensive income	-	-	-171	-1,862	-	-2,033
<b>Total comprehensive income for the year</b>	-	-	-171	-2,527	1	-2,697
Dividend	-	-	-	-	-2	-2
<b>Equity, closing balance</b>	2,000	9,954	-1,402	492	1	11,045

# Notes to the consolidated financial statements

## Note 1 Significant accounting principles

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### 1. Introduction

The consolidated accounts comprise PostNord AB and its subsidiaries, together with holdings in associated companies. The Parent Company is a Swedish public limited company with its registered office in Solna, Sweden.

### 2. Basis of preparation of the annual accounts

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and approved by the EU. In addition, the Swedish Financial Reporting Board's RFR, Supplementary Accounting Rules for Groups, was applied.

The Parent Company applies the same accounting principles as the Group, except in the cases indicated in the section Notes to Parent Company's financial statements, Note 1 Accounting principles. The differences between the Parent Company's and the Group's accounting principles result from limits on the Parent Company's implementation of IFRS under the Swedish Annual Accounts Act and the Swedish Act on Safeguarding of Pension Commitments, and in some cases with regard to tax considerations.

The accounting principles described below have been applied consistently to all periods presented in the consolidated financial statements. Assets and liabilities are recognized at historical cost, except for derivatives and certain financial assets, which are measured at fair value on an ongoing basis. A defined-benefit pension liability is recognized net at fair value of assets under management and the present value of the defined-benefit liability, adjusted to reflect the asset value limitation.

The reporting currency of the Parent Company and the Group is Swedish kronor, SEK. The financial statements are therefore presented in Swedish kronor. Unless otherwise stated, all amounts are rounded off to the nearest million Swedish kronor.

### 3. Amended accounting principles

#### 3.1 Changes in accounting principles arising from new or amended IFRS

Amendments to accounting policies, IAS 1 Presentation of Financial Statements, and IAS 12 Income Taxes, are applied by the Group from January 1, 2023. The amendment to IAS 1 replaces the previous requirement to disclose information regarding significant accounting policies with a requirement to disclose material information about accounting policies. In IAS 12, the IASB has introduced a temporary exemption from recognizing deferred taxes related to the Pillar Two (top-up tax for groups) regulations. PostNord applies this temporary exemption. Neither these, nor any other, amendments to IFRS applicable from January 1, 2023 have had any material effect on the Group's accounting.

#### 3.2 New IFRS not yet implemented

New and amended IFRS for early adoption in 2024 or later are not expected to have any material impact on the Group's accounting.

### 4. Operating segment reporting

An operating segment is part of a group that conducts business activity from which it can generate revenue and incur costs about which independent financial information is available and is subject to regular scrutiny by the Group's senior management. The Group's organization into segments is principally based on the companies' registered geographical domicile. The segment PostNord Strålfors, TPL and International is coordinated on the basis of the nature of the business.

### 5. Principles of consolidation and business combinations

The consolidated financial statements comprise the Parent Company and the subsidiaries over which the Parent Company, directly or indirectly, exercises a controlling interest. A controlling interest is defined as exercising control over the entity, having rights to variable returns from the entity and having the ability to affect those returns through power over the entity.

Acquisitions of subsidiaries are reported using the purchase method. Income from subsidiaries acquired during the year is included in the Group's income as of the day on which the subsidiary came under the Group's control. Income from subsidiaries disposed of during the financial year is included in the Group's income up until when the Group no longer exercises a controlling influence over the subsidiary. All intra-Group transactions, items in the statement of financial position, income and expenses are eliminated on consolidation.

### 6. Associated companies

Holdings in associated companies are recognized in the consolidated financial statements using the equity method. According to this method, the carrying amount for shares in the associated company corresponds to the Group's share in the Company's equity, goodwill and any other remaining fair value adjustments.

### 7. Foreign currency

Transactions in foreign currency in the Group's Swedish companies are translated into SEK at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated to SEK using the exchange rate at the end of the reporting period. Exchange rate differences arising in translation are recognized in income for the year. Non-monetary assets and liabilities recognized at historical cost are translated at the exchange rate at the time of the transaction. Assets and liabilities of foreign operations, including goodwill and other fair value adjustments, are translated to SEK using the exchange rate at the end of the reporting period.

Revenue and expenses of foreign operations are translated to SEK using an average rate approximating to the rates on each transaction date. Translation differences arising when the financial statements of foreign operations are translated are recognized in other comprehensive income and aggregated as a separate item in the translation reserve in equity, termed the translation reserve.

### 8. Revenue

Revenue is recognized in the income statement when control over a good or service is transferred to the customer.

**Services** PostNord's services consist of receiving/collecting, sorting and distributing/delivering mainly mail and parcels that our customers wish to send to recipients physically, and in the case of letters also digitally. PostNord's third-party logistics service is a one that spans an entire chain, in which we warehouse, pick, pack and distribute/deliver the customer's products to those who have ordered them from the customer. For certain services, PostNord provides insurance in association with insurance companies on an agency basis. The Group's customers also fall within the scope of other countries' postal administrations, where the administrations collaborate under contracts on sorting and

delivery of each other's international mail under the "terminal dues" system.

**Typical obligation** A high proportion of PostNord's agreements consist of multi-year framework agreements on services; however, such agreements do not represent any obligation on the part of the customer to use the agreement. Instead, every individual order is recognized as revenue when physical delivery is made to PostNord, or when a production order for digital services is received. PostNord has elected to classify its services into various portfolios, based on similarities in the services and the timing of revenue recognition. In third-party logistics, revenue is recognized when a production order initiated by the customer has been completed. A minor proportion of third-party logistics services are fulfilled over time. Revenue for services performed over time is recognized by determining the degree of completion. This is done mainly via reporting of the service performed and revenue is recognized as the work progresses.

**Classification of revenue** Revenue is classified according to whether it is received "at one point in time" or "over time". In the Group, the revenue received at a point in time accounts for the overwhelming share, 97 percent, and is generated from mail items and production orders for data processing. Service-derived revenue that is received over time represents around 3 percent of the Group's net sales. The revenue is measured at fair value, excluding value added tax and price and volume discounts, and with a reduction for refunds to customers in connection with freight guarantees, complaints and standardized charges for cases of damage/loss.

**Main terms and conditions of payment** Payment is made in three ways, credit, cash or prepayment (stamps, freight including packaging or preloaded amounts in franking machines). Credit and cash are recognized in the period in which the service is performed (item posted/handed in). Prepayments are recognized as income at sale and a prepaid income item (liability) is recognized for as-yet-unused stamps. See also section 17, Stamp liability. Discounts are provided at invoicing.

PostNord applies IFRS 15, p. 94 – additional expenses that are incurred in order to secure a contract are recognized as expense when incurred (within one year); and p. 121b – work performed and service provided, where the Group has a right to payment, are recognized as income.

External revenue has been adjusted to take account of anticipated payment and refers to repayments to customers in connection with freight guarantees and complaints, together with standardized charges for damage/loss.

### Revenue from sale of property

Revenue from sale of property is normally recognized on the date when possession is taken, unless control has passed to the buyer on an earlier occasion.

### State subsidies

In accordance with IAS 20, State subsidies are recognized in the statement of financial position and in the statement of comprehensive income when there is reasonable certainty that the company will satisfy

the conditions associated with the subsidies and that the subsidies will be received. State subsidies are recognized as other operating income over the same periods as the costs that the subsidies are intended to compensate for.

### 9. Financial income and expenses

Financial income and expenses consist of interest income on bank deposits, receivables and fixed-income securities, interest expenses on loans, dividend income, exchange rate differences, unrealized and realized gains and losses on financial investments and derivative instruments used within the Group's financing activities. The net interest expense arising from assumed interest on the pension obligation and assets under management is recognized in net financial items. In the case of the sickness insurance commitment, interest and return on assets under management, together with actuarial revaluations and experience adjustments calculated in accordance with IAS 19, are recognized under the heading Net financial items. Interest income on receivables and interest expense on liabilities are calculated using the effective interest method. The effective interest rate is the rate at which the present value of all future incoming and outgoing payments in the fixed-interest period equals the carrying amount for the receivable or liability. Interest income and interest expense includes accrued amounts for transaction costs and any discounts, premiums and other differences between the original carrying amount for the receivable or liability, and the amount settled when due.

Dividend income is recognized when the right to receive payment is confirmed.

### 10. Financial instruments

Financial instruments recognized in the statement of financial position on the assets side mostly consist of cash and cash equivalents, trade receivables, loan receivables and derivatives. Liabilities consist primarily of trade payables, debt instruments issued, loan liabilities and derivatives.

### Recognition in and derecognition from statement of financial position

Trade receivables and debt instruments issued are recognized when invoiced or at the time of issue. Other financial assets and financial liabilities are recognized in the statement of financial position when the company becomes party to the contractual provisions of the instrument.

A financial asset is derecognized from the statement of financial position when the rights in the agreement are realized or expire or the company loses control over them. A financial liability is derecognized from the statement of financial position when the obligation in the agreement is discharged or otherwise expires. Acquisitions and disposals of financial assets are recognized at the trade date, that is, the date on which the transaction is completed.

### Classification and measurement of financial assets and liabilities

At initial recognition, a financial asset is classified on the basis of the contractual cash flows of the instruments and the company's business

model. It is classified either as being measured at amortized cost, fair value via other comprehensive income – debt instrument investment, fair value via other comprehensive income – equity investment or fair value via income.

Other than trade receivables without a material financing component, financial assets are measured at initial recognition at fair value plus, in the case of financial instruments not measured at fair value via income, transaction costs that are directly attributable to the acquisition or issue. Trade receivables without a material financing component are measured at the transaction cost.

Subsequent measurement of financial assets:

The principal business model of the Group is to hold the asset as described in a), and for the asset to be measured at amortized cost.

a) A financial asset is to be measured at amortized cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial liabilities

Financial liabilities are classified at amortized cost, except for derivative liabilities and other additional liabilities that are accounted for under the fair value option. Any contingent consideration is recognized at fair value.

Non-current liabilities consist essentially of amounts that at the end of the accounting period PostNord has an unconditional right to opt to pay at a point more than twelve months after the end of the accounting period – or should a liability be held for trading, or should a liability be expected to be settled within the normal business cycle – the liability amount is recognized as a current liability.

The Group's financial liabilities are for the most part measured at amortized cost.

### Model for expected credit losses

According to IFRS 9, an impairment model for expected credit losses (ECL) is to be applied to financial assets that are measured at amortized cost, contractual assets and debt instruments that are measured at fair value via other comprehensive income. The impairment model is based on the likelihood of credit loss via the counterparty's external creditworthiness. In the case of PostNord's trade receivables, the calculation is based on factors including historical data: the longer the period, the greater the likelihood of credit loss. PostNord uses the simplified model for calculating credit losses and recognizes the estimated change in the credit loss under the heading of Other expenses.

### Financial risk management

Forward contracts are used to hedge assets and liabilities against foreign exchange risk. Any changes in value attributable to exchange rates are recognized via the income statement. To achieve income matching, hedge accounting is not necessary since the hedged item is



translated at the exchange rate at the end of the reporting period and the hedging instrument is measured at fair value, with any changes in value recognized via the income statement.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits immediately available at banks and similar institutions, together with short-term liquid investments, with a term of less than three months from the acquisition date, that are exposed to an insignificant risk for changes in value.

**Offsetting**

Financial assets and liabilities are to be offset and recognized in a net amount in the statement of financial position only when the Group has a legal right to offset the amounts recognized and has the intention of settling the amounts at the same time.

**11. Property, plant and equipment**

Property, plant and equipment at PostNord consists of buildings, machinery, equipment, construction in progress and advance payments. The PostNord Group recognizes these assets at historical cost less deductions for accumulated depreciation and any impairment losses. Historical cost includes the purchase price and costs directly attributable to the asset in order to bring the asset to a place and to a condition that it may be used as intended.

The result from sale or scrapping of property, plant and equipment is calculated as the difference between the value at sale and the carrying amount. Any resulting gain or loss is recognized in other income or in other expenses. Subsequent costs are added to the historical cost of an asset only if it is probable that the future economic benefits associated with the asset will accrue to the company and the historical cost can be measured reliably.

All other subsequent costs are recognized as an expense in the period when they occur.

**Depreciation principles**

Assets are depreciated on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

The Group applies component depreciation, which means that the estimated useful life for the separate components is the basis for depreciation.

**The following rates of depreciation are applied:**

Buildings, land improvements and improvements to leased properties	10–50 years
Interiors and installations in leased premises	5–10 years
Sorting equipment	5–10 years
Fleet	3–10 years
Computer equipment	3–7 years
Other machinery and equipment	5 years

Owner-occupied properties comprise a number of components with differing useful lives. The main classification is into buildings and land. The buildings consist of several components whose useful lives vary.

**The following main categories of components have been identified and serve as a basis for depreciation of buildings:**

Structure/roof	40–60 years
External cladding	30–40 years
Internal cladding	10–25 years
Electrical installations	40 years
Ventilation/cooling	15–25 years
Sewerage/water	40 years

Depreciation methods, residual values and useful lives are reviewed at every year-end.

**Impairments**

The carrying amounts for the Group's property, plant and equipment are tested at the end of each reporting period to determine whether any need for impairment is indicated. Any impairment is recognized as an expense in income for the year.

Impairment of assets is reversed if there is both an indication that impairment no longer exists and if there has been a change in the assumptions on which the calculation of impairment was based.

**12. Leased assets**

When a contract is entered into, PostNord determines whether the agreement consists of or includes a lease. A contract is a lease contract if the contract conveys the right to decide over the use of an identified asset for a specific period of time in exchange for payment. Modification for indexation adjustments is recognized as an increased asset and liability at the time the new charge becomes effective. As lessee, the Group recognizes a right-of-use asset that represents a right to use the underlying asset, and a lease liability that represents an obligation to pay lease charges from the date of commencement of the lease. The lease term has been determined as the non-cancellable lease term. Account has been taken of leases of material importance that include options for extension or cancellation, where it is reasonably certain that the options will be exercised. The right-of-use asset is amortized on a straight-line basis over the term of the lease.

The lease liability is divided into a current and non-current portion and is measured initially at the present value of the remaining lease charges, discounted using the marginal borrowing rate for the Group. A differentiated marginal borrowing interest rate has been calculated, taking into account geographical location, length of lease term, credit volumes and financial environment. The value of the lease liability is increased by the addition of the interest cost for the period concerned and is reduced by the lease payments. The interest cost is calculated as the value of the lease liability, multiplied by the discount rate.

The Group's leases identified in accordance with IFRS 16 relate for the most part to rent of premises. With regard to transportation and IT service leases, such leases are not deemed to fall within the scope of

IFRS 16, mainly on the basis that PostNord has no control over which underlying asset is used.

The standard is not applied to leases relating to intangible assets and non-lease components such as service components included in leases.

PostNord applies the provisions on transitional rules for short-term leases and low-value assets. As a result, leases with a term of less than 12 months and low-value leases (assets valued at less than around SEK 50 thousand in new condition) are not included in the calculation of right-of-use asset or lease liability, but instead continue to be recognized on a linear cost basis over the lease term. Examples of low-value assets include computers, printers and coffee machines.

**Sale and leaseback**

To determine whether a sale and leaseback transaction is to be recognized as a sale, the provisions of IFRS 15 are applied in order to decide whether a performance undertaking has been fulfilled. Where the transaction fulfills the requirements for a sale, the right-of-use arising from the leaseback transaction is measured as the proportion of the previously recognized value of the right-of-use that is retained by the Group. Only the gain or loss relating to the rights transferred to the buyer is recognized at the date of the transaction; any other gain or loss is accrued over the lease term.

**13. Non-current intangible assets**

Non-current intangible assets at PostNord consist of goodwill, capitalized development expenditures and other intangible non-current assets. The Group recognizes these at historical cost less deductions for any accumulated amortization and impairment losses. Intangible assets are recognized in the statement of financial position when:

- An identifiable non-monetary asset exists
- It is probable that the future economic benefits that may be attributed to the asset will flow to the Group
- The historical cost of the asset may be measured reliably

**Goodwill**

Goodwill represents the difference between the consideration transferred for the business combination and the fair value of identifiable assets acquired, liabilities assumed and contingent liabilities.

Goodwill is measured at historical cost less any accumulated impairment. Goodwill is allocated to cash-generating units, which are tested annually for impairment.

**Capitalized development expenditures**

Internally generated non-current intangible assets are recognized as capitalized development expenditures and consist in the main of system development.

The carrying amount includes directly attributable expenditure in connection with, for example, services and equipment. Other development costs are expensed in the income statement as they arise. Capitalized development expenditure is recognized in the statement of financial position at historical cost less accumulated depreciation and impairments.

### Other intangible assets

Other intangible assets comprise acquired brands, customer relationships, licenses and similar assets. Other intangible assets are recognized at historical cost less accumulated amortization, depreciation and impairments.

### Amortization principles

Amortization is recognized in the income statement on a straight-line basis through the estimated useful life of an intangible asset, unless this period is indeterminable. Goodwill and capitalized development processes that have not been completed are tested for impairment annually or as soon as there is an indication that the value of the asset has decreased.

Depreciable intangible assets are amortized from the date when they become available for use.

#### The estimated useful lives are as follows:

Capitalized expenditures for development processes completed	3–10 years
Customer relationships, licenses and other rights	3–10 years

### Impairments

The Group's recognized assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication is found, the recoverable amount for the asset is calculated.

The recoverable amount for goodwill and intangible assets not yet ready for use is assessed annually, and otherwise as indicated. An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Any impairment loss is charged to the income statement. An impairment loss on an asset attributable to a cash-generating unit is charged first to goodwill.

The recoverable amount is calculated as either fair value less selling costs or value in use, whichever is the higher. Calculation of the value in use is based on PostNord's estimates of future cash flows. When calculating the value in use, future cash flows are discounted using a discount factor that takes into account, for example, risk-free interest and the risk associated with the specific asset. Such estimates are based on the Group's business plan, supplemented by other relevant information.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there is both an indication that impairment no longer exists and there has been a change in the assumptions on which the calculation of recoverable value was based. An impairment loss is reversed only to the extent that, following the reversal, the carrying amount for the asset does not exceed the carrying amount that would have been recognized, less any depreciation, if no impairment had been recognized.

### 14. Inventories

Goods in inventory are measured at either cost or net realizable value, whichever is the lower. The historical cost is calculated using the first-in, first-out (FIFO) principle.

### 15. Equity

The translation reserve includes all exchange rate differences arising in translation of financial statements from foreign businesses that have prepared their financial statements in a currency other than the one in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

### 16. Employee benefits

#### Short-term benefits

Personnel expenses are recognized in the period in which the work is performed. Changes in holiday and salary liabilities are recognized on an ongoing basis in pace with the employee's earning of right to benefit.

#### Post-termination benefits

The Group's pension commitments consist partly of defined-benefit plans with an agreed promise of a future pension level based primarily on the person's final salary, and partly of defined-contribution plans in which insurance premiums are paid to an external party and the employee bears the risk regarding the future pension level. The defined-benefit plans consist for the most part of an ITP (occupational pension) plan adapted for PostNord in Sweden, and a smaller plan in Norway. PostNord also has obligations in sickness and family pensions. The family pension obligation is classified as a defined-benefit post-employment commitment while the disability pension is classified under Other long-term employee benefits.

Calculations are performed for all defined-benefit plans using the projected unit credit method, in order to establish the present value of commitments regarding benefits for present and previous employees. Actuarial calculations are conducted annually on the basis of actuarial assumptions, which are determined annually at the closing of the year-end accounts. Assumptions are made for inflation, changes in income base amounts, personnel turnover, discount rate, return on investments and life expectancy. The carrying amount for pensions and similar commitments is calculated as the present value of the commitments at the end of the period, less the fair value of assets under management, including special payroll tax.

The cost of vesting is recognized as a personnel cost. The net interest expense arising from assumed interest on the pension obligation and assets under management is recognized in net financial items. Remeasurement of the net obligation, consisting of actuarial gains and losses on the pension obligation, together with the difference between the actual and expected return on assets under management, is recognized in other comprehensive income, except for sickness insurance, which is fully recognized in net financial income in net income for the year.

The Group's net commitment consists of the present value of the estimated pension commitments, less the fair value of the assets under management. If the value of the commitment exceeds the value of the assets under management, a pension liability is recognized. When the assets under management exceed liabilities, a long-term receivable is recognized.

Post-employment benefits may also be recognized as a provision depending on their nature, see the section on provisions. In the case of family pension and sickness insurance contracted with SPP, recognition of an asset is limited in view of certain restrictions (the "asset ceiling") as to the scope for using the surplus in the form of premium discounts and/or refunds.

The pension expense and pension provision established for Swedish plans deviate from amounts calculated in accordance with IFRS, compared to what is recognized within the legal entity concerned. As regards pensions and similar benefits financed via defined-contribution plans or via insurance, expenses equal to PostNord's annual contributions in respect of the plans are recognized.

#### Termination benefits

A cost for benefits in connection with termination of employment is recognized at the earliest point in time when the company can no longer withdraw its offer to the employees. In cases where PostNord gives notice of termination of employment, a detailed plan is drawn up specifying at least workplace, positions and estimated number of employees affected, as well as type of benefits and amounts for each personnel category or position, and the time at which the plan is intended to be carried out.

### 17. Postage stamp liability

PostNord's postage stamp liability is calculated for stamps sold but not used. Measurement of the liability for companies and service points is based on average monthly sales for the January–November period. For November, sales of Christmas stamps are eliminated and recognized separately on an accruals basis. The stamp liability is recognized as an interim liability.

### 18. Provisions

A provision differs from other liabilities in that it is subject to uncertainty as to the time of payment and the size of the amount required to settle the provision. A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of an event that has occurred, and it is likely that an outflow of funds will be required to settle the commitment and the amount can be reliably calculated.

A provision for transformation is recognized when there is an agreed detailed and formal transformation plan and the transformation has either already begun or has been officially announced. No provision is made for future operating costs.

## 19. Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized in Other comprehensive income or directly in equity, in which case the associated tax effect is also recognized in Other comprehensive income or in equity. Current tax is tax that is calculated on the basis of the current year's taxable income and that is to be paid or received for the current year, on the basis of the tax rates enacted or in practice enacted at the end of the reporting period. This also includes adjustments to current tax for previous periods.

Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the recognized and taxable values of assets and liabilities. The amounts are calculated on the basis of how the temporary differences are expected to be evened out using the tax rates and regulations enacted or announced at the end of the reporting period. Temporary differences are not included in goodwill on consolidation. In the consolidated accounts, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognized only to the extent it is probable that these will result in lower tax payments in the future.

Such probability is judged on the basis of PostNord's business plan and operational plans.

## 20. Related party transactions

Information from the Company on transactions with Swedish State and the Danish State has been restricted to relationships that are not of a commercial nature, as a result of which related party transactions consist of special assignments from the State and licenses from public authorities.

## Note 2 Significant assessments and estimates

When preparing the financial statements, management has made assessments and estimates that affect the Group's reporting. These assessments and estimates are based on what was known at the time the accounts were presented, as well as on historic experience and the assumptions that management considers reasonable in the given circumstances. The conclusions that management has drawn form the basis of the carrying amounts. Actual outcomes, assessments and estimates in future financial statements over the year ahead may deviate from those contained in this report as a result of changes in external circumstances and recently gained experience. The assessments and estimates that are most significant to PostNord were made in the following areas:

### State compensation

The December 2020 agreement with the Danish State for the January–August 2021 period, the August 2021 agreement for the September 2021–December 2022 period and the December 2022 agreement for the January 2022–December 2023 period are subject to approval by the European Commission.

On December 31, 2023, approval had not been obtained and thus the compensation has not been received. Compensation for the universal service obligation from the Danish State has been recognized in 2023 in the amount of SEK 231 million (187). The assessment has been made in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The claim on the Danish State for compensation for the universal service obligation in the period January 2021 to December 2023 amounted to SEK 689 million (471) on December 31, 2023.

### Intangible assets and property, plant and equipment

Assumptions are made about future conditions in order to calculate future cash flows that will determine the recoverable value of goodwill, other intangible assets and property, plant and equipment. See also Notes 10 and 11.

### Sensitivity analysis

The sensitivity in the calculations made for the other cash-generating units in PostNord indicates that the goodwill value could be sustained in the event of reasonably anticipated changes to important assumptions except for the cash-generating units as follows. A review of the carrying amount attributable to the cash-generating unit in PostNord Norway, in response to a deterioration in macroeconomic conditions and a higher

cost of capital resulted in a goodwill impairment in 2023. The sensitivity in the calculations for the cash-generating unit, after impairment, indicates that the carrying amounts could not be sustained if the long-term operating margin decreased by 1 percent or if the discount rate increased by 2 percent, relative to the discount rate after tax or the operating margin used for calculation of the value in use.

On January 1, 2024, the Danish universal service obligation ceased. PostNord Denmark will be negatively affected financially by the new Postal Services Act. Impairment testing of the cash-generating unit PostNord Denmark revealed that the recoverable amount was lower than the carrying amount and an impairment requirement arose. The impairments have been allocated to property, plant and equipment. The sensitivity in the calculations for the cash-generating unit, after impairment, indicates that the carrying amounts could not be sustained if the long-term operating margin decreased by 0.5 percent or if the discount rate increased by 0.5 percent, relative to the discount rate after tax or the operating margin used for calculation of the value in use.

### Deferred tax assets

Tax assets consisting of loss carry-forwards have been measured on the basis of business plans and estimates of future taxable income for which tax loss carry-forwards may be used. See also Note 16.

### Pension obligations

In making the actuarial calculation for PostNord's pension obligations, a number of assessments are made to establish reasonable assumptions. The most significant of these are assumptions about discount rate, future rate of return on assets under management, pay trends and inflation. Changes in assumptions due to altered external factors affect PostNord's operating income, net financial items and other comprehensive income, as well as financial receivables and pension liability recognized in the statement of financial position. Changes in assumptions also affect the forecast cost for the year ahead. See also Notes 15 and 22.

### Provisions for transitional regulations

As a consequence of the Company's corporatization in Sweden in 1994, PostNord assumed an obligation (under special transitional regulations) such that personnel in certain categories of the workforce may choose to retire early at the age of 60 or 63 years. Provision in the statement of financial position is calculated on the basis of previous experience of the proportion of persons who have elected to exercise their right to early retirement under these provisions. Take-up of rights under the transitional regulations has been stable in recent years and PostNord has assumed that take-up will remain at an average of 60 percent (60). See also Notes 22 and 23.

## Note 3 Revenue

### Revenue

SEKm	2023	2022
External net sales	39,301	40,212
Other operating income	651	843
<b>Total revenue</b>	<b>39,952</b>	<b>41,055</b>

### Revenue from contracts with customers

External net sales <sup>1</sup> , SEKm	Communication Services		eCommerce & Logistics	
	2023	2022	2023	2022
<b>Operating segments</b>				
PostNord Sweden	8,140	8,563	10,703	10,426
PostNord Denmark	2,457	2,519	4,576	4,371
PostNord Norway	97	79	3,917	4,297
PostNord Finland	–	–	1,116	1,059
PostNord Strålfors	1,999	1,833	–	–
PostNord TPL	–	–	2,751	3,369
PostNord International	–	–	3,562	3,713
PostNord Other	–	–	–16	–17
<b>Total</b>	<b>12,693</b>	<b>12,994</b>	<b>26,609</b>	<b>27,220</b>
Timing for revenue recognition				
At one point in time	11,902	12,526	25,896	26,507
Over time	791	468	713	713
<b>Total</b>	<b>12,693</b>	<b>12,994</b>	<b>26,609</b>	<b>27,220</b>

<sup>1</sup> On April 1, 2023, PostNord changed the way its segments are classified. All figures presented for comparison have been restated in accordance with the new segment classification.

The table above shows PostNord's external net sales by service category (business area) and point in time for revenue recognition.

PostNord's revenue is mostly recognized at one point in time. The main items in revenue recognition over time are third-party logistics, subscription services and mail services. Revenue recognized over time is attributable to the Sweden and Denmark segments. The services in e-Commerce & Logistics consist of logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, groupage cargo, pallet goods and bulk logistics (part loads), as well as third-party logistics. Communication Services consist of services in business and market communications, newspaper distribution and postal service for private individuals.

Other operating income, SEKm	2023	2022
Rental income	6	19
Contributions received <sup>1</sup>	253	254
Capital gains, subsidiaries	0	–
Capital gains, buildings	11	17
Capital gains, machinery and equipment	40	15
Exchange rate gains	239	384
Share in earnings by associated companies	8	15
Other	94	139
<b>Total</b>	<b>651</b>	<b>843</b>

<sup>1</sup> Contributions received comprise compensation of SEK 231 million (187) from the Danish State. See Note 28 Related party transactions.

### Contract balances

SEKm	Dec. 31, 2023	Dec. 31, 2022
Contract assets	851	1,015
Contract liabilities, reported as Other current liabilities and Accrued expenses and deferred income	709	707

Contract assets consist of partly of terminal fees, reported as accrued income, and partly of contractual future income via contracts with customers. Contract assets on January 1, 2023 were recognized during 2023 as revenue of SEK 453 million (616). This revenue is reported as revenue received over time. Revenue from terminal fees was recognized in the amount of SEK 289 million (287).

Contract liabilities, performance undertakings not yet fulfilled, consist of stamps sold by PostNord but not used, and franking liabilities to customers. Revenue included in the contract liability balance at the start of the period was recognized at SEK 707 million (712). The item consists of stamps and franking.

Outstanding performance undertakings, contract liabilities, consist of stamp and franking liabilities of SEK 709 million (707) and fall due in their entirety in the financial year ahead.

## Note 4 Segment reporting

The Group's organization into segments is principally based on the companies' registered geographical domicile. The PostNord Strålfors segment is coordinated on the basis of the nature of the business. Market pricing is applied to legal transactions between PostNord's segments.

The operating segments reflect the Group's operational structure. On April 1, 2023, PostNord changed the way its segments are classified. All figures presented for comparison have been restated in accordance with the new segment classification.

**PostNord Sweden** operates in mail, logistics and e-commerce in the Swedish market.

**PostNord Denmark** operates in mail, logistics and e-commerce in the Danish market.

**PostNord Norway and PostNord Finland** operate in mail, logistics and e-commerce in the Norwegian and Finnish markets, respectively.

**PostNord Strålfors** operates in information logistics. The company develops and offers communications solutions for companies with large customer bases.

**PostNord TPL** operates in third-party logistics in Sweden and Denmark, offering logistics solutions all the way from producer to consumer.

**PostNord International** consists of Direct Link and PostNord's e-commerce and logistics business in Germany. Direct Link operates in global distribution of marketing communications and lightweight goods, mainly for e-retailers. The business is conducted in the USA, the UK, Germany, Poland, Singapore, China, Hong Kong and Australia. Operations in Australia are being wound down.

The **Other** segment consists of Group-wide services and corporate functions including the Parent Company and Group adjustments. Group adjustments consist of IFRS measurement for pensions under IAS 19 Employee Benefits, and leasing under IAS 16 Lease Agreements. An operational allocation of the cost of earning defined-benefit pensions is made between Other and PostNord Sweden so that each segment carries its share of the earned entitlement.

**Eliminations** consists of the elimination of internal transactions.

2023 Jan.–Dec., SEKm	PostNord Sweden	PostNord Denmark	PostNord Norway	PostNord Finland	PostNord Strålfors	PostNord TPL	PostNord International	Other	Eliminations	Adjusted total, Group	Items affecting comparability <sup>1</sup>	Group
Net sales, external	18,843	7,032	4,014	1,116	1,999	2,751	3,562	-16		39,301	-	39,301
Net sales, internal	2,319	1,253	853	488	202	22	13	0	-5,151	-	-	-
<b>Total net sales</b>	<b>21,162</b>	<b>8,285</b>	<b>4,868</b>	<b>1,604</b>	<b>2,201</b>	<b>2,773</b>	<b>3,575</b>	<b>-16</b>	<b>-5,151</b>	<b>39,301</b>	-	<b>39,301</b>
Other operating income, external	288	266	6	2	7	17	24	42		651	-	651
Other operating income, internal	143	6	6	5	6	9	27	2,747	-2,948	-	-	-
<b>Total operating income</b>	<b>21,593</b>	<b>8,557</b>	<b>4,879</b>	<b>1,611</b>	<b>2,215</b>	<b>2,799</b>	<b>3,625</b>	<b>2,773</b>	<b>-8,099</b>	<b>39,952</b>	-	<b>39,952</b>
Personnel expenses	-7,740	-3,788	-1,227	-225	-563	-970	-215	-696	27	-15,396	-12	-15,408
Transportation expenses	-4,517	-1,885	-3,013	-906	-665	-715	-838	175	970	-11,394	-	-11,394
Other expenses	-7,959	-2,716	-527	-472	-783	-991	-2,543	-801	7,100	-9,692	-	-9,692
Depreciation and impairments	-689	-194	-167	-33	-40	-70	-9	-1,768	0	-2,971	-1,052	-4,023
<b>Total operating expenses</b>	<b>-20,905</b>	<b>-8,583</b>	<b>-4,935</b>	<b>-1,636</b>	<b>-2,052</b>	<b>-2,745</b>	<b>-3,605</b>	<b>-3,091</b>	<b>8,099</b>	<b>-39,452</b>	<b>-1,064</b>	<b>-40,517</b>
<b>Adjusted operating income</b>	<b>688</b>	<b>-25</b>	<b>-56</b>	<b>-25</b>	<b>163</b>	<b>54</b>	<b>19</b>	<b>-318</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Items affecting comparability<sup>1</sup></b>	<b>-19</b>	<b>-143</b>	<b>-903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,064</b>	<b>-</b>	<b>-</b>
<b>OPERATING INCOME</b>	<b>669</b>	<b>-168</b>	<b>-958</b>	<b>-25</b>	<b>163</b>	<b>54</b>	<b>19</b>	<b>-318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-564</b>
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-28
<b>Income before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-592</b>
Tax	-	-	-	-	-	-	-	-	-	-	-	-72
<b>Net income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-664</b>

<sup>1</sup> See note 32 for specification of items affecting comparability.



Note 4 (cont.)

2022 Jan.–Dec., SEKm	PostNord Sweden	PostNord Denmark	PostNord Norway	PostNord Finland	PostNord Strålfors	PostNord TPL	PostNord International	Other	Eliminations	Adjusted total, Group	Items affecting comparability	Group
Net sales, external	18,989	6,890	4,376	1,059	1,833	3,369	3,713	-17	-	40,212	-	40,212
Net sales, internal	2,189	1,112	942	466	244	26	11	1	-4,991	-	-	-
<b>Total net sales</b>	<b>21,178</b>	<b>8,003</b>	<b>5,318</b>	<b>1,525</b>	<b>2,076</b>	<b>3,396</b>	<b>3,724</b>	<b>-16</b>	<b>-</b>	<b>40,212</b>	<b>-</b>	<b>40,212</b>
Other operating income, external	503	250	8	3	3	22	31	22	-	0	-	843
Other operating income, internal	172	7	5	4	5	6	4	-2,590	-2,794	-	-	-
<b>Total operating income</b>	<b>21,853</b>	<b>8,259</b>	<b>5,331</b>	<b>1,533</b>	<b>2,084</b>	<b>3,423</b>	<b>3,760</b>	<b>-2,596</b>	<b>-7,785</b>	<b>40,212</b>	<b>-</b>	<b>41,055</b>
Personnel expenses	-8,159	-3,841	-1,304	-210	-536	-951	-181	-625	22	-15,783	-309	-16,093
Transportation expenses	-4,621	-1,949	-3,351	-925	-570	-1,133	-944	162	866	-12,465	-	-12,465
Other expenses	-7,430	-2,516	-538	-420	-836	-1,162	-2,540	-900	6,897	-9,447	-	-9,447
Depreciation and impairments	-661	-170	-153	-20	-42	-67	-6	-1,573	-	-2,694	-	-2,694
<b>Total operating expenses</b>	<b>-20,871</b>	<b>-8,476</b>	<b>-5,347</b>	<b>-1,576</b>	<b>-1,984</b>	<b>-3,313</b>	<b>-3,671</b>	<b>-2,936</b>	<b>7,785</b>	<b>-40,389</b>	<b>-309</b>	<b>-40,699</b>
<b>Adjusted operating income</b>	<b>982</b>	<b>-215</b>	<b>-16</b>	<b>-43</b>	<b>100</b>	<b>110</b>	<b>89</b>	<b>-341</b>	<b>-</b>	<b>666</b>	<b>-</b>	<b>-</b>
<b>Items affecting comparability<sup>1</sup></b>	<b>-230</b>	<b>-71</b>	<b>-8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-309</b>	<b>-</b>	<b>-</b>
<b>OPERATING INCOME</b>	<b>752</b>	<b>-286</b>	<b>-24</b>	<b>-43</b>	<b>100</b>	<b>110</b>	<b>89</b>	<b>-341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357</b>
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-198
<b>Income before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158</b>
Tax	-	-	-	-	-	-	-	-	-	-	-	-181
<b>Net income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-23</b>

<sup>1</sup> See note 32 for specification of items affecting comparability.

Classification into geographical areas based on domicile of companies, SEKm	2023				2022			
	Revenue <sup>1</sup>	Total assets <sup>2</sup>	Non-current assets <sup>2</sup>	Investments, property, plant and equipment and intangible assets	Revenue <sup>1</sup>	Total assets <sup>2</sup>	Non-current assets <sup>2</sup>	Investments, property, plant and equipment and intangible assets
Sweden	22,480	13,340	5,916	996	23,438	16,020	6,276	1,258
Denmark	7,744	4,480	1,155	34	7,730	5,100	1,519	110
Norway	4,586	3,106	2,205	224	4,692	4,462	3,293	389
Finland	1,557	840	384	42	1,450	820	383	81
Other countries	3,586	1,746	505	8	3,744	1,354	79	29
<b>Total</b>	<b>39,952</b>	<b>23,514</b>	<b>10,165</b>	<b>1,303</b>	<b>41,055</b>	<b>27,755</b>	<b>11,552</b>	<b>1,868</b>

<sup>1</sup> The classification is based on the company's domicile, i.e. the location from where the invoice is issued.

<sup>2</sup> Total assets exclude right-of-use assets as defined in IFRS 16. Non-current assets consist of property, plant and equipment and intangible assets.

## Note 5 Employees, personnel expenses and executive remuneration

Average number of employees per country	2023				2022			
	Women	Men	Total	% Men	Women	Men	Total	% Men
Sweden	5,421	11,476	16,897	68	5,894	12,357	18,251	68
Denmark	1,889	3,623	5,512	66	2,095	4,066	6,161	66
Norway	190	1,289	1,479	87	216	1,368	1,584	86
Finland	121	262	383	68	131	266	397	67
Other countries	130	203	333	61	124	184	308	60
<b>Total</b>	<b>7,751</b>	<b>16,853</b>	<b>24,604</b>	<b>68</b>	<b>8,460</b>	<b>18,241</b>	<b>26,701</b>	<b>68</b>

Personnel expenses, SEKm	2023	2022
Salaries and other remuneration	11,722	12,308
Statutory social insurance costs	2,400	2,379
Pension expenses <sup>1</sup>	1,049	1,163
Other personnel expenses	237	241
<b>Total</b>	<b>15,408</b>	<b>16,093</b>

<sup>1</sup> Of the Group's pension expenses, SEK 4 million (4) pertains to current and earlier Presidents and Executive Vice Presidents. Obligations outstanding on behalf of these persons total SEK 153 million (151).

Gender representation among senior executives, %	Dec. 31, 2023		Dec. 31, 2022	
	% Women	% Men	% Women	% Men
Group Board of Directors	62	38	50	50
Group Leadership Team	50	50	44	56
Other Boards of Directors	39	61	35	65
Other senior executives	41	59	38	62

Salaries and other remunerations by geographical area based on the domicile of the companies, SEKm <sup>1</sup>	2023			2022		
	Presi-dents <sup>2</sup>	Other employees	Total	Presi-dents <sup>2</sup>	Other employees	Total
Sweden	31	6,668	6,698	24	7,157	7,181
Denmark	13	3,583	3,596	13	3,629	3,642
Norway	7	1,024	1,031	7	1,111	1,118
Finland	6	218	224	5	199	204
Other countries	17	157	174	6	157	164
<b>Total</b>	<b>74</b>	<b>11,648</b>	<b>11,722</b>	<b>55</b>	<b>12,254</b>	<b>12,309</b>

<sup>1</sup> No bonus was paid.

<sup>2</sup> The CEO column shows the salary and remuneration of all CEOs of the legal entities by geographical location.

### Benefits to senior executives

Pension provisions corresponding to no more than 30 percent of the executive's monthly salary are made on behalf of all senior executives in Sweden. Under the relevant contracts, the pensionable age is 65 years. In the case of senior executives employed in Denmark, the pension cost is included in the salary and the pensionable age complies with legislation in Denmark. In Norway, senior executives are subject to Norwegian labor law and the same pension conditions as for those otherwise employed. The pensionable age is 65 years.

The pension provision for the President is set at 30 percent of the person's monthly salary. The period of notice for the President and other senior executives is 6 months in the case of employment being terminated either by the employee or the employer.

### Summary of guidelines on remuneration to senior executives in the Group, adopted at the AGM held on April 25, 2023

The total remuneration for executives shall be balanced, competitive, capped, reasonable and fit-for-purpose, and shall be in keeping with sound ethics and a healthy corporate culture. The remuneration shall not be pay-setting relative to comparable enterprises, but shall be characterized by restraint.

Individual premium-based pension plans are contracted for the President & Group CEO and other senior executives of the Group who are employed in Sweden, with contributions not to exceed 30 percent of the fixed monthly salary. The required insurance policies are contracted within the scope of this premium. In the case of senior executives employed in Norway, fully premium-based pensions are applied. In 2022 and 2023, the Board approved a deviation from the remuneration guidelines via a decision to pay a pension provision of 14.8 percent per month for Deputy CEO Peter Kjær Jensen. This deviation ceased with the resignation of Peter Kjaer Jensen from his employment. The decision represented a deviation of 4.8 percent from what is stipulated by remuneration guidelines for senior executives employed in Denmark (10 percent per month). Pension expenses for Danish employees are included in, and recognized as, salary. No deviations have been made from the decision-making process required by the guidelines for determining the remuneration. Otherwise, the guidelines for remuneration in 2023 have been applied without deviation for senior executives employed by PostNord or other company in the PostNord Group. The pensionable age shall be in accordance with the guidelines and practices of the countries concerned, Denmark and Norway.

In new employment contracts, the period of notice where the employment is terminated by the employer shall not exceed six months. Where the contract is terminated by the executive, the period of notice shall be no more than six months. Where the employment is terminated by the employer, severance compensation may be paid in an amount corresponding to no more than 12 months' salary. If the employee takes up new employment or receives income from other business activities, the Company is entitled to reduce salary paid during the notice period and the severance compensation period. Variable salary is not paid and shall not be included as part of the employment contract of executives. See also the Corporate Governance Report, pages 41–42.

Note 5 (cont.)

Salaries and other remuneration to Group Leadership Team, SEKm	2023				2022			
	Salaries	Pension costs	Other benefits	Total	Salaries	Pension costs	Other benefits	Total
Annemarie Gardshol, President	11.2	3.3	0	14.5	10.8	3.1	0	13.9
<b>Total, President</b>	<b>11.2</b>	<b>3.3</b>	<b>0</b>	<b>14.5</b>	<b>10.8</b>	<b>3.1</b>	<b>0</b>	<b>13.9</b>
Anna van Bunningen	2.6	0.9	0	3.6	2.7	0.9	–	3.6
Viktor Davidsson	5.6	1.5	0	7.1	4.7	1.4	0	6.1
Ylva Ekborn	3.4	1.1	0.1	4.6	3.4	1.0	0.1	4.5
Nikolaj Grundtvig Ahrenkiel (from October 1, 2023 to November 30, 2023)	1.0	0.1	0	1.2	–	–	–	–
Jörgen Hellberg	3.0	0.9	0.1	4.0	2.9	0.9	0.1	3.8
Peter Kjaer Jensen (until September 30, 2023)	6.9	1.1	0.1	8.2	8.7	1.0	0.3	10.0
Mathias Krümmel (until December 6, 2023) <sup>1)</sup>	10.5	1.9	0.1	12.5	4.2	1.2	0.1	5.5
Kristina Lilja	4.0	1.2	0.1	5.3	3.8	1.1	0.1	5.0
Robin Olsen	4.1	0.3	0.3	4.7	4.1	0.3	0.2	4.7
Kim Pedersen (from December 1, 2023)	0.8	0.1	0	0.9	–	–	–	–
<b>Total, others in Group Leadership Team</b>	<b>42.0</b>	<b>9.2</b>	<b>0.8</b>	<b>51.9</b>	<b>34.5</b>	<b>7.8</b>	<b>0.9</b>	<b>43.3</b>
<b>Total, Group Leadership Team</b>	<b>53.2</b>	<b>12.4</b>	<b>0.8</b>	<b>66.4</b>	<b>45,3</b>	<b>11.0</b>	<b>0.9</b>	<b>57.2</b>

<sup>1)</sup> Severance pay has been paid.

Benefits to Board of Directors of Group and PostNord AB, SEK <sup>1)</sup>	Audit Committee	Remuneration Committee	2023	2022	Remuneration approved by AGM held on April 25, 2023, SEKt	Remuneration Committee		
						Board of Directors	Audit Committee	Remuneration Committee
Christian Jansson	–	Member	752	723	Chair	726	76	39
Charlotte Strand (until July 1, 2023)	Chair	–	200	385	Deputy Chair	542	–	–
Christian Frigast	–	Chair	581	559	Member	324	60	26
Anja Bach Eriksson (from August 21, 2023 to October 24, 2024)	Chair	–	100	–				
Sonat Burman Olsson	Member	–	384	369				
Hillevi Engström (from February 2022)	–	Member	350	309				
Susanne Hundsbæk-Pedersen	–	Member	350	336				
Jenny Lahrin (from August 21, 2023)	Member	–	–	–				
Peder Lundquist	Chair (from October 24, 2023), Member (until October 23, 2023)	–	392	369				
Ulrica Messing (until Jan. 31, 2022)	–	Member	–	28				
Erik Sandstedt (until July 1, 2023)	Member	–	–	–				
<b>Total</b>			<b>3,108</b>	<b>3,077</b>				

<sup>1)</sup> Amounts recognized consist of fees for Board and committee work approved at the 2022 and 2023 AGMs for the 2023 financial year.



## Note 6 Other expenses

SEKm	2023	2022
Costs of premises	1,032	1,087
Cost of transformation measures	–	11
Terminal fees	1,594	1,354
Cost of goods and materials	656	675
Procured IT resources	1,998	1,849
Other	4,412	4 472
<b>Total</b>	<b>9,692</b>	<b>9,447</b>

## Note 7 Fees and reimbursement of expenses to auditors

SEKm	2023	2022
<b>Auditing assignments</b>		
Deloitte	17	–
KPMG	3	14
<b>Other auditing services</b>		
KPMG	–	1
<b>Tax consultancy</b>		
KPMG	0	0
<b>Other services</b>		
KPMG	0	1
<b>Total</b>	<b>20</b>	<b>16</b>

Audit services consist of statutory review of the annual and consolidated accounts and accounting records, as well as of the administration by the Board and the President and review and other auditing procedures performed as per agreement or contract.

This includes other duties that fall to the Company's auditor, and advice or other support occasioned by observations made during audits or the performance of such other duties.

## Note 8 Net financial items

SEKm	2023	2022
<b>Financial income</b>		
Interest income	172	43
Other financial income	102	11
Net changes in exchange rates	5	4
<b>Total</b>	<b>279</b>	<b>58</b>
<b>Financial expenses</b>		
Interest expenses, financial liabilities measured at amortized cost	–140	–52
Interest expenses and actuarial impact (sickness insurance) on pensions	–6	–84
Interest expenses, leases	–124	–95
Interest expenses, discounting of provisions	–9	–7
Other financial expenses	–28	–18
<b>Total</b>	<b>–307</b>	<b>–256</b>
<b>Net financial items</b>	<b>–28</b>	<b>–198</b>

See also Note 27 Financial risk management and financial instruments. For more information on interest expenses, pensions, see Note 22 Pensions.

## Note 9 Tax

SEKm	2023	2022
<b>Current tax</b>	–8	–446
<b>Deferred tax</b>		
Change in deferred tax in temporary differences in statement of financial position	–64	265
Change in deferred tax in loss carry-forwards	0	0
<b>Total</b>	<b>–64</b>	<b>265</b>
<b>Total tax</b>	<b>–72</b>	<b>–181</b>

Reconciliation of effective tax rate	2023		2022	
	%	SEKm	%	SEKm
Income before tax	20.6	–592	20.6	158
Tax at current tax rate for Parent Company		122		–33
Non-deductible expenses		–233		–51
Tax-exempt income		13		21
Impact of unrecognized deferred tax from loss carry-forwards		–130		–148
Impact of unrecognized deferred tax in deductible temporary differences		142		84
Tax attributable to previous year		17		–16
Effect of other tax rates in foreign subsidiaries		7		–28
Other		–9		–10
<b>Total</b>		<b>–72</b>		<b>–181</b>

Non-capitalized loss carry-forwards relate to operations outside Sweden, see Note 16.

PostNord is subject to new Global Minimum top-up tax regulation for large multinational groups, as of January 1, 2024. Under the legislation, the Group is liable for top-up tax on the profits taxed at an effective rate of less than 15% per jurisdiction. The Group has performed calculations in accordance with the temporary simplification rule (the "safe harbor rule") in the new regulatory framework's, and according to the calculations the Group will not need to pay any additional tax for 2023. This may change depending on the Group's profits and tax expenses in the future, and on any changes in legislation. The Group continues to evaluate the impact of the Pillar Two regulations on an ongoing basis.

## Note 10 Non-current intangible assets

SEKm	Other non-current intangible assets							
	Goodwill		Licenses and similar assets		Capitalized development expenditures		Total other non-current intangible assets	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Historical cost, opening balance</b>	<b>3,574</b>	<b>3,442</b>	<b>1,937</b>	<b>1,876</b>	<b>1,454</b>	<b>1,397</b>	<b>3,390</b>	<b>3,273</b>
Investments during the year	–	–	16	22	170	145	186	167
Disposals/scrapping	–	–	–115	–13	–	–92	–115	–105
Reclassifications	–	–	107	9	–107	–48	0	–39
Translation differences	–82	132	–45	44	–13	51	–59	95
<b>Accumulated historical costs at year-end</b>	<b>3,492</b>	<b>3,574</b>	<b>1,899</b>	<b>1,937</b>	<b>1,504</b>	<b>1,454</b>	<b>3 403</b>	<b>3,390</b>
<b>Amortization, opening balance</b>	<b>–</b>	<b>–</b>	<b>–1,751</b>	<b>–1,657</b>	<b>–896</b>	<b>–752</b>	<b>–2,646</b>	<b>–2,408</b>
Amortization for the year	–	–	–58	–73	–104	–107	–161	–181
Disposals/scrapping	–	–	115	13	–	46	115	58
Reclassifications	–	–	–4	4	–2	–54	–6	–50
Translation differences	–	–	42	–37	6	–28	49	–65
<b>Accumulated amortization at year-end</b>	<b>–</b>	<b>–</b>	<b>–1,655</b>	<b>–1,751</b>	<b>–996</b>	<b>–896</b>	<b>–2,651</b>	<b>–2,646</b>
<b>Impairments, opening balance</b>	<b>–935</b>	<b>–860</b>	<b>–26</b>	<b>–32</b>	<b>–280</b>	<b>–358</b>	<b>–306</b>	<b>–390</b>
Impairment losses for the year	–903	–	–2	–	–	–6	–2	–6
Disposals/scrapping	–	–	–	1	–	49	–	50
Reclassifications	–	–	–	6	6	54	6	59
Translation differences	31	–75	0	0	2	–19	2	–19
<b>Accumulated impairments at year-end</b>	<b>–1,808</b>	<b>–935</b>	<b>–28</b>	<b>–26</b>	<b>–272</b>	<b>–280</b>	<b>–300</b>	<b>–306</b>
<b>Closing balance</b>	<b>1,684</b>	<b>2,639</b>	<b>216</b>	<b>160</b>	<b>236</b>	<b>277</b>	<b>452</b>	<b>438</b>

### Other non-current intangible assets

Internally generated intangible assets are recognized as “Capitalized development expenditures” and consist for the most part of system support. Capitalized development expenditures on December 31, 2023 totaled a carrying amount of SEK 236 million (277).

Other non-current intangible assets consisted primarily of licenses and similar assets. Licenses and similar assets on December 31, 2023 totaled a carrying amount of SEK 216 million (160).

Investments during the year were made above all in system development. There were no changes in amortization periods in 2023. For more on amortization/depreciation periods used, see Note 1 Accounting principles.

Other intangible non-current assets were tested for impairment, leading to impairment losses of SEK 2 million (6). Expenditures in research and development were recognized as costs on an ongoing basis during the period.

### Goodwill

Goodwill is recognized as a non-current intangible asset with an indeterminable useful life at historical cost less accumulated impairment losses. Goodwill on December 31, 2023 was measured at a carrying amount of SEK 1,684 million (2,639).

### Impairment testing

In order to allow for testing of impairment, goodwill in the Group has been allocated to cash-generating units in accordance with PostNord's operational organization. In view of the fact that the production and sales of acquired businesses have been integrated with other PostNord operations, it is no longer possible to separate out the cash flow and assets of the units as originally acquired. Goodwill values have in certain cases had to be tested at a higher level of groups of cash-generating units, although no higher than per business segment.

During 2023, the Group changed its financial reporting with regard to the classification of operations into segments. The Group's organization into segments has historically been in the main based on the companies' registered geographical domicile. Since April 1, 2023, PostNord's Group Leadership Team has been given a new structure. The Group Leadership Team structure is being updated to further strengthen cooperation among the Nordic operations and to leverage the growth potential in international import volumes and third-party logistics. PostNord's third-party logistics operations in Sweden and Denmark were separated from the PostNord Sweden and PostNord Denmark segments to form a separate segment, PostNord TPL. Following implementation of the new segment structure, the Group reports an additional cash-generating unit: PostNord TPL. The address businesses have been removed as a separate cash-generating unit and transferred into the PostNord Sweden cash-generating unit.

Goodwill in the PostNord Sweden cash-generating unit has been allocated to the remainder of the PostNord Sweden cash-generating unit and the new PostNord TPL cash-generating unit. The respective amounts have been allocated by calculating the recoverable amount of

Note 10 (cont.)

the new PostNord TPL entity, relative to the original PostNord Sweden entity. Based on this allocation, the goodwill has been weighted to the two entities. The allocation of recognized goodwill among cash-generating units is shown in the table Cash-generating units.

The recoverable amount for a particular cash-generating unit/group of cash-generating units is made up of the value in use or fair value, whichever is higher, less the costs of selling.

An impairment for a cash-generating unit is recognized if the recoverable amount is lower than the carrying amount. Impairment losses are allocated first to goodwill and second to other assets of the cash-generating unit that are subject to impairment testing in accordance with IAS 36 Impairment of Assets. A review of the carrying amount in the cash-generating unit in Norway, in response to a deterioration in macroeconomic conditions and an increase in the cost of capital (WACC) resulted in a goodwill impairment of SEK 903 million (–) in 2023.

Value in use

The recoverable amounts for the cash-generating units have been calculated from the value in use, by discounting anticipated future cash flows based on management's three-year business plan, with extrapolation of net cash flows after the said three-year period.

The recoverable amount for the cash-generating unit Sweden, Norway and Denmark has been calculated from the value in use by discounting anticipated cash flows based on management's five-year business plan, with extrapolation of net cash flows after the said five-year period. Given the wide differences between the growth rates in the explicit forecast period and in the terminal year between the logistics and the mail businesses, the forecasts have been separated in the calculation. The intention is to better reflect the negative growth in the mail businesses in Sweden and Denmark.

Management's assumptions and assessments reflect historical experience, analysis of external trends, for example in the logistics and mail businesses, and other available external information. The most important assumptions used in determining future cash flows are estimated growth rate in net sales, changes in costs, and working capital requirements. All assumptions are applied per cash-generating unit or group of cash-generating units. The growth rate in the terminal period, that is, after the three- and five-year forecast periods, respectively, is assumed to be –10 percent (–10) for the mail business and 2 percent (2) for the logistics business. The discount rate before tax was 10.8–12.8 percent (10.4–13.3). In determining the discount rate, the factors taken into account include type of business, where the business is located and risk premium for the specific cash-generating unit. Value in use was calculated with lease payments included in the cash flow for the cash-generating unit. The discount rate is thus not adjusted to reflect any impact from IFRS 16.

Sensitivity analysis for remaining goodwill

The sensitivity in the calculations for the cash-generating units indicates that the goodwill value could be sustained in the event of reasonably anticipated changes to important assumptions.

Note 10 (cont.)

Cash-generating units	Goodwill Dec. 31, SEKm		Rate of growth after forecast period (%)		Discount rate before tax (%)	
	2023	2022	2023	2022	2023	2022
PostNord Sweden	938	1,044	–10 +2	–10 and 2	11.4	11.6
PostNord Norway	–	953	–10 +2	+2	12.2	11.4
PostNord Strålfors	453	455	–2	–2	11.0	11.3
PostNord Finland	174	175	+2	+2	10.8	10.4
PostNord Denmark	–	–	–10 +2	–10 +2	12.8	12.7
PostNord Germany	–	–	+2	+2	11.4	10.9
PostNord TPL	109	–	+2	–	11.3	–
PostNord Adressbolagen	–	2	–	–2	–	13.3
PostNord Direct Link	9	10	+2	+2	11.3	11.3
<b>Total goodwill</b>	<b>1,684</b>	<b>2,639</b>				

## Note 11 Property, plant and equipment

SEKm	Buildings and land		Machinery and equipment		Construction in progress		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Historical cost, opening balance</b>	<b>6,385</b>	<b>5,776</b>	<b>14,589</b>	<b>14,081</b>	<b>332</b>	<b>315</b>	<b>21,306</b>	<b>20,173</b>
Acquisitions during the year	10	51	563	1,320	544	330	1,117	1,701
Acquisition of subsidiaries	–	253	–	–	–	–	–	253
Disposals/scraping	–38	–117	–1,303	–1,301	–	–	–1,341	–1,418
Reclassifications <sup>1</sup>	12	220	315	130	–368	–336	–42	15
Translation differences	–171	201	–142	358	–5	23	–318	582
<b>Accumulated historical costs at year-end</b>	<b>6,197</b>	<b>6,385</b>	<b>14,022</b>	<b>14,589</b>	<b>503</b>	<b>332</b>	<b>20,722</b>	<b>21,306</b>
<b>Amortization, opening balance</b>	<b>–2,370</b>	<b>–2,217</b>	<b>–9,987</b>	<b>–10,013</b>	<b>–</b>	<b>–</b>	<b>–12,357</b>	<b>–12,230</b>
Amortization for the year	–155	–144	–1,012	–934	–	–	–1,167	–1,079
Disposals/scraping	19	84	1,266	1,231	–	–	1,285	1,315
Reclassifications <sup>1</sup>	23	5	3	–	–	–	26	5
Translation differences	49	–98	95	–270	–	–	144	–368
<b>Accumulated depreciation at year-end</b>	<b>–2,434</b>	<b>–2,370</b>	<b>–9,634</b>	<b>–9,987</b>	<b>–</b>	<b>–</b>	<b>–12,068</b>	<b>–12,357</b>
<b>Impairments, opening balance</b>	<b>–195</b>	<b>–180</b>	<b>–355</b>	<b>–341</b>	<b>–</b>	<b>–</b>	<b>–550</b>	<b>–521</b>
Impairment losses for the year <sup>2</sup>	–3	0	–115	0	–33	–	–152	0
Disposals/scraping	0	–	3	12	–	–	3	13
Translation differences	2	–15	7	–26	0	–	9	–41
<b>Accumulated impairments at year-end</b>	<b>–197</b>	<b>–195</b>	<b>–460</b>	<b>–355</b>	<b>–33</b>	<b>–</b>	<b>–690</b>	<b>–550</b>
<b>Closing balance</b>	<b>3,567</b>	<b>3,820</b>	<b>3,929</b>	<b>4,248</b>	<b>471</b>	<b>332</b>	<b>7,965</b>	<b>8,400</b>

<sup>1</sup> Reclassification to/from assets held for sale SEK –15 million (–12).

<sup>2</sup> Impairment of property, plant and equipment above all in the Danish mail business due to changes in the universal postal service.

## Note 12 Leases

### The Group as lessee

#### Right-of-use assets

The Group's property, plant and equipment comprises both owned and leased assets (right-of-use assets).

The Group leases buildings and land above all for terminals and office premises. The leases normally run for a term of five years. The lease term has been determined as the non-cancellable lease term. In cases where the leases include options for extension or cancellation, this has been taken into account where it is reasonably certain that the options will be exercised and where leases are of material and strategic importance and to the Group. The Group also leases other types of asset, including various types of vehicle, machinery and equipment.

On December 31, 2023, rights-of-use assets totaled SEK 5,585 million (5,842) for buildings and land and SEK 494 million (487) for machinery and equipment. Depreciation for the year totaled SEK 1,427 million (1,232) for buildings and land and SEK 210 million (196) for machinery and equipment.

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Right-of-use asset, January 1</b>	<b>6,329</b>	<b>5,694</b>
Newly acquired right-of-use assets	1,443	2,004
Terminated leases	-39	-69
Depreciation, right-of-use assets	-1,637	-1,428
Translation difference	-17	128
<b>Right-of-use asset, December 31</b>	<b>6,079</b>	<b>6,329</b>

Newly acquired right-of-use assets in 2023 totaled SEK 1,443 million (2 004), consisting mainly of leased premises. This amount includes the historical cost of right-of-use assets acquired during the year, as well as additional amounts arising from revaluation of lease liabilities based on changes in payments resulting from change in lease term and change of date of end of lease term.

In certain cases, the Group guarantees the residual value of the leased asset at the end of the lease term. This applies mainly to leased vehicles and represents only minor amounts.

In properties that the Group leases, a provision of SEK 79 million (81) is recognized for restoration costs.

### Lease liability

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Lease liability recognized on January 1</b>	<b>6,450</b>	<b>5,870</b>
Newly incurred lease liabilities	1,462	1,989
Terminated leases	-81	-70
Amortized lease liabilities	-1,756	-1,561
Interest	124	95
Translation difference	-17	127
<b>Lease liability recognized on December 31</b>	<b>6,181</b>	<b>6,450</b>

### Maturity analysis (undiscounted flows), lease liabilities

SEKm	Dec. 31, 2023	Dec. 31, 2022
Within 1 year	1,691	1,535
1-2 years	1,274	1,291
2-3 years	1,014	979
3-4 years	787	745
4-5 years	599	606
More than five but less than ten years	1,305	1,482
More than ten years	88	141
<b>Total</b>	<b>6,758</b>	<b>6,778</b>

### Lease liability as per balance sheet

SEKm	Dec. 31, 2023	Dec. 31, 2022
Current portion	1,544	1,449
Long-term portion	4,637	5,001
<b>Total</b>	<b>6,181</b>	<b>6,450</b>

### Other disclosures

PostNord has decided to apply the provisions regarding transitional rules for short-term leases and low-value assets. Under these provisions, leases with a term of less than 12 months and low-value leases are recognized on a linear cost basis over the lease term. Examples of low-value assets include computers, printers and coffee machines. In 2023, expenses in connection with low-value leases totaled SEK 23 million (18). In 2023, expenses in connection with short-term leases totaled SEK 318 million (333).

Certain leases require the Group to pay charges arising from property tax. Payment of property tax has been deemed to represent a variable lease charge and thus is not included in the measurement of the lease liability. In 2023, variable lease charges totaled SEK 4 million (3).

Total cash outflows under leases amounted to SEK 1,978 million (1,820). Cash outflows included amounts for amortization of lease liabilities, interest, variable lease charges, short-term leases and low-value leases.

Future cash flows that the Group will be exposed to but that are not reflected in the measurement of the lease liability consist primarily of contracted but not yet activated leases that the Group is committed to. The value of such leases totals approximately SEK 345 million (74). The change from the previous year arises mainly from PostNord TPL taking possession of a new large warehouse in Norrköping in 2024. A change is also possible in the future should a review of the lease term be conducted regarding any of the Group's major property leases.

### The Group as lessor

#### Finance leases

Financial income from leases where the Group is lessor is recognized in equal amounts over the lease term and totals SEK 5 million (5). This income reflects a return on the lessor's net investment in the lease.

Regarding the leases where the Group is lessor, a receivable corresponding to the net investment in the lease is recognized. See also Note 14 Financial investments.

#### Operating leases

The Group recognizes rental income of SEK 7 million (19). See also Note 3 Revenue. The Group classifies these leases as operating leases, as the leases do not transfer material risks and benefits that are associated with ownership of the underlying asset.

## Note 13 Participations in associated companies

Associated companies	Registered office	Country	Number of shares	Participation, %	Carrying amount, SEKm
e-Boks Group A/S	Copenhagen	Denmark	500,000	50	158
Norske Sonenøkler AS	Oslo	Norway	1,500	50	0
<b>Closing balance</b>					<b>158</b>

## Note 14 Financial investments

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Financial investments treated as non-current assets</b>		
Endowment insurance <sup>1)</sup>	184	187
Non-current lease receivable	58	70
Other non-current investments	6	8
<b>Closing balance</b>	<b>248</b>	<b>265</b>
<b>Short-term investments treated as current assets</b>		
Current lease receivable	11	11
<b>Closing balance</b>	<b>11</b>	<b>11</b>

<sup>1)</sup> Pensions

## Note 15 Non-current receivables

SEKm	Dec. 31, 2023	Dec. 31, 2022
Funded defined-benefit pension plans measured in accordance with IAS 19	1,563	3,741
Funded family pension and sickness insurance ITP-P sect. 2, measured in accordance with IAS 19 <sup>1</sup>	167	177
Deposits, property leases	37	41
Other	255	201
<b>Total</b>	<b>2,022</b>	<b>4,160</b>

<sup>1</sup> See also Note 22. Pensions

## Note 16 Deferred tax

SEKm	2023					2022				
	Opening balance	Recognized via the income statement	Recognized via other comprehensive income	Other	Closing balance	Opening balance	Recognized via the income statement	Recognized via other comprehensive income	Other	Closing balance
<b>Deferred tax assets</b>										
Non-current intangible assets	12	-4	-	-	8	8	4	-	-	12
Provision for pensions	-	-	-	-	-	94	-94	-	-	-
Other provisions	108	-45	-	-	63	80	30	-2	-	108
Lease liabilities	1,149	-298	-	280 <sup>1</sup>	1,131	1,000	-262	-	411 <sup>1</sup>	1,149
Loss carry-forwards	13	23	-	-	36	0	13	-	-	13
Offset against liabilities	-1,021	-	-	4	-1,017	-1,159	-	-	138	-1,021
<b>Total</b>	<b>261</b>	<b>-324</b>	<b>-</b>	<b>284</b>	<b>221</b>	<b>23</b>	<b>-309</b>	<b>-2</b>	<b>549</b>	<b>261</b>
<i>Of which, outside Sweden</i>	<i>4</i>				<i>6</i>	<i>2</i>				<i>4</i>
<b>Deferred tax liability</b>										
Property, plant and equipment	-389	28	10	-	-351	-327	2	-35	-29	-389
Right-of-use assets	-1,124	303	-	-281 <sup>1</sup>	-1,102	-1,009	265	-	-380 <sup>1</sup>	-1,124
Current assets	-26	10	-	-	-16	-23	-1	-	-2	-26
Provision for pensions	-799	-81	480	-	-400	-	308	-1,107	-	-799
Offset against receivables	1,021	-	-	-4	1,017	1,159	-	-	-138	1,021
<b>Total</b>	<b>-1,317</b>	<b>260</b>	<b>490</b>	<b>-285</b>	<b>-852</b>	<b>-200</b>	<b>574</b>	<b>-1,142</b>	<b>-549</b>	<b>-1,317</b>
<i>Of which, outside Sweden</i>	<i>-161</i>				<i>-133</i>	<i>-149</i>				<i>-161</i>

<sup>1)</sup> Deferred tax attributable to new leases.

Deferred tax is recognized gross in the country concerned.

### Dates payment due, tax amounts

SEKm	Capitalized loss carry-forwards, taxable amount		Loss carry-forwards where deferred tax assets not recognized, taxable amount	
	2023	2022	2023	2022
Not due	36	13	1,378	1,269

Loss carry-forwards where deferred tax assets were not recognized totaled SEK 1,378 million (1,269) in Denmark. These deferred tax assets have not been recognized since it was judged that the deductions could not be used in the foreseeable future.

In addition to unrecognized loss carry-forwards, deductible temporary differences arising in Denmark and amounting to SEK 374 million (435) have not been recognized.

## Note 17 Inventories

SEKm	Dec. 31, 2023	Dec. 31, 2022
Goods for resale etc.	35	36
Raw materials	46	57
<b>Closing balance</b>	<b>81</b>	<b>93</b>

The major share of the raw materials in the inventory are held at Strålfors. The major share of the goods for resale are held at PostNord Group AB. Impairment losses on inventories totaled SEK 0 million (1).

## Note 18 Prepaid expenses and accrued income

SEKm	Dec. 31, 2023	Dec. 31, 2022
Prepaid rent	21	29
Prepaid insurance premiums	15	17
Prepaid salaries	39	53
Terminal fees	289	287
State aid, Danish State	689	471
Derivatives	47	39
Other items	422	392
<b>Closing balance</b>	<b>1,522</b>	<b>1,287</b>

## Note 19 Cash and cash equivalents

SEKm	Dec. 31, 2023	Dec. 31, 2022
Cash and bank balances	3,457	3,537
Short-term investments treated as cash and cash equivalents	–	349
<b>Closing balance</b>	<b>3,457</b>	<b>3,886</b>

Short-term investments have been classified under Cash and cash equivalents if they are readily convertible into cash, have a maturity of no more than 3 months from the date of acquisition and represent a negligible risk of value fluctuations. Bank deposits and investments have been entered into with counterparties with a rating of no lower than Standard & Poor's BBB, or certain State-owned enterprises without a rating.

## Note 20 Earnings per share

SEK	2023	2022
<b>Earnings per share</b>	<b>–0.33</b>	<b>–0.01</b>

Earnings per share are calculated by dividing the part of the Group's net profit or loss for the period that is attributable to the Parent Company's shareholders, by the average number of shares in issue. No dilutive instruments have been issued.

## Note 21 Interest-bearing liabilities

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Non-current interest-bearing liabilities</b>		
Liabilities to credit institutions	2,092	1,707
Other non-current liabilities <sup>1)</sup>	182	185
<b>Closing balance</b>	<b>2,274</b>	<b>1,892</b>
<b>Current interest-bearing liabilities</b>		
Liabilities to credit institutions	870	874
<b>Closing balance</b>	<b>870</b>	<b>874</b>

See also Note 27 Financial risk management and financial instruments.

<sup>1)</sup> Endowment insurance

## Note 22 Pensions

Note 1 Accounting principles provides a description of PostNord's pension plans. The Group operates both defined-benefit and defined-contribution pension plans. There are also a small number of personnel categories with entitlement to a retirement pension at a lower age, under special arrangements made at corporatization. Postens Pensionsstiftelse (Posten Pension Fund) secures pension obligations for PostNord Group AB and PostNord Sverige AB. For more information on internal dealings between the Group and Postens Pensionsstiftelse, see the section Assets under management and Note 28 Related party transactions. Postens Pensionsstiftelse is regulated under the Swedish Pension Obligations Vesting Act (1967:531).

Postens Pensionsstiftelse is supervised by the Stockholm County Administrative Board and Finansinspektionen (the Swedish Financial Supervisory Authority).

PostNords Försäkringsförening (PFF) (in liquidation) is regulated under the Swedish Friendly Societies Act (1972:262) and is under the supervision of Finansinspektionen. Until April 30, 2020 family pensions and sickness insurance under the ITP-P plan, sect. 2, were secured with

PFF. On that date, PFF transferred its insurance portfolio to an external insurance company, SPP Pension & Försäkring AB (publ). On completion of the transaction, PFF entered into liquidation and its remaining surpluses are recognized as operating receivables for future distribution.

Family pensions and sickness insurance under the ITP-P Plan sect. 2 continue to be administered at SPP. PostNord's recognition of a net asset under this insurance is limited with regard to the scope for utilization of the surplus ("asset ceiling") for future premium discounts on an ongoing basis during the contract term and in the form of refunds on termination of the insurance agreement. This limitation is determined by agreed levels of asset coverage ratio, that is, the ratio of insured capital to insurance commitments measured according to SPP's actuarial principles, which differ from valuation according to IAS 19. The insured capital at SPP is calculated on behalf of PostNord and in the event of an asset coverage ratio below or above agreed levels, a premium adjustment is made in accordance with the insurance agreement.

The Group's pension obligation is 100 percent (100) attributable to pension benefits earned in its Swedish companies.

Asset ceiling, SEKm	Dec. 31 2023	Dec. 31 2022
Sickness insurance and family pension commitment	473	470
Plan assets, fair value	640	647
Surplus before asset ceiling	167	177
Effect of asset ceiling	–	–
<b>Net asset, sickness insurance and family pensions</b>	<b>167</b>	<b>177</b>

Note 22 (cont.)

Provisions for pensions and similar obligations, SEKm	2023	2022
<b>Pension obligations, OB</b>	<b>18,393</b>	<b>24,538</b>
Costs relating to service during current year <sup>1</sup>	123	224
Interest expense <sup>2)</sup>	708	407
Occupational pensions	26	15
Payments of benefits	-1,309	-1,198
Actuarial gains (-) and losses (+) – change in financial assumptions <sup>3)</sup>	927	-7,024
Actuarial gains (-) and losses (+) – change in demographic assumptions <sup>3)</sup>	-18	-32
Actuarial gains (-) and losses (+) – experience-based <sup>3)</sup>	774	1,463
<b>Pension obligations, CB</b>	<b>19,624</b>	<b>18,393</b>
<b>Assets under management, fair value OB</b>	<b>20,900</b>	<b>22,705</b>
Interest income	819	379
Contributions from employer	160	151
Payments made to employer	-1,085	-982
Payments of benefits	-26	-29
Actual return above (+) and below (-) interest income	-257	-1,324
<b>Assets under management, fair value CB</b>	<b>20,511</b>	<b>20,900</b>
<b>Change in net asset or net liability</b>		
Present value of defined-benefit obligations	19,624	18,393
Assets under management, fair value	-20,511	-20,900
Effect of asset ceiling		-
<b>Net (asset -, liability +) at year-end excluding special payroll tax<sup>4)</sup></b>	<b>-887</b>	<b>-2,508</b>
Work-related injuries	11	11
Special payroll tax	-540	-919
<b>Net (asset -, liability +) in Statement of changes in financial position, including work-related injuries and effect of special payroll tax</b>	<b>-1,416</b>	<b>-3,415</b>

<sup>1)</sup> Costs of earning entitlement consist of SEK 115 million (208) for funded plans and the remaining unfunded plans.

<sup>2)</sup> Of the interest expense, SEK 649 million (373) is attributable to funded plans and the remainder to unfunded plans.

<sup>3)</sup> Of actuarial gains and losses, SEK 1,242 million (-5,313) is attributable to funded plans.

<sup>4)</sup> The Group has no assets under management that consist of the Company's own transferable financial instruments or properties that are used by the Company.

In the course of 2024, the Group anticipates paying benefits totaling SEK 1,372 million (1,329) under defined-benefit plans. The weighted duration of the pension commitment is 12 years (12).

When the value of the assets under management exceeds the present value of the pension calculation, this creates an asset for the Group (see non-current receivables).

Specification, net, commitment and asset, SEKm	2023				2022			
	Net commitment+ and asset -	Special payroll tax	Work-related injuries	Total	Net commitment+ and asset -	Special payroll tax	Work-related injuries	Total
Funded defined-benefit disability pension plans	-200	33	-	-167	-214	37	-	-177
Funded pensions	-2,560	-621	-	-3,181	-3,925	-952	-	-4,877
Unfunded vested pensions	1,628	-10	-	1,618	1,235	-100	-	1,135
<b>Total recognized as Non-current receivables</b>	<b>-1,131</b>	<b>-599</b>	<b>-</b>	<b>-1,730</b>	<b>-2,904</b>	<b>-1,015</b>	<b>-</b>	<b>-3,919</b>
Unfunded non-vested pensions	244	59	-	303	397	96	-	493
Work-related injuries	-	-	11	11	-	-	11	11
<b>Total recognized as Other provisions</b>	<b>244</b>	<b>59</b>	<b>11</b>	<b>314</b>	<b>397</b>	<b>96</b>	<b>11</b>	<b>504</b>
	<b>-887</b>	<b>-540</b>	<b>11</b>	<b>-1,416</b>	<b>-2,508</b>	<b>-919</b>	<b>11</b>	<b>-3,415</b>

#### Expenses and income for defined-benefit and defined-contribution pension plans, excluding special payroll tax, SEKm

	2023	2022
Costs relating to service during current year	123	224
Interest expense (plus) and interest income (minus) <sup>1)</sup>	-110	28
Actuarial losses (plus) and gains (minus) <sup>1)</sup>	14	56
Occupational pensions	31	37
<b>Defined-benefit pension plans</b>	<b>58</b>	<b>345</b>
<b>Defined-contribution pension plans</b>	<b>876</b>	<b>887</b>
<b>Other pension expenses</b>	<b>19</b>	<b>15</b>
<b>Recognized within net financial items</b>	<b>96</b>	<b>-84</b>
<b>Total pension expenses</b>	<b>1,049</b>	<b>1,163</b>

<sup>1)</sup> Interest expenses, interest income and actuarial losses and gains relating to sickness insurance are recognized in net financial items. Other actuarial losses and gains are recognized in other comprehensive income.

#### Provision for non-vested pensions

PostNord is liable for its Swedish subsidiaries' non-vested pension commitments under the Group's "transitional regulations". These regulations apply to certain personnel who, under the terms of their employment, are entitled to retire at 60 or 63 years of age. A condition is that the employee had to have reached the age of 28 years by no later than January 1, 1992 and to have remained in the same function thereafter. The total obligation, calculated in accordance with the Swedish Pension Obligations Vesting Act, for pensions under the transitional regulations was SEK 371 million (648) on December 31, 2023. On the basis of historical outcomes and experience, PostNord estimates that on average 60 percent will exercise their rights under the

transitional regulations. The provision is set at this proportion of the total obligation. The amount recognized as a liability in the Group totals SEK 277 million (455), including special payroll tax. The obligation is included in the balance of Unfunded pension plans, non-vested pensions.

PostNord bears liability for an obligation, an "ultimate liability", that PostNord Group AB assumed at its corporatization. On the basis of available information, this obligation was calculated at SEK 27 million (38) on December 31, 2023, including special payroll tax. The obligation is included in the balance of Unfunded pension plans, non-vested pensions.

#### Liability for maintaining value

In 2000, pension commitments previously guaranteed via Postens Pensionsstiftelse were secured via the purchase of insurance policies. PostNord retains a liability for maintaining the value and coordinating the gross value of these pension commitments.

The capital value of these commitments at the start of the year, was SEK 79 million (93). In 2023, PostNord utilized SEK 16 million (22) from the surplus in these insurance plans for occupational pension payments.

#### Actuarial calculation assumptions

The actuarial valuation of PostNord's defined-benefit pension commitments and pension expenses is based on the assumptions described below. These assumptions are calculated as weighted mean values for the particular pension plan. Any change, above all, in assumptions regarding discount rate, inflation and life expectancy, may have considerable impact on estimated pension commitments, financing requirements and annual pension expenses.

Note 22 (cont.)

Actuarial assumptions, %	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Discount rate	3.20	4.00	1.70
Future annual pay rises	2.25	2.65	2.85
Change in income base amount	2.85	3.25	3.45
Inflation	1.60	2.00	2.20
Employee turnover	10.00	8.00	6.00
Lifetime obligation	FFFS 2007:31	FFFS 2007:31	FFFS 2007:31

The expenses for 2023 are based on the actuarial assumptions that were established at the start of the year. At year-end 2023, PostNord established assumptions that were applied to the calculation of the outcome as per December 31, 2023. These actuarial assumptions are also used in the forecast for expenses in 2024. It was also taken into account that all assumptions used in the valuation should in the long term be mutually compatible.

The discount rate is determined in accordance with IAS 19, that is, based on high-grade corporate bonds traded on an active market as defined by IFRS, through reference to the Swedish housing bond market. Against this background, management takes the view that the discount rate applied reflects the time value of money and offers a reasonable present value for the Group's pension obligations. Future annual salary increases reflect anticipated percentage pay rises, as a composite product of inflation, period of service and rank. The income base amount is determined annually by the government and is used, for example, to establish the ceiling for pensionable pay in the national pension system. The Group's inflation assumption was 1.60 percent. This reflects the view of the players in the financial markets regarding inflation in the pricing of securities, that is, implicit inflation. The personnel turnover indicates the composite expectation for future business growth, real pay rises and the productivity growth required to maintain profitability. It also takes into account the personnel turnover experienced over recent years. The factor of average remaining service life is determined on the basis of the current age breakdown for the Group's employees. The life expectancy assumption is based on the Swedish Financial Supervisory Authority's (Finansinspektionen) directions, published as FFFS 2007:31 (FFFS 2007:31). A later analysis of mortality rates was conducted via the DUS 14 and DUS 21 studies. PostNord is not a service enterprise in that sense, but the demographics accord very closely with FFFS 2007:31.

#### Alecta

Obligations for retirement and family pensions for salaried employees in Sweden may be secured through an insurance policy with Alecta. In the Group, only a few companies use insurance as a means of securing pension benefits, and the sums are not substantial.

#### Assets under management

Total assets under management amounted to SEK 20,511 million (20,900). The major share of the Group's assets under management is administered by Postens Pensionsstiftelse (the Posten Pension Fund),

SEK 19,870 million (20,203). Other assets under management consist of assets in SPP Pension & Försäkring AB (publ), SEK 640 million (647), and pension insurance with Skandia, SEK 62 million (51). Real return on assets under management totaled SEK 562 million (-945), including interest income of SEK 819 million (379).

The activities of Pensionsstiftelsen are governed by an investment policy adopted by the Fund's Board of Directors. The overall objective of Pensionsstiftelsen is to manage its assets with regard to the Group's pension obligations for which Pensionsstiftelsen has received funds. The composition of and return on the assets shall adequately ensure that the Group can meet the pension payments assured by Pensionsstiftelsen.

Pensionsstiftelsen's allocation strategy is based on an asset liability management (ALM) analysis. The forecast pension liability is measured against the anticipated return on the assets, together with risk and historical correlations, in order to determine an appropriate asset allocation and level of risk. The asset allocation and Pensionsstiftelsen's management shall ensure that the long-term target for return on investment is achieved, at a level of risk that is justifiable and reasonable. The return achieved on asset management varies from year to year, depending on a range of separate external factors. This means that the return on investment target is to be regarded as a target for return achieved over a longer term.

Pensionsstiftelsen strives for a well-balanced diversification between and within categories of asset, based on historic risk-adjusted return and correlations, as well as anticipated risk-adjusted return. Diversification

reduces the risk represented by the assets. The allocation over various classes of asset is established with ranges providing for flexibility.

Asset class Postens Pensionsstiftelse, SEKm	Dec. 31, 2023	Dec. 31, 2022
Shares	4,233	5,391
Interest-bearing securities	3,129	2,392
Liquid assets, including futures	2,099	2,232
Unlisted assets	10,409	10,188
<b>Total assets</b>	<b>19,870</b>	<b>20,203</b>

#### Summary and sensitivity analysis

At year-end 2023, PostNord had funded pension commitments of SEK 18,060 million (16,761) and assets under management of SEK 20,511 million (20,900). In addition to funded commitments, a pension liability is recognized in the statement of financial position, consisting of vested pension commitments of SEK 1,320 million (1,235) and non-vested pension commitments of SEK 244 million (397). The Group's pension commitments are measured on the basis of the above-mentioned actuarial assumptions and the assets under management are measured at fair value. Special payroll tax of SEK -540 million (-919) is also taken into account.

See table below for an analysis of the effects of changes in assumptions.

Sensitivity analysis excl. special payroll tax on pensions, SEKm (+) improved income (+) increased liability (-) decreased income (-) decreased liability	Change	Impact on income		Impact on statement of financial position items and other comprehensive income		
		Forecast cost (service cost)	Net financial items	Impact on pension liability	Impact on market value of assets	Impact after tax on other comprehen- sive income
<b>Actuarial assumptions</b>						
Change in discount rate and anticipated return on assets under management	+0.1% point	2	9	-231	-	183
	-0.1% point	-2	-8	236	-	-187
Change in actual return on assets under management	+0.1% point	-	1	-	-21	17
	-0.1% point	-	-1	-	21	-17
Change in pay	+0.5% point	-5	-3	82	-	-65
	-0.5% point	5	2	-72	-	57
Change in income base amount	+0.5% point	1	0	-14	-	11
	-0.5% point	-1	-1	16	-	-13
Change in inflation	+0.5% point	-9	-36	1,109	-	-881
	-0.5% point	7	33	-1,014	-	805
Life expectancy, years	+1 year	-4	-25	778	-	-618
	-1 year	4	24	-763	-	606
<b>Take-up rate of Transitional Provisions</b>						
Change in take-up rate	+5% point	-	-1	19	-	-15
	-5% point	-	1	-18	-	15



## Note 23 Other provisions

2023 Jan.–Dec., SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
<b>Transformation measures</b>						
Provision for personnel and other cutbacks	587	114	–120	–330	7	258
<b>Non-vested pension commitments</b>						
Non-vested pension commitments	396	18	–	–201	31	244
Special payroll tax	97	4	–	–49	8	59
<b>Other</b>						
Work-related injuries	11	0	–	–	0	11
Provision for anniversary bonus	39	–	–	–3	4	40
<b>Total</b>	<b>1,130</b>	<b>136</b>	<b>–120</b>	<b>–583</b>	<b>50</b>	<b>612</b>
<i>of which current</i>	444					146
<i>of which non-current</i>	686					466

<sup>1)</sup> Other includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

2022 Jan.–Dec., SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
<b>Transformation measures</b>						
Provision for personnel and other cutbacks	729	372	–1	–556	43	587
<b>Non-vested pension commitments</b>						
Non-vested pension commitments	589	16	–	–204	–5	396
Special payroll tax	143	4	–	–49	–1	97
<b>Other</b>						
Work-related injuries	15	0	–	–	–4	11
Provision for anniversary bonus	41	–	–	–6	4	39
<b>Total</b>	<b>1,517</b>	<b>392</b>	<b>–1</b>	<b>–815</b>	<b>37</b>	<b>1,130</b>
<i>of which current</i>	562					444
<i>of which non-current</i>	955					686

<sup>1)</sup> Other includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

### Provisions for transformation measures

Recognized provisions consist above all of transformation measures affecting personnel. The amounts are calculated on the basis of management's best estimates.

The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer likely that an outflow of funds will be required to settle the commitment, the provision is reversed.

During 2023, provisions and reversals for transformation with an impact on personnel expenses amounted to SEK 6 million (360). Provisions and reversals for transformation measures with an impact on other expenses amounted to SEK 0 million (11). The impact of provisions for non-vested pension commitments and provision for anniversary bonus is recognized in personnel expenses.

The amount utilized for transformation costs was SEK 330 million (556). The effect of discounting is recognized among financial items in

the income statement. Translation differences arising from foreign exchange effects are recognized in other comprehensive income.

### Provision for estimated future non-vested pensions

PostNord is liable for non-vested pension commitments under its "transitional regulations". These regulations apply to certain personnel who, under the terms of their employment, are entitled to retire at 60 or 63 years of age. Special payroll tax has also been taken into account.

For further information, see Provision for estimated future non-vested pensions and Provision for ultimate liability in Note 22 Pensions.

### Other provisions

Provision for work-related injuries consists of payments in the form of accident annuities, as defined in the law on occupational injury insurance, and of occupational injury annuities.

Provisions for anniversary bonus consist of anticipated future anniversary bonuses in the form of extra pay awarded when the employee has completed 25 or 40 years of service at Post Danmark A/S.

### Present value

Provisions for which the payment period extends over several years are normally discounted to present value. Effects of discounting included in the changes for the year are presented separately when they reach substantial amounts. Provisions for non-vested pensions have payment periods extending over several years. In the case of this provision, a present value calculation is not presented separately, since it is covered by IAS 19. See also Note 22 Pensions.

Anticipated payments, SEKm	1 year	2 years	3 years	>3 years
Transformation measures	141	85	8	23
Non-vested pension commitments <sup>1), 2)</sup>	73	63	51	49
Work-related injuries <sup>1), 2)</sup>	2	2	1	8
Provision for anniversary bonus	5	14	12	8
<b>Total</b>	<b>221</b>	<b>164</b>	<b>73</b>	<b>89</b>

<sup>1)</sup> Anticipated payments for non-vested pensions (excl. special payroll tax) have been calculated in accordance with IAS 19. Non-vested pension commitments and work-related injuries are recognized in their entirety as non-current provisions.

<sup>2)</sup> Anticipated payments deviate from recognized provisions because the provisions are calculated at present value.

### Anticipated payments for provisions

The amounts stated correspond to the anticipated outcome that forms the basis for calculating the amount for the provisions, but cannot be considered in their entirety as real payment flows, as certain costs are not matched by payments. Such costs include, for example, certain expenses relating to personnel cutbacks.

## Note 24 Accrued expenses and deferred income

SEKm	Dec. 31, 2023	Dec. 31, 2022
Stamps sold but not used	324	348
Accrued payroll expenses	314	370
Holiday pay liability	904	921
Social insurance costs	276	285
Terminal fees	652	711
Derivatives	72	50
Other items	837	843
<b>Closing balance</b>	<b>3,379</b>	<b>3,529</b>

## Note 25 Pledged assets and contingent liabilities

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Pledged assets for own liabilities</b>		
Real estate mortgages <sup>1</sup>	165	178
Pledged assets <sup>2</sup>	237	235
<b>Total</b>	<b>402</b>	<b>413</b>
<b>Contingent liabilities</b>		
Guarantees, PRI	75	75
<b>Total</b>	<b>75</b>	<b>75</b>

<sup>1</sup> Collateral for part of Non-current interest-bearing liabilities.

<sup>2</sup> Endowment insurance policies and collateral for portion of rent payments.

### Disputes

PostNord conducts national and international operations on a major scale and so becomes involved in disputes and legal proceedings that from time to time arise in the business. Such disputes and legal proceedings are not expected to adversely affect PostNord's earnings, profitability or financial position, either individually or in combination, to any material degree.

## Note 26 Investment obligations

On December 31, 2023, the Group had contracted to purchase property, plant and equipment. These investments totaled SEK 550 million (488) in value, the main items being SEK 358 million (335) for vehicles, SEK 152 million (132) for transportation and sorting equipment and SEK 40 million (21) for parcel lockers. It is expected that half of the obligations will be settled before mid-2024 and the remainder at year-end 2024.

## Note 27 Financial risk management and financial instruments

The Group's management of financial risks is governed by the Group Treasury Policy adopted by PostNord's Board of Directors. The policy consists of guidelines on cash management, financing and financial risk management. The Group's management of financial risk is intended to support realization of the Group's goals and strategies, by sustainably securing financing, liquidity and a balanced financial position that takes all financial risks into account at all times. The Group's financial risks are divided into the categories of refinancing risk, credit risk, interest rate risk, currency risk, electricity price risk, fuel price risk and market risk in asset management.

Credit and market risks (currency, interest rate, electricity price, fuel price) shall be managed on a commercial basis and proactively in order to limit negative impact on the Group's income and cash flow. Collateral and contingent liabilities may be used only in exceptional cases.

### The Group's financial risks and cash flow risk

The Group's cash flow and financial position are exposed not only to market conditions and productivity, but also financial risks, such as refinancing risk, credit risk, interest rate risk and foreign currency transaction exposure. Exposures to market risk are mitigated using financial instruments in accordance with the Group Treasury Policy.

Major exposure to financial risk also exists in the Group's pension liabilities. Provisions for pensions are exposed not only to changes in long-term interest rates and inflation expectations, but also to returns on the major assets under management at Postens Pensionsstiftelse. See also Note 22.

Property, liability, and business interruption insurance policies are used to limit the negative effects of low-frequency operational risks with major potential impact on the Group's cash flow, earnings, and asset values. Group-wide insurance policies are used for risks that affect all businesses in the Group. In addition, local insurance is used for specific business risks and compliance with local legislation, for example in order to adhere to the requirements of laws or collective agreements.

In addition to insurance, the Group maintains financial preparedness in order to safeguard continuity for customers, suppliers and employees

by securing a capability for restoring operations in the event of wide-spread outcomes from uninsured risks, as well as for subsequent normalization of financing and cash flow. The Group's financial preparedness is made up of cash and cash equivalents, short-term liquid investments, and unutilized committed credit lines.

### Liquidity management and financing

The Group's policy is to centralize and coordinate management of the Group's cash and cash equivalents via Group accounts for effective deployment within predefined risk limits. Surplus liquidity is invested in approved instruments. Foreign currency investments are also permitted, provided that currency risk is hedged. The Group coordinates financing in the main via the Group's Parent Company.

### Risk definitions and policy

#### Refinancing risk

Refinancing risk is defined as the risk that cash and cash equivalents are not available or that financing either cannot be obtained or can only be obtained at considerably higher cost. The Group's policy on refinancing risk consists of maintaining, at any one time, financial preparedness of a scope that, as a minimum is designed in terms of the financial plan to handle internal and external risks, and to cope with seasonal variations. The Group's financial preparedness is made up of cash and cash equivalents, short-term liquid investments, and unutilized committed credit lines. Unutilized confirmed credit facilities on December 31, 2023 totaled SEK 2,000 million (3,200) and mature in 2025.

#### Financial preparedness

SEKm	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	3,457	3,886
Unutilized confirmed loan	–	1,200
Unutilized long-term confirmed credit facilities	2,000	2,000
<b>Financial preparedness</b>	<b>5,457</b>	<b>7,086</b>

#### Credit risk

Credit risk refers to the risk that a borrower may be unable to meet his obligations. Credit risk also includes the risk that, where an inability to meet a payment obligation exists, collateral or guarantee furnished does not cover the claim. A credit risk arises (i) in sales to customers, in approval of advance payments to suppliers and in acceptance of guarantees, and (ii) within the Group's cash management and the use of derivative contracts.

The Group's policy is that the granting of credit shall be based on commercial considerations and risk assessment in order to ensure that the credit risk is balanced. When cash and cash equivalents are invested, credit risk is managed by investing within predetermined limits for maximum credit risk, and by spreading risk. Credit risk is to be limited

Note 27 (cont.)

via regular credit checks on major credit lines and by monitoring credit and payment information.

**Credit risk in trade receivables**

Credit risk relating to credit sales is managed by the country organization concerned and customers are subject to a credit assessment before the credit is granted for the first time, on the basis of information provided by credit rating companies.

*Age breakdown for trade receivables*

SEKm	Dec. 31, 2023	Dec. 31, 2022
Trade receivables not due	4,428	4,830
<b>Due but not impaired:</b>		
1–30 days	603	570
31–90 days	65	75
>90 days	30	28
<b>Total</b>	<b>5,126</b>	<b>5,503</b>
Provision for expected credit loss	-21	-22
<b>Total</b>	<b>5,105</b>	<b>5,481</b>

*Provision for expected credit loss*

SEKm	Jan.–Dec. 2023	Jan.–Dec. 2022
<b>Opening balance</b>	<b>-22</b>	<b>-30</b>
Provisions	-19	4
Utilizations/Reversals	20	4
<b>Closing balance</b>	<b>-21</b>	<b>-22</b>

Confirmed credit losses totaled SEK 24 million (26).

*Credit risk in financial activities*

Credit risk in financial activities is managed by the central financial management function, within predetermined credit limits based on ratings from Moody's, Standard & Poor's or equivalent institution. Trading is governed via decisions on maximum credit risk per borrower. Every counterparty is subject to a credit check before being approved as a receiver of credit. Within the scope of the Group's management of financial risks, derivative contracts have been entered into. Derivative contracts represent a credit risk to the Group if the counterparty cannot meet his obligations. To limit this exposure, ISDA agreements have been entered into. Under the ISDA agreements, receivables and liabilities arising from interest rate and currency derivatives may be offset in the event of suspension of payments by, or insolvency of, the counterparty.

Amounts relating to receivables and payables offset under the ISDA agreements were recognized gross; see Note 18 and Note 24.

**Interest rate risk**

Interest rate risk is defined as the risk of the Group's earnings and cash flow being negatively affected by changes in market interest rates. Interest rate risk is calculated on the basis of the Group's outstanding interest-bearing debt, including derivative instruments. Shorter fixed-interest periods mean higher earnings sensitivity. Longer fixed-interest periods mean higher earnings stability but may also be a disadvantage when market interest rates fall.

The Group's policy is to limit earnings sensitivity to changes in market interest rates and to strive for an attractive cost of cost of capital. Interest rate sensitivity is controlled via a fixed-interest target for the Group's outstanding interest-bearing liabilities including derivative instruments.

The Group may enter into interest rate swap contracts for risk management purposes.

**Sensitivity analysis, interest rate risk**

Balance sheet item	Change in market interest rates:	2023 Impact on income, SEKm	2022 Impact on income, SEKm
Cash and cash equivalents	+/-1% point	36	38
Interest-bearing liability	+/-1% point	22	10.4

**Currency risk**

Currency risk is defined as the risk of the value of assets and liabilities in foreign currency changing as a result of changes in exchange rates. The Group operates businesses in several countries and conducts transactions in foreign currencies. This creates risk in connection with exchange rate fluctuations that affect both transaction exposure and translation exposure.

Currency risk is calculated on the assumption that no currency risk exists between EUR and DKK as long as Denmark is a member of ERM 2. Currency exposure to any particular currency is measured as the net position. Total currency exposure is calculated as the sum of absolute values for net exposure in particular currencies.

**Transaction exposure**

The major share of invoicing, purchasing and wages/salaries is managed in the currency of the Group company concerned. Currency hedging is used primarily in connection with cross-border communication and logistics services, as well as investing activities. Transaction exposure is reduced by matching inward and outward payment flows. In addition to contractual currency flows, forecast currency flows over up to 12 months may also be included in the basis for currency hedging. In the German subsidiary PostNord Logistics GmbH, forecast currency flows have been partially hedged until August 2024. The forecast hedge as at December 31, 2023 is approximately SEK 245 million and the unrealized foreign exchange difference was SEK -2.3 million.

The Group's policy is to limit transaction exposure in order to mitigate the impact of exchange rate fluctuations on earnings and cash flow. The table summarizes transaction exposure in the statement of financial position and hedged investment flows.

**Group's contractual transaction exposure, excluding currency swap contracts**

Currency, absolute value, SEKm	2023			2022		
	Position	Hedged with derivatives	Net position	Position	Hedged with derivatives	Net position
EUR/DKK	50	76	26	1	16	15
NOK	25	22	3	21	8	13
USD	154	165	12	214	226	12
Other currencies	81	97	16	248	231	17
<b>Total</b>			<b>56</b>			<b>58</b>

**Translation exposure**

Translation exposure is defined as the value of net assets in foreign Group companies and arises within the Group in translation to the functional currency of the Parent Company. The Group's policy is that translation exposure is an acceptable risk, provided that it does not represent any risk to the Group's financial targets or breach of financial covenants. Consequently, translation exposure is limited only through annual adjustment to the Group companies' capital structure or when the Parent Company is financed in currencies other than its functional currency in order to obtain a natural hedge.

**Group translation exposure**

Currency	2023			2022		
	SEKm	%	+/-1%	SEKm	%	+/-1%
DKK	1,999	45	20	2,416	43	24
EUR	1,276	29	13	1,032	18	10
NOK	994	22	10	2,039	36	20
Other currencies	158	4	2	181	3	2
<b>Total</b>	<b>4,427</b>	<b>100</b>	<b>44</b>	<b>5,667</b>	<b>100</b>	<b>57</b>

**Electricity price risk**

Electricity price risk consists of the risk that volatility in market prices will increase or decrease the cost of electricity supply. Electricity price risk may be limited via agreements with suppliers or the use of forward contracts. The Group's policy is to strive for an attractive cost of electricity

Note 27 (cont.)

supply. No derivative contracts were used during the year to limit the risk.

#### Fuel price risk

Fuel price risk consists of the risk that volatility in market prices will increase or decrease the cost of the Group's fuel supply. Fuel price risk is managed via fuel price clauses in customer and supplier contracts. The Group's policy is to strive for an attractive cost of fuel consumption. No derivative contracts were used during the year to limit the risk.

#### Market risk in assets under management

Assets are managed by the Group's related entities Postens Pensionstiftelse and PostNords Försäkringsförening in liquidation. The Group shall strive to ensure that pension assets are managed prudently. The allocation shall be based on regular ALM analysis to maintain a well-balanced level of risk at any one time.

	Nominal amount	within 0–1 year	within 1–2 years	within 2–3 years	within 3–4 years	within 4–5 years	Later
<b>Contractual maturities of interest-bearing liabilities, Dec. 31, 2023, SEKm</b>							
Bond loans	600	600	–	–	–	–	–
Liabilities to credit institutions	2,365	270	411	577	177	177	753
<b>Total interest-bearing liabilities</b>	<b>2,965</b>	<b>870</b>	<b>411</b>	<b>577</b>	<b>177</b>	<b>177</b>	<b>753</b>
Interest payments		115	93	74	56	47	101
<b>Total forecast interest payments</b>		<b>115</b>	<b>93</b>	<b>74</b>	<b>56</b>	<b>47</b>	<b>101</b>
<b>Total, net</b>		<b>985</b>	<b>504</b>	<b>651</b>	<b>233</b>	<b>224</b>	<b>854</b>
<b>Contractual maturities of interest-bearing liabilities, Dec. 31, 2022, SEKm</b>							
Bond loans	1,400	800	600	–	–	–	–
Liabilities to credit institutions	1,185	75	212	412	412	12	62
<b>Total interest-bearing liabilities</b>	<b>2,585</b>	<b>875</b>	<b>812</b>	<b>412</b>	<b>412</b>	<b>12</b>	<b>62</b>
Interest payments		69	43	24	12	3	20
<b>Total forecast interest payments</b>		<b>69</b>	<b>43</b>	<b>24</b>	<b>12</b>	<b>3</b>	<b>20</b>
<b>Total, net</b>		<b>944</b>	<b>855</b>	<b>436</b>	<b>424</b>	<b>15</b>	<b>82</b>

Current liabilities consist mainly of trade payables, other current liabilities and terminal fees falling due for payment essentially within 12 months of the financial year-end.



Note 27 (cont.)

Carrying amount and fair value of financial assets and liabilities, SEKm	December 31, 2023					
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Currency derivatives	47	–	–	–	47	47
Other non-current receivables	248	–	–	–	248	248
Trade receivables	–	5,105	–	–	5,105	5,105
Accrued income	–	1,468	–	–	1,468	1,468
Terminal fees	–	289	–	–	289	289
Cash and cash equivalents	–	3,457	–	–	3,457	3,457
Non-current interest-bearing liabilities	–	–	–	–2,274	–2,274	–2,274
Current interest-bearing liabilities	–	–	–	–870	–870	–867
Trade payables	–	–	–	–2,981	–2,981	–2,981
Other current liabilities	–	–	–	–1,069	–1,069	–1,069
Accrued expenses	–	–	–	–1,222	–1,222	–1,222
Currency derivatives	–	–	–72	–	–72	–72
Terminal fees	–	–	–	–652	–652	–652
<b>Total financial assets and liabilities, by category</b>	<b>295</b>	<b>10,319</b>	<b>–72</b>	<b>–9,068</b>	<b>1,474</b>	<b>1,477</b>

Carrying amount and fair value of financial assets and liabilities, SEKm	December 31, 2022					
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Currency derivatives	39	–	–	–	39	39
Other non-current receivables	264	–	–	–	264	264
Trade receivables	–	5,481	–	–	5,481	5,481
Accrued income	–	902	–	–	902	902
Terminal fees	–	287	–	–	287	287
Cash and cash equivalents	–	3,886	–	–	3,886	3,886
Non-current interest-bearing liabilities	–	–	–	–1,892	–1,892	–1,885
Current interest-bearing liabilities	–	–	–	–874	–874	–869
Trade payables	–	–	–	–3,384	–3,384	–3,384
Other current liabilities	–	–	–	–1,026	–1,026	–1,026
Accrued expenses	–	–	–	–1,263	–1,263	–1,263
Currency derivatives	–	–	–50	–	–50	–50
Terminal fees	–	–	–	–711	–711	–711
<b>Total financial assets and liabilities, by category</b>	<b>303</b>	<b>10,556</b>	<b>–50</b>	<b>–9,150</b>	<b>1,659</b>	<b>1,671</b>

Note 27 (cont.)

### Recognition and fair value measurement of financial instruments

Fair value for currency derivatives is calculated using current market prices on the accounting date and a calculation of the present value based on the yield curve for the currency concerned.

The fair value of interest-bearing liabilities is calculated as the discounted value of future cash flows relating to repayment of capital amounts and interest. The value is discounted to the current loan interest rate. In view of the short terms for trade receivables and trade payables, it is assumed that the carrying amount is the best approximation of fair value.

Certain of the Group's financial instruments are recognized at fair value, with measurement being determined in accordance with the three levels defined in IFRS 7. In the PostNord Group, levels 2 and 3 are used. No transfers between the levels took place in 2023 and 2022.

#### Level 2

The fair value of financial instruments is determined using valuation models based on other observable market data. Examples of observable data at level 2 are market interest rates and yield curves. In cases where a listed price is not available, straight interpolation is used.

#### Level 3

Fair value for financial instruments is measured with a not-inconsiderable element of non-observable data. The asset consists of PostNord's holding in PostNords Försäkringsförening in liquidation. On December 31, 2023 PostNords Försäkringsförening's holdings consisted of private equity funds and cash and cash equivalents. Measurement of the underlying portfolio companies in the private equity funds is based on comparisons with equivalent listed companies, market transactions in these companies or measurements used in third-party transactions. This resulted in an unrealized change of SEK -1 million (9) in value, which was recognized in net financial items in the income statement.

Financial assets and liabilities by level, SEKm	Level 2, Dec. 31, 2023	Level 2, Dec. 31, 2022	Level 3, Dec. 31, 2023	Level 3, Dec. 31, 2022
<b>Financial assets</b>				
Currency derivatives	47	39	–	–
Other non-current receivables	–	–	81	112
Other receivables	–	–	–	–
<b>Total financial assets</b>	<b>47</b>	<b>39</b>	<b>81</b>	<b>112</b>
<b>Financial liabilities</b>				
Currency derivatives	72	50	–	–
<b>Total financial liabilities</b>	<b>72</b>	<b>50</b>	<b>–</b>	<b>–</b>

The Group has outstanding currency derivatives in above all DKK, NOK and EUR.

## Note 28 Related party transactions

### Group companies

For deliveries of services and products between Group companies, market prices are applied.

For a detailed list of Parent Company and Group participations in Group companies and associated companies, see Note 6 to the Parent Company's financial statements.

### The Swedish State

Under Sweden's Postal Services Act, PostNord is mandated by the Swedish State to provide a universal postal service. Like other postal operators in Sweden, PostNord must hold a license to operate postal services. For this license, PostNord paid SEK 18 million (18) to the Swedish Post and Telecom Authority (PTS). In addition, PostNord paid PTS SEK 12 million (8) for the handling of undeliverable mail.

PostNord received SEK 16 million (15) from PTS in remuneration under agreements on the procurement of postal services for the elderly and persons with disabilities.

### The Danish State

Under Denmark's postal legislation, PostNord Danmark A/S is mandated by the Danish state to provide a universal postal service via Post Danmark. Compensation of SEK 231 million (187) was recognized as revenue during 2023. The claim on the Danish State for compensation for the universal postal service in the period January 2021 to December 2023 amounted to SEK 689 million (471) on December 31, 2023.

In accordance with the agreement between Post Danmark A/S and the Danish Transport and Construction Agency, fees totaling SEK 1 million (1) were recognized.

During the period, Post Danmark A/S paid pension premiums to the Danish State in the amount of SEK 46 million (50) on behalf of the group of salaried employees who were employed before corporatization.

### Other organizations in Sweden

PostNords Försäkringsförening (the PostNord Insurance Association) is a friendly society that operates autonomously from the PostNord Group and under the supervision of Finansinspektionen. On April 30, 2020 the Association entered into liquidation. For further information, see Note 22. The Association insured PostNord's obligations in connection with employee disability and family pension insurance under the ITP-P plan until April 30, 2020. During the period, the Group's Swedish companies received a refund of SEK 30 million (20).

Postens Pensionsstiftelse (the Posten Pension Fund) manages pension obligations on behalf of PostNord Group AB and PostNord Sverige AB. These companies capitalize new pension obligations at Pensionsstiftelse and are credited with pensions paid out. A total of SEK 160 million (151) was capitalized to the fund and a credit of SEK 1,085 million (982) was received.

### Senior executives

For more information on salaries and other remuneration to senior executives and Board members, see Note 5 Employees, personnel expenses and executive remuneration.

All members of the Group Board of Directors and the Group Leadership Team at PostNord have been requested to notify in writing any business relationships they have with PostNord and whether such were established on a commercial basis. No such relations were reported in 2023 and 2022.

## Note 29 Supplementary disclosures, Statement of cash flows

SEKm	2023	2022
<b>Interest paid</b>		
Interest received	172	43
Interest paid	121	53
<b>Adjustments for non-cash items</b>		
Amortization of non-current assets	1,329	1,259
Amortization and impairments, right-of-use assets	1,637	1,428
Impairment losses, property, plant and equipment	152	–
Impairment losses, non-current intangible assets	905	7
Capital gain/loss on assets and subsidiaries	–50	20
Change in pension liability	–415	–85
Other provisions	–309	–168
Adjustments for non-cash items	–230	–160
<b>Total</b>	<b>3,019</b>	<b>2,302</b>

### Reconciliation of interest-bearing liabilities attributable to financing activities

	Non-cash items							Closing balance
	Opening balance	Net cash flows	Impact of changes in exchange rates	Newly established leases	Other changes	Reclassification		
<b>2023 Jan.-Dec., SEKm</b>								
Non-current interest-bearing liabilities	1,892	1,200	–2	–	–1	–815	2,274	
Non-current lease liability, as per IFRS 16	5,001	–1,633	–17	1,381	–	–95	4,637	
Current interest-bearing liabilities	874	–819	–	–	–	815	870	
Short-term lease liability, as per IFRS 16	1,449	–	–	–	–	95	1,544	
<b>Total change in liabilities arising from financing activities</b>	<b>9,216</b>	<b>–1,252</b>	<b>–19</b>	<b>1,381</b>	<b>–1</b>	<b>–</b>	<b>9,325</b>	
	Non-cash items							Closing balance
	Opening balance	Net cash flows	Impact of changes in exchange rates	Newly established leases	Other changes	Reclassification		
<b>2022 Jan.-Dec., SEKm</b>								
Non-current interest-bearing liabilities	2,752	–	11	–	3	–874	1,892	
Non-current lease liability, as per IFRS 16	4,499	–	127	1,919	–	–1,544	5,001	
Current interest-bearing liabilities	513	–513	–	–	–	874	874	
Short-term lease liability, as per IFRS 16	1,371	–1,466	–	–	–	1,544	1,449	
<b>Total change in liabilities arising from financing activities</b>	<b>9,135</b>	<b>–1,979</b>	<b>138</b>	<b>1,919</b>	<b>3</b>	<b>–</b>	<b>9,216</b>	

## Note 30 Acquisitions and disposals

Effect of acquisitions on assets and liabilities, SEKm	Acquisitions	
	2023	2022
Non-current intangible assets	–	–
Property, plant and equipment	–	253
<b>Total non-current assets</b>	–	<b>254</b>
Current assets	–	1
<b>Total assets</b>	–	<b>255</b>
Other current liabilities	–	–117
<b>Total liabilities</b>	–	<b>–117</b>
<b>Net asset</b>	–	<b>137</b>
Purchase price paid	–	–227
Cash and cash equivalents acquired	–	1
<b>Net effect on cash and cash equivalents</b>	–	<b>–226</b>

Effect of disposal on assets and liabilities, SEKm	Divestments	
	2023	2022
Property, plant and equipment	–22	–
Current assets	0	–
<b>Total assets</b>	<b>–22</b>	–
Other current liabilities	21	–
<b>Total liabilities</b>	<b>21</b>	–
<b>Net asset</b>	<b>–1</b>	–
Purchase consideration received	23	–
Cash and cash equivalents disposed of	–	–
<b>Net effect on cash and cash equivalents</b>	<b>23</b>	–

### Acquisition of subsidiaries

In 2022, PostNord AS acquired 100 percent of the shares in PostNord Terminal Bergen AS. The acquisition consisted of a logistics terminal outside Bergen, Norway.

### Sales of subsidiaries

In 2023, PostNord Group AB divested 100 percent of the shares in Randmärket logistikfastighet AB.

## Note 31 Events after the reporting period

No major events have taken place since the reporting period.

## Note 32 Definitions and alternative key performance indicators

### Alternative key performance indicators

The Group's financial information has been drawn up in accordance with IFRS. Reference is made to a number of financial key performance indicators that are not defined in IFRS. These key performance indicators provide additional information and are used as guidance for the Group Leadership Team, Board of Directors and external stakeholders in their analysis of the Company's operations. Because not all companies calculate financial measures in the same way, these indicators are not always comparable with indicators used by other companies.

The alternative key performance indicators used by PostNord are important in assuring focus areas and linking from business model and strategy.

### 1. Key performance indicators for profitability

Alternative key performance indicators used to measure profitability include EBITDAI, operating margin, adjusted operating income and adjusted operating margin.

EBITDAI is used to illustrate the underlying cash flow of the operating activities, providing an indication of conditions for self-financing of investments and growth.

Adjusted operating income is a useful measure in judging profitability and income of the underlying business.

Operating margin and adjusted operating margin are important key performance indicators for benchmarking.

### Definitions:

#### EBITDAI

Operating income excluding depreciation, amortization and impairments.

#### Operating margin

Operating income in relation to net sales.

### Items affecting comparability

Items that are not recurring, or that do not relate directly to operating activities. The items must be of a material nature. For example, capital gains on sales of assets, and impairment of assets.

Ongoing transformation costs are not regarded as items affecting comparability.

Items affecting comparability in Segments, SEKm	January–December	
	2023	2022
PostNord Sweden	19	230
PostNord Denmark	143	71
PostNord Norway	903	8
<b>PostNord Group</b>	<b>1,064</b>	<b>310</b>
<i>Of which, personnel expenses</i>	<i>12</i>	<i>310</i>
<i>Of which, impairments of intangible assets and property, plant and equipment</i>	<i>1,052</i>	<i>–</i>

Positive items are a decrease in costs, negative items a decrease in revenue.



Note 32 (cont.)

#### Adjusted operating income

Operating income excluding items affecting comparability.

#### Adjusted operating margin

Adjusted operating income in relation to net sales.

### 2. Key performance indicators for capital structure and liquidity

The primary goal of the Group's financial policy is to secure the Group's financial flexibility. Financial flexibility underpins operationalization of strategies and realization of the Group's goals. The Group must secure access to liquidity in order to cover liquidity requirements, normal seasonal variations in cash flow and refinancing and any negative impact of cash flow resulting from risk outcomes.

Net debt ratio and financial preparedness are indicators of the Group's financial flexibility and are closely monitored by Group Leadership Team and Board of Directors. Net debt and the net debt ratio provide important perspectives on the Group's capital structure and leverage. The Group's financial preparedness indicates the Group's resilience to unforeseen negative developments in cash flow.

#### Definitions:

##### Net debt

Interest-bearing liabilities, provision for pensions, lease liabilities minus cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

Reconciliation with financial statements, December 31, SEKm	2023	2022
Non-current interest-bearing liabilities	2,274	1,892
Non-current lease liabilities	4,637	5,001
Current interest-bearing liabilities	870	874
Current lease liabilities	1,544	1,449
Non-current interest-bearing receivables	-189	-195
Non-current interest-bearing receivables, leases	-58	-70
Other non-current receivables <sup>1)</sup>	-1,791	-3,918
Current interest-bearing receivables, leases	-11	-11
Cash and cash equivalents	-3,457	-3,886
<b>Net debt</b>	<b>3,817</b>	<b>1,137</b>

<sup>1)</sup> The amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19.

##### Net debt ratio

Net liability in relation to equity.

#### Net debt excluding leases in accordance with IFRS 16

Interest-bearing liabilities, provision for pensions minus cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

#### Equity excluding leases in accordance with IFRS 16

Equity excluding effect of IFRS 16 in accordance with IFRS 16.

Reconciliation with financial statements, December 31, SEKm	2023	2022
<b>Equity as per Statement of financial position</b>	<b>11,045</b>	<b>13,744</b>
Accumulated effect of leases in accordance with IFRS 16	302	313
<b>Equity excluding leases in accordance with IFRS 16</b>	<b>11,347</b>	<b>14,057</b>

#### Net debt ratio excluding leases in accordance with IFRS 16

Net debt excluding leases in accordance with IFRS 16 in relation to equity excluding leases in accordance with IFRS 16.

#### Financial preparedness

Cash and cash equivalents, short-term investments and unutilized committed credit line.

### 3. Key performance indicators for return on capital invested

Return on capital employed indicates the ability to generate sufficient returns on capital invested and may be used to compare profitability with other companies.

The Group creates value for its owners by investing with a view to increasing future cash flows. Return on capital employed (ROCE) is an important key performance indicator for benchmarking.

#### Definitions:

##### Operating income over the 12 months to the end of the period

Total operating income for four quarters.

##### Operating capital

Non-interest-bearing assets, less non-interest-bearing liabilities.

#### Reconciliation with financial statements, December 31, SEKm

	2023	2022
<b>ASSETS</b>		
Goodwill	1,684	2,639
Other non-current intangible assets	452	438
Property, plant and equipment	7,965	8,400
Right-of-use assets	6,079	6,329
Participations in associated companies	158	154
Other non-current receivables excluding disability pensions	230	242
Deferred tax assets	221	261
Inventories	81	93
Tax assets	309	356
Trade receivables	5,105	5,481
Prepaid expenses and accrued income	1,522	1,287
Other current receivables	80	133
Other non-current liabilities	-64	-71
Other provisions	-466	-686
Deferred tax liabilities	-852	-1,317
Trade payables	-2,981	-3,383
Tax liabilities	-65	-476
Other current liabilities	-1,070	-1,025
Accrued expenses and deferred income	-3,379	-3,526
Other provisions	-146	-444
<b>Total capital employed</b>	<b>14,863</b>	<b>14,881</b>

#### Return on capital employed (ROCE)

Operating income on a trailing 12-month basis, in relation to average operating capital.

#### Other key indicators

##### Core staff

Refers to all full- and part-time regular employees.

##### Average number of employees (FTE)

The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year.



# Parent Company

## Income statement

SEKm	Note	2023	2022
	1, 2		
Other operating income		17	24
<b>Operating revenue</b>		<b>17</b>	<b>24</b>
Personnel expenses	3	-27	-27
Other expenses	4	-11	-9
<b>Operating expenses</b>		<b>-38</b>	<b>-36</b>
<b>OPERATING INCOME</b>		<b>-21</b>	<b>-12</b>
Interest income and similar items	5	357	121
Interest expenses and similar items	5	-135	-51
<b>Financial items</b>		<b>222</b>	<b>70</b>
<b>Income after financial items</b>		<b>201</b>	<b>58</b>
Group contributions received		5	20
<b>Income after appropriations</b>		<b>206</b>	<b>78</b>
<b>Income before tax</b>		<b>206</b>	<b>78</b>
Tax		-2	-0
<b>Net income for the year</b>		<b>204</b>	<b>78</b>

## Statement of comprehensive income

SEKm	2023	2022
Net income for the year	204	78
Total other comprehensive income	-	-
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>204</b>	<b>78</b>

## Balance sheet

SEKm	Note	Dec. 31, 2023	Dec. 31, 2022
	1, 2		
<b>ASSETS</b>			
Participations in Group companies	6	10,861	10,861
Interest-bearing receivables		44	40
Interest-bearing receivables, Group companies	7	5,000	6,000
<b>Total non-current assets</b>		<b>15,905</b>	<b>16,901</b>
Interest-bearing receivables, Group companies	10	2,784	1,234
Other receivables		90	14
Other receivables from Group companies	10	15	20
Prepaid expenses and accrued income	10	1	4
<b>Total current assets</b>		<b>2,890</b>	<b>1,271</b>
<b>TOTAL ASSETS</b>		<b>18,794</b>	<b>18,173</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity			
Capital stock	8	2,000	2,000
Share premium reserve		10,141	10,141
Non-restricted equity			
Retained earnings		3,560	3,482
Net income for the year		204	78
<b>TOTAL EQUITY</b>		<b>15,905</b>	<b>15,701</b>
<b>LIABILITIES</b>			
Interest-bearing liabilities	10	2,043	1,639
Other non-current liabilities		11	10
<b>Total non-current liabilities</b>		<b>2,053</b>	<b>1,649</b>
Current interest-bearing liabilities	10	800	800
Other current liabilities	10	-	3
Accrued expenses and deferred income	10	36	19
<b>Total current liabilities</b>		<b>836</b>	<b>823</b>
<b>TOTAL LIABILITIES</b>		<b>2,889</b>	<b>2,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,794</b>	<b>18,173</b>



## Statement of cash flows

SEKm	Note	2023	2022
	11		
<b>OPERATING ACTIVITIES</b>			
Income before tax		206	78
Appropriations		-5	-20
Adjustments for non-cash items		-	14
Income tax paid		-92	-107
<b>Cash flow from operating activities before changes in working capital</b>		<b>109</b>	<b>-35</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in operating receivables		13	5
Increase (+)/decrease (-) in operating liabilities		14	-7
<b>Change in working capital</b>		<b>27</b>	<b>-2</b>
<b>Cash flow from operating activities</b>		<b>136</b>	<b>-37</b>
<b>INVESTING ACTIVITIES</b>			
Changes in Group receivables		-556	-163
<b>Cash flows from investing activities</b>		<b>-556</b>	<b>-163</b>
<b>FINANCING ACTIVITIES</b>			
New loans		1,200	-
Amortization of loans		-800	-500
Group contributions received		20	700
<b>Cash flows from financing activities</b>		<b>420</b>	<b>200</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents at start of year		-	-
Cash and cash equivalents at year-end		-	-

## Statement of changes in equity

SEKm	Restricted equity		Non-restricted equity	
	Capital stock	Share premium reserve	Retained earnings incl. net income for year	Total
<b>Opening balance Jan. 1, 2022</b>	2,000	10,141	3,482	15,623
Comprehensive income for the year	-	-	78	78
<b>Shareholders' equity, closing balance Dec. 31, 2022</b>	<b>2,000</b>	<b>10,141</b>	<b>3,560</b>	<b>15,701</b>
<b>Opening balance Jan. 1, 2023</b>	2,000	10,141	3,560	15,701
Comprehensive income for the year	-	-	204	204
<b>Shareholders' equity, closing balance Dec. 31, 2023</b>	<b>2,000</b>	<b>10,141</b>	<b>3,764</b>	<b>15,905</b>

# Notes to Parent Company financial statements

## Note 1 Accounting principles

The Parent Company applies in the main the same accounting principles as the Group, and thus RFR 2, Accounting for Legal Entities. The differences between the Parent Company's and the Group's accounting principles result from limits on the possibilities for applying IFRS in the Parent Company under the Annual Accounts Act, the Act on Safeguarding of Pension Commitments (Tryggandelagen) and, to some extent, for tax reasons. The Parent Company therefore does not apply IFRS 15 and IFRS 16, and a provision for expected customer losses as defined in IFRS 9 has been calculated but deemed to be immaterial.

### Changes in accounting principles arising from new or amended IFRS

A number of new or amended IFRS will not come into force until future financial years and have not been adopted early in the preparation of financial statements; for more information see Note 1 to the Consolidated financial statements.

### Participations in subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognized in the Parent Company in accordance with the cost method. If the carrying amount for the Parent Company's holding in the subsidiary, associated company or joint venture company exceeds the carrying amount in the financial statements, this is taken as an indication that an impairment loss has arisen and an impairment test is to be performed.

Group contributions are recognized as appropriations.

### Dividends

Dividends from subsidiaries and associated companies are recognized as income when the right to distribution has been determined.

Anticipated dividends from subsidiaries are recognized if the Parent Company has the sole right to determine the size of the dividend and has determined the size of the dividend before publishing its financial statements.

### Employee benefits

Pension obligations on behalf of salaried employees, which obligations are secured via pension insurance policies, are recognized in the Parent Company under the heading Defined-contribution plan. Pension expenses are charged to operating income.

### Financial guarantees

The Parent Company's financial guarantee contracts consist of guarantees on behalf of subsidiaries and joint ventures. Under financial guarantees, the Company has an obligation to compensate holders of debt instruments in respect of losses that the latter may incur by reason

of a specified debtor failing to make payment when due in accordance with the terms of the contract. The Parent Company applies RFR 2 for recognition of financial guarantee contracts. The rules of IFRS 9 concerning financial guarantee contracts are not applied to guarantee contracts on behalf of subsidiaries, associated companies and joint ventures. Instead, the rules on recognition and measurement stated in IAS 37 are applied. The Parent Company recognizes financial guarantee contracts as an appropriation in the balance sheet in cases where PostNord is under an obligation for which payment is likely to be required in order to settle the obligation.

### Taxes

In the Parent Company, untaxed reserves are recognized including deferred tax liabilities.

### Segment reporting

The Parent Company's business consists solely of one activity, the management of Group functions.

## Note 2 Significant assessments and estimates

When preparing the financial statements, management has made assessments and estimates that affect the Group's reporting. These assessments and estimates are based on what is known at the time the accounts are presented, and on historic experience and the assumptions that management considers reasonable in the given circumstances. Management's conclusions form the basis of the carrying amounts. Actual outcomes, assessments and estimates in future financial statements over the year ahead may deviate from those contained in this report as a result of changes in external circumstances and recently gained experience.

### Shares in subsidiaries

Assumptions are made about future circumstances in order to calculate future cash flows that will determine the recoverable amount. The recoverable amount is compared with the carrying amount for these assets and is the amount on which any impairments or reversals are based. The assumptions that most affect the recoverable amount are future changes in income, discount rate and useful life of the asset. If future external factors and circumstances change, these assumptions may be affected, so as to change the carrying amounts of the Parent Company's assets.

## Note 3 Employees and personnel expenses

Personnel expenses, SEKm	2023	2022
Salaries and other remuneration	16	16
Statutory social insurance costs	6	6
Pension expenses	5	5
Other personnel expenses	0	1
<b>Total</b>	<b>27</b>	<b>28</b>

The Parent Company has 2 employees (2). The President/CEO, Anne-marie Gardshol, has a monthly salary of SEK 936 thousand (882), a retirement insurance policy with a monthly premium of SEK 44 thousand (40) and an endowment insurance policy with a monthly premium of SEK 226 thousand (221).

## Note 4 Fees and reimbursement of expenses to auditors

SEKm	2023	2022
<b>Auditing assignments</b>		
Deloitte	1	–
KPMG	–	1
<b>Total</b>	<b>1</b>	<b>1</b>

Audit assignments refers to the audit of the annual report and accounting records, as well as the Board of Directors' and President/Group CEO's administration of the Company, other tasks incumbent on the Company's auditor, and advice/other assistance resulting from observations made during such audits or the performance of such other tasks. The expense is recognized under the heading Other expenses.

## Note 5 Interest income, income expenses and similar income items

SEKm	2023	2022
Interest income from Group companies	357	121
Currency earnings	0	0
<b>Total financial income</b>	<b>357</b>	<b>121</b>
Interest expenses	-135	-44
Other financial expenses	-	-7
<b>Total financial expenses</b>	<b>-135</b>	<b>-51</b>

See also Note 27 to the Consolidated financial statements, Financial risk management and financial instruments.

## Note 6 Holdings of shares and participations in Group companies

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Historical cost, opening balance</b>	<b>11,676</b>	<b>11,676</b>
<b>Accumulated historical costs at year-end</b>	<b>11,676</b>	<b>11,676</b>
<b>Impairments, opening balance</b>	<b>-815</b>	<b>-815</b>
Impairment losses for the year	-	-
<b>Accumulated impairments at year-end</b>	<b>-815</b>	<b>-815</b>
<b>Closing balance</b>	<b>10,861</b>	<b>10,861</b>

## Note 7 Interest-bearing receivables, Group companies

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Historical cost, opening balance</b>	<b>6,000</b>	<b>5,000</b>
Investments during the year	-	1,000
Divestments during the year	-1,000	-
<b>Accumulated historical cost at year-end</b>	<b>5,000</b>	<b>6,000</b>
<b>Closing balance</b>	<b>5,000</b>	<b>6,000</b>

Note 6 (cont.)

Shares held directly and indirectly by Parent Company, PostNord AB, SEKm	Corporate registration number	Registered office	Country	Number of shares	Share of equity, %		Carrying amount in Parent Company Dec. 31, 2023
					Direct	Indirect	
<b>PostNord Group AB</b>	<b>556128-6559</b>	<b>Solna</b>	<b>Sweden</b>	<b>600,000</b>	<b>100</b>		<b>10,861</b>
PostNord Sverige AB	556711-5695	Solna	Sweden	1,000		100	
Tidningstjänst AB	556039-7480	Stockholm	Sweden	7,500		100	
Posten Leasing AB	556341-0009	Stockholm	Sweden	5,000		100	
Fastighets AB Penelope	556517-0544	Stockholm	Sweden	100		100	
Nässjöterminalen Kommanditbolag	916629-7458	Solna	Sweden	-		100	
Rosersberg Brevterminal AB	556819-9862	Stockholm	Sweden	1,000		100	
Hallsberg Brevterminal AB	556848-8133	Stockholm	Sweden	500		100	
Postfastighet Klynnan 12 AB	559393-0851	Stockholm	Sweden	25,000		100	
PostNord Strålfors AB	556102-9843	Ljungby	Sweden	50,000		100	
PostNord Strålfors A/S	10068657	Brøndby	Denmark	200,000		100	
PostNord Strålfors Oy	0115061-7	Vantaa	Finland	2,100		100	
PostNord Strålfors AS	944997431	Oslo	Norway	870		100	
PostNordbolagen AB	556158-7006	Solna	Sweden	1,000		100	
Svensk Adressändring AB	556476-3562	Stockholm	Sweden	850		85	
AddressPoint AB	556587-5597	Stockholm	Sweden	1,700		85	
Direct Link Worldwide Ltd	2911080	Hayes	UK	110,000		100	
Direct Link Worldwide Distribution Pte Ltd	199700772	Singapore	Singapore	700,000		100	
Direct Link Worldwide Pty Ltd	95493459	Sydney	Australia	1		100	
Direct Link Worldwide Company Ltd	34733122000	Hong Kong	China	1		100	
Direct Link Worldwide (Shanghai) Logistics Service Co. Ltd	010000022021004080000	Shanghai	China	3,000,000		100	
Direct Link Worldwide Inc.	112-797-736/000	New Jersey	USA	100		100	
Direct Link Worldwide GmbH	217864281	Griesheim	Germany	150		100	
Direct Link WorldWide Sp Zoo	5272719788	Zerniki	Poland	100		100	
PostNord Logistics GmbH	HRB8888HL	Lübeck	Germany	1		100	
PostNord AS	984054564	Oslo	Norway	117,570		100	
PostNord Terminal Drammen AS	921 477 147	Oslo	Norway	30		100	
PostNord Terminal Bergen AS	998 372 976	Oslo	Norway	30		100	
PostNord Terminal Trondheim AS	992 079 797	Oslo	Norway	406,220		100	
PostNord Terminal Langhus AS	990427321	Oslo	Norway	200,000		100	
PostNord Oy	1056251-7	Vantaa	Finland	5,817		100	
PostNord Logistics A/S	20148586	Copenhagen	Denmark	500,001		100	
PostNord TPL AB	556161-7191	Solna	Sweden	50,000		100	
PostNord TPL A/S	26115396	Brøndby	Denmark	100		100	
Post Danmark A/S	26663903	Copenhagen	Denmark	25,000,000		100	
Post Fleet Management A/S	79203114	Hvidovre	Denmark	400		100	
Distribution Services A/S	56448810	Copenhagen	Denmark	30		100	
Nordic Infrastructure A/S	40059423	Sønderborg	Denmark	5,300,000		100	
<b>Participations in associated companies</b>							
e-Boks Group A/S	41015918	Copenhagen	Denmark	500,000		50	
Norske Sonenøkler AS	828082272	Oslo	Norway	1,500		50	

## Note 8 Capital stock and appropriation of Company's net income

Classes of share, number	Dec. 31, 2023	Dec. 31, 2022
Ordinary shares	1,524,905,971	1,524,905,971
Class B shares	475,094,030	475,094,030
<b>Total</b>	<b>2,000,000,001</b>	<b>2,000,000,001</b>

Quotient value per share is SEK 1. Every ordinary share entitles the holder to 1 vote and every Class B share to 1/10th of a vote.

### Proposed appropriation of the Company's net income

The Board of Directors proposes that unappropriated earnings of SEK 3,764,435,604 (3,560,256,471) be distributed as follows:

	Dec. 31, 2023	Dec. 31, 2022
To be carried forward, SEK	3,764,435,604	3,560,256,471
<b>Total</b>	<b>3,764,435,604</b>	<b>3,560,256,471</b>

## Note 9 Pledged assets and contingent liabilities

SEKm	Dec. 31, 2023	Dec. 31, 2022
<b>Pledged assets for own liabilities</b>		
Pledged assets <sup>1</sup>	44	40
<b>Total</b>	<b>44</b>	<b>40</b>
<b>Contingent liabilities</b>		
Guarantees on behalf of subsidiaries	669	640
<b>Total</b>	<b>669</b>	<b>640</b>

<sup>1</sup> Endowment insurance.

## Note 10 Financial instruments

Carrying amount and fair value of financial assets and liabilities, SEKm	December 31, 2023				
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Non-current interest-bearing receivables, Group companies	–	5,000	–	5,000	5,000
Other receivables, Group companies	–	5	–	5	5
Accrued income	–	1	–	1	1
Interest-bearing receivables, Group companies	–	1,784	–	1,784	1,784
Non-current interest-bearing liabilities, Credit institutions	–	–	–1,999	–1,999	–2,000
Current interest-bearing liabilities	–	–	–800	–800	–798
Other current liabilities	–	–	–	–	–
Accrued expenses	–	–	–2	–2	–2
<b>Total financial assets and liabilities by category</b>	<b>–</b>	<b>6,790</b>	<b>–2,801</b>	<b>3,989</b>	<b>3,990</b>

Carrying amount and fair value of financial assets and liabilities, SEKm	December 31, 2022				
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Non-current interest-bearing receivables, Group companies	–	6,000	–	6,000	6,000
Other receivables, Group companies	–	20	–	20	20
Accrued income	–	4	–	4	4
Interest-bearing receivables, Group companies	–	1,234	–	1,234	1,234
Non-current interest-bearing liabilities, Credit institutions	–	–	–1,599	–1,599	–1,589
Current interest-bearing liabilities	–	–	–800	–800	–795
Other current liabilities	–	–	–	–	–
Accrued expenses	–	–	–17	–17	–17
Interest rate derivatives, hedge accounting	–	–	–	–	–
<b>Total financial assets and liabilities by category</b>	<b>–</b>	<b>7,258</b>	<b>–2,416</b>	<b>4,842</b>	<b>4,857</b>

## Note 11 Supplementary disclosures to Statement of cash flows

SEKm	2023	2022
<b>Interest paid</b>		
Interest received	349	117
Interest paid	113	46

### Reconciliation of interest-bearing liabilities attributable to financing activities

2023 Jan.–Dec., SEKm	Opening balance	Net cash flows	Non-cash items		Closing balance
			Change in accrual-based costs	Reclassification	
Non-current interest-bearing liabilities	1,639	1,200	4	–800	2,043
Current interest-bearing liabilities	800	–800	–	800	800
<b>Total change in liabilities arising from financing activities</b>	<b>2,439</b>	<b>400</b>	<b>4</b>	<b>–</b>	<b>2,843</b>

2022 Jan.–Dec., SEKm	Opening balance	Net cash flows	Non-cash items		Closing balance
			Change in accrual-based costs	Reclassification	
Non-current interest-bearing liabilities	2,436	–	3	–800	1,639
Current interest-bearing liabilities	500	–500	–	800	800
<b>Total change in liabilities arising from financing activities</b>	<b>2,936</b>	<b>–500</b>	<b>3</b>	<b>–</b>	<b>2,439</b>



# The Board of Directors' and President & Group CEO's certification

The Board of Directors and the Chief Executive Officer hereby declare that the annual accounts have been prepared in accordance with generally accepted accounting practice in Sweden and that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards as referred to in Regulation (EC) No. 1606/2002/EC of the European Parliament and of the Council dated 19 July 2002 on the application of international accounting standards. The annual report and the consolidated accounts give a true and fair view of the financial position and results of the Parent Company and the Group. Nothing of material importance has been omitted that might influence the view of the Company provided by the annual report. The statutory administration report of the Board of Directors for the Parent Company and Group provides a true and fair overview of the Parent Company's and Group's operations, position and results, as well as describing significant risks and factors of uncertainty to which the Parent Company and the companies included in the Group may be exposed. The annual report and the sustainability report, together with the consolidated accounts, were as indicated above approved for issue by the Board of Directors and the Chief Executive Officer on March 5, 2024.

Solna, March 5, 2024

**Christian Jansson**

*Chair*

**Sonat Burman Olsson**

*Director*

**Christian Frigast**

*Deputy Chair*

**Susanne Hundsbæk-Pedersen**

*Director*

**Jenny Lahrin**

*Director*

**Peder Lundquist**

*Director*

**Hillevi Engström**

*Director*

**Theresia Dissel**

*Employee representative*

**Daniel Hansen**

*Employee representative*

**Sandra Svensk**

*Employee representative*

**Annemarie Gardshol**

*President and Group CEO*

Our Auditor's Report was presented on March 5, 2024

Deloitte AB

**Anneli Pihl**

*Authorized Public  
Accountant*



# Auditor's Report

*This auditor's report replaces the auditor's report submitted, but not published, by us on the 22nd of February 2024.*

## To the general meeting of the shareholders of PostNord AB corporate identity number 556771-2640

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of PostNord AB for the financial year 2023-01-01 – 2023-12-31 except for the corporate governance statement on pages 39–48, the statutory sustainability report on pages 6, 11–12, 14–17, 21–31, 33–34, 36–38 and note not 32. The annual accounts and consolidated accounts of the company are included in pages 6–88 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover corporate governance statement on pages 39-48, the statutory sustainability report on pages 6, 11–12, 14–17, 21–31, 33–34, 36–38 and note not 32. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014 EU) Article 11.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014 EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Other matter

This auditor's report replaces a previous submitted, but not published, auditor's report due to adjustments in the Company's sustainability report.

The audit of the report for the financial year 2022-01-01–2022-12-31 has been performed by another auditor, who has issued an auditor's report dated 23 February 2023, with unqualified opinions in the Report of annual accounts and consolidated accounts.

#### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### Goodwill

##### Description of risk

PostNord reported goodwill of SEK 1,684 million as of December 31, 2023. PostNord shall test goodwill assets for impairment at least annually and when events or changed conditions indicate that the carrying amount of the asset may be lower than the recoverable amount. Estimate of recoverable amount, defined as the higher of fair value less sale expenditure and value in use, involves estimates and judgments by management in identifying and measuring cash-generating units. Management has estimated recoverable amount based on its value in use, which in turn is based on management's assessment of assumptions such as sales growth, cash flow, weighted average cost of capital ("WACC") and perpetual growth rate.

For further information, please refer to Notes 2 "Significant judgements and estimates" and 10 "Intangible assets" in the consolidated financial statements.

#### Our audit procedures

Our audit covered the following audit procedures but was not limited to:

- evaluation of accounting policies and impairment testing process,
- evaluation of the reasonableness of management's identified cash-generating units,
- together with our valuation specialists, compare and challenge material assumptions in management's valuation model for calculating recoverable amount, including assessment of sales growth, WACC, and perpetual growth rate,
- arithmetic testing of cash flow models and reconciliation of assumptions with business plans approved by the Board of Directors,
- evaluation of the adequacy of disclosures in the financial statements.

## Pensions

### Description of risk

PostNord has signed several defined benefit pension plans and reported a net surplus of SEK 19,624 million as of December 31, 2023. The defined benefit pension obligations are measured at present value using the Project Unit Credit Method and a number of demographic and financial assumptions regarding, among other things, discount rates, inflation, salary development, employee turnover and life expectancy. In addition, a large part of the plan assets that secure the obligations in the defined benefit plans (SEK 20,511 million) are valued at fair value where there are no current, quoted prices on the balance sheet date (SEK 10,409 million). Both the pension obligations and the plan assets amount to significant amounts, are associated with a degree of judgement, and are sensitive to changes in certain assumptions. Management has engaged actuary specialists to calculate the value of the Group's pension obligations and to compile how they should be presented in the financial statements and in related notes.

For further information, please refer to Notes 2 "Significant judgements and estimates", 16 "Deferred tax", 22 "Pensions", 23 "Other provisions" and 27 "Financial risk management and financial instruments" in the consolidated financial statements.

### Our audit procedures

Our audit procedures covered but were not limited to:

- together with our actuarial specialists, ensure that the required actuarial approach has been correctly applied and evaluate the reasonableness of material assumptions applied by management, including discount rates, inflation, salary development, employee turnover and life expectancy,
- ensure the accuracy, completeness and reliability of the input data used in the valuation of pension obligations,
- examine the fair value of plan assets by confirming the holdings and prices used and the reasonableness of the fair values assigned to the unlisted holdings,

- evaluation of the adequacy of disclosures of the required information on pension obligations and plan assets in the financial statements.

### Other information than the annual accounts and consolidated accounts

The other information includes the Remuneration Report which we obtained prior to the date of this auditor's report and the pages 6, 11–12, 14–17, 21–31, 33–34, 36–38, note 32 and 93–113. In this document but does not include the Annual accounts and the consolidated accounts or our Auditors Report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible

for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to

fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

### Report on other legal and regulatory requirements

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of PostNord AB for the financial year 2023-01-01 – 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.



### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed

appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Deloitte AB was appointed auditor of PostNord by the general meeting of shareholders on the 2023-04-25 and has been the company's auditors since 2023-04-25.

### *Auditor's examination of the corporate governance report*

The Board of Directors is responsible for that the corporate governance statement on pages 39-48 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions. A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 5, 2024  
Deloitte AB

Signature on Swedish original

**Anneli Pihl**  
*Authorized public accountant*

# Sustainability information



# Sustainability information

This section contains further details of PostNord's sustainability-related targets and outcomes, as well as information sought by external stakeholders. It consists of the following four parts:

1. We manifest climate leadership
2. We care for our people
3. We unleash the power of diversity
4. We meet external requirements

## PostNord's sustainability agenda contributes towards the UN's Sustainability Development Goals

PostNord is a participant of the UN Global Compact and our sustainable logistics agenda is clearly linked to the UN's Sustainable Development Goals, in particular goals 4, 5, 8, 9, 11–13 and 17.

### 1. We manifest climate leadership



Climate transition requires major infrastructure expansion and investment in innovation will be needed. PostNord's transition is stimulating progress in, above all, energy and mobility.



Climate-smarter transportation will play a vital role in the face of increasing urbanization. PostNord is reducing its emissions and developing modern logistics solutions.



Everyone needs to play their part in sustainable consumption and production. PostNord is adapting its own operations – above all in the form of vehicles, logistics and premises – and working with suppliers, customers and other partners.



The climate crisis is one of the greatest challenges of our time. PostNord has set science-based climate targets and is operating a Group-wide climate transition program.

### 2. We care for our people



PostNord focuses on ensuring decent working conditions in our own operations and in the supply chain. We work to advance human rights, focusing on external truck drivers and the Truck Transport Social Guidelines.

### 3. We unleash the power of diversity



Developing the skills of our employees is helping to create meaningful work, better career opportunities and a more successful PostNord.



The Nordic countries have come a long way when it comes to gender equality, but we are far from the finish line. PostNord is working actively to improve gender balance and strengthen equality, diversity and inclusion.

### 4. We meet external requirements



Cooperation is crucially important in the journey towards a sustainable economy and society. PostNord is working with a number of stakeholders and partners, for example in the areas of climate and responsible purchasing.

# We manifest climate leadership



PostNord's overall climate goal is to transition to fossil-free transportation and operations by 2030. The focus is on optimizing our logistics system, as well as the vehicles that PostNord and our transportation providers operate on the roads of the Nordic countries.

## PostNord's climate impact

Road transportation accounts for the major share of PostNord's overall climate impact. Purchased transportation (Scope 3) is the main source of the Group's carbon footprint. This emission source causes 55 percent of the total climate impact (Scopes 1, 2 and 3) and 83 percent of all transportation. (Transportation should be understood throughout as referring to commercial transport, i.e. exclusive of employee commuting and business travel.)

## PostNord's climate transition

Transformation of the PostNord vehicle fleet is taking place in three phases: from fossil-based, via bio-based, to fossil-free energy. The three phases are running in parallel, as technological developments mean that smaller vehicles on shorter routes are quickest to convert while heavier vehicles on longer routes need more time.

Sustainably produced biofuels are key to PostNord's transition. To bring fossil emissions down quickly enough, we are switching as many vehicles as possible from diesel to the transition fuels HVO and biogas. The crucial difference in terms of climate impact is that fossil fuels took millions of years to form, while biomass for biofuels is constantly being created. As a result, emissions from biofuels are regarded as carbon-neutral in the longer term.

Green by PostNord is the Group-wide program to advance PostNord's climate transition. The aim is to ensure that the transition is fast, resource-efficient and successful. Read more on page 23.

## Climate leadership targets

Our overall climate goal is fossil-free transportation and operations by 2030. PostNord's climate targets are expressed as operational targets and science-based targets. The baseline year for all climate targets is 2020. (PostNord's previous climate target was for the years 2009–2020.)

### Operational targets

The Group's operational targets support the science-based targets. The overall goal of fossil-free transportation and operations includes own and purchased transportation, business travel Scopes 1 and 2 and parts of Scope 3. The baseline – carbon dioxide emissions in 2020 – is 324,060 tonnes.

**Target:** –40 percent carbon dioxide emissions in transportation and operations by 2025

**Outcome:** –17 percent carbon emissions compared to the previous year, –30 percent compared to the baseline year

Total carbon dioxide emissions from operations for the year amounted to 227,602 (275,190) tons. This represented a decrease of 17 percent compared to the preceding year and 30 percent compared to the baseline year 2020. This resulted mainly from the transition to renewable energy (fuel and electricity use in buildings) and lower energy use. Breakdown of emissions: Sweden 88,888 tonnes (111,487), Denmark 50,001 tonnes (61,640), Norway 66,828 tonnes (74,059), Finland 16,682 tonnes (18,073), Strålfors 449 tonnes (422) and PostNord TPL in Sweden 4,754 tonnes (9,509). As of the current year, PostNord TPL is included as a separate entity in the climate results, but only the Swedish operations and only with incomplete data. PostNord Germany and Direct Link are not included in the calculations.

**Target:** Zero emissions from last-mile transportation (light vehicles) by 2027

**Outcome:** 37 percent (33)

At year-end, 37 percent (33) of PostNord's own light vehicles in last-mile operations were emission-free. During the year, the target was further refined: it applies to light vehicles, i.e. all vehicle types weighing less than 3.5 tons. Read more about how this target is defined on page 97.

### Science-based targets

PostNord's science-based climate targets have been approved by the Science Based Targets initiative and sit alongside the operational targets.

The target for Scopes 1 and 2 refers to absolute emissions. The target for Scope 3 is an intensity target, in which greenhouse gas emissions are related to PostNord's parcel volumes (number of parcels excluding Varubrev sorted per sorting machine per parcel terminal). We use parcels as a starting point because they are a key part of operations and because our transportation needs and thus emissions are strongly associated with changes in parcel volumes. The indicator also enables easier cooperation with customers and other partners.

**Target:** –80 percent greenhouse gas emissions in Scopes 1 and 2 by 2030

**Outcome:** –26 percent carbon emissions compared to the previous year, –55 percent compared to the baseline year

Scopes 1 and 2 greenhouse gas emissions for the year totaled 37,680 tonnes (50,651). This was a decrease of 26 percent compared to the previous year and 55 percent compared to the baseline year 2020. This is mainly attributable to electrification of light vehicles and considerable use of renewable fuels.

**Target:** –50 percent greenhouse gas emissions in Scope 3 per parcel by 2030

**Outcome:** –26 percent carbon emissions per parcel compared to the previous year, –22 percent compared to the baseline year

Scope 3 greenhouse gas emissions totaled 2.23 kg (3.00) per parcel. This represented a decrease of 26 percent compared to the previous year and 22 percent compared to the baseline year 2020. The change mainly arises from reduced Scope 3 emissions (447,101 tonnes compared to last year's 627,916), driven primarily by activities in PostNord's climate change program and lower capital investments. Parcel volumes also decreased during the year.

### Difference between operational and science-based targets

The SBTi-approved science-based targets differ from the operational objectives as follows:

- represent a higher share of total emissions in the PostNord value chain
- include all relevant greenhouse gases (carbon dioxide, CO<sub>2</sub>; methane, CH<sub>4</sub>; nitrous oxide, N<sub>2</sub>O) and are expressed as carbon dioxide equivalents (CO<sub>2</sub>e)
- consist of an absolute target and an intensity target.

### Outcome for greenhouse gas emissions by emission source Transportation

PostNord generally outsources heavy and long-distance transportation, and so emissions from purchased transportation are higher than from PostNord's vehicle fleet.

Greenhouse gas emissions from transportation totaled 320,152 tonnes (382,975). This represented a decrease of 16 percent compared to the previous year and 26 percent compared to the baseline year 2020.

Note that emissions from own transportation arise in Scopes 1, 2 and 3 and from purchased transport in Scope 3. This means that the figures given below do not accord with the values in the table on page 96.

**ROAD TRANSPORTATION** accounts for around 93 percent of greenhouse gas emissions from transportation and 62 percent of PostNord's total climate footprint. Emissions from road transportation totaled 298,962 tonnes (362,078) during the year. This represented a decrease of 17 percent compared to the previous year and 28 percent compared to the baseline year 2020. The change was due to sharply higher use of pure HVO100 and electrification. 24 percent of the fuel used for transportation is advanced biofuels. In PostNord's case, it is mainly pure HVO, RME and biogas.

**AIR TRANSPORTATION** accounts for around 4 percent of greenhouse gas emissions from transportation and 3 percent of PostNord's total climate footprint. Emissions from air transportation totaled 12,743 tonnes (12,275) during the year. This represented an increase of 4 percent compared to the previous year.

PostNord purchases air transportation for operations in Sweden, principally to ensure that mail traveling long distances arrive on time, that is in accordance with the Postal Services Act. No air transportation was used in Denmark, Finland or Norway during the year. Foreign air transportation is not included in the calculations.

**RAIL TRANSPORTATION** accounts for just under 2 percent of greenhouse gas emissions from transportation and 1 percent of PostNord's total climate footprint. Emissions from rail transportation totaled 5,105 tonnes (5,328) during the year. This was a decrease of 4 percent compared to the previous year and 10 percent compared to the baseline year 2020.

PostNord employs rail transportation on a major scale in Sweden and Norway. In Sweden, all rail transportation operates entirely on electricity from renewable sources. In Norway, hybrid trains are also used where the infrastructure does not allow full electric operation.

**FERRY TRANSPORTATION** accounts for around 1 percent of greenhouse gas emissions from all modes of transportation and barely 1 percent of PostNord's total climate footprint. These emissions totaled 3,342 tonnes (3,293), an increase of 1 percent compared to the previous year and 7 percent compared to the baseline year 2020.

Only the businesses in Sweden and Denmark use ferry transportation to any major extent.

**Purchasing**

Purchased goods, services and capital goods account for around 29 percent of PostNord's total climate footprint. Emissions from these sources amounted to 141,590 tonnes (270,452) during the year. This was a decrease of 48 percent compared to the previous year and 25 percent compared to the baseline year 2020. The change arose mainly as a result of lower IT-related purchases and packaging goods, as well as a lower level of investments.

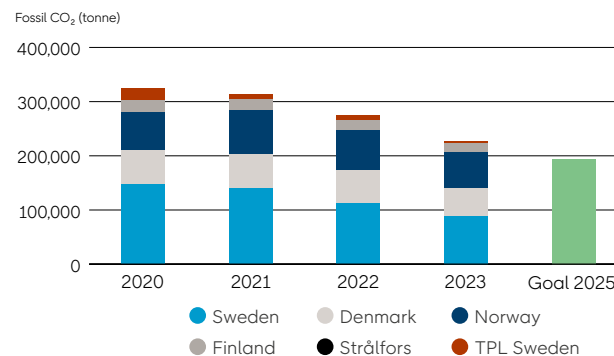
**Buildings**

Emissions from heating, cooling and electricity (direct use of heating, plus heating and electricity) at PostNord's facilities account for about 2 percent of PostNord's total climate footprint. Emissions from these sources amounted to 7,391 tonnes (9,186) during the year. This represented a decrease of 20 percent compared to the previous year and 25 percent compared to the baseline year 2020. The change was due to milder weather, efficiency gains in energy use and ongoing improvement programs. 2 percent of the electricity consumed in our buildings (including from charging our own electric vehicles) was from self-generated solar electricity.

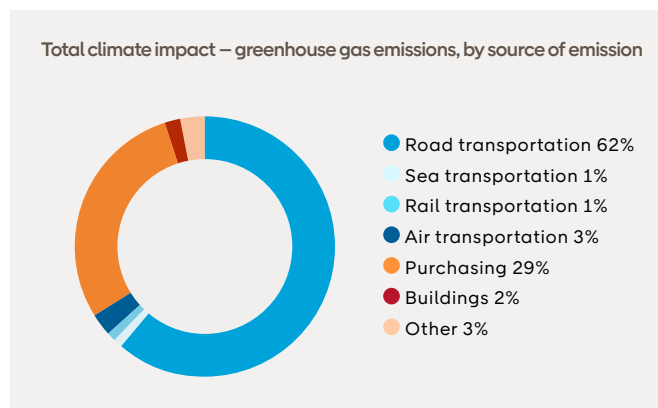
**Other emission sources**

Other emission sources include business travel and employee commuting and accounted for about 3 percent of PostNord's total climate footprint. Emissions from these sources amounted to 14,613 tonnes (15,310) during the year. This was a decrease of 5 percent compared to the previous year and 9 percent compared to the baseline year 2020. The change is mainly attributable to employee commuting.

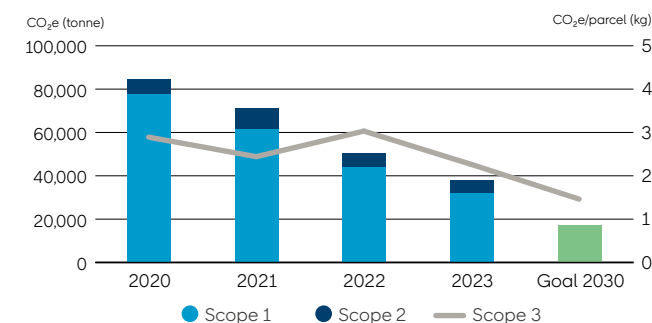
**Carbon emissions in operations, by country <sup>1) 2)</sup>**



<sup>1)</sup> The emissions are produced by own and purchased transportation, business travel by car and air, and energy use in buildings, i.e., Scopes 1 and 2 and parts of Scope 3.  
<sup>2)</sup> Previously reported values have been recalculated. See pages 97 and 110 for more information.



**Science-based climate targets <sup>1)</sup>**



<sup>1)</sup> Previously reported values have been changed. See pages 97 and 110 for more information.

Greenhouse gas emissions, Scopes 1–3 (tonnes) <sup>2)</sup>	2023	2022	Baseline year 2020
<b>Scope 1 (direct CO<sub>2</sub>e emissions)</b>			
Own transportation	31,828	43,913	77,344
Direct heating (gas and oil)	244	303	448
<b>Total Scope 1</b>	<b>32,072</b>	<b>44,216</b>	<b>77,792</b>
<b>Scope 2 (indirect CO<sub>2</sub>e emissions)</b>			
Heating and electricity (market-based emissions)	5,608	6,435	6,619
Heating and electricity (location-based emissions)	15,612	17,778	18,801
<b>Total Scope 2</b>	<b>5,608</b>	<b>6,435</b>	<b>6,619</b>
<b>Scope 3 (other indirect CO<sub>2</sub>e emissions)</b>			
Purchased goods and services	11,216	13,756	14,290
Capital goods	130,375	256,696	175,655
Fuel- and energy-related emissions	23,370	26,039	32,151
Transportation (upstream)	267,830	316,393	327,078
Employee commuting	12,911	13,717	14,312
Business travel	1,400	1,314	1,308
<b>Total Scope 3</b>	<b>447,101</b>	<b>627,916</b>	<b>564,793</b>
<b>Total CO<sub>2</sub>e emissions</b>	<b>484,781</b>	<b>678,567</b>	<b>649,205</b>
Outside Scopes: biogenic emissions (CO <sub>2</sub> -bio), total	146,709	144,296	85,980





## Definitions

**Fossil-free energy:** Defined as 70 percent lower greenhouse gas emissions compared to fossil alternatives. Means of propulsion that currently meet this requirement are electricity, hydrogen, biogas, HVO, FAME and ED95. The definition is taken from Fossil-Free Sweden and is based on the EU's Renewable Energy Directive RED II.

### PostNord's goals of fossil-free transportation and operations:

PostNord's requirements, in addition to the above definition of fossil-free energy, are that electricity is to be produced from renewable sources and that the hydrogen is to be emission-free, as produced via electrolysis powered by fossil-free or renewable energy.

Consequently, the following vehicles and powertrains are permissible for achieving PostNord's 2030 targets: battery-electric vehicles powered by renewable energy; fuel cell vehicles powered by green (fossil-free and renewable) hydrogen; biogas vehicles powered by liquid or compressed biogas; internal combustion engine vehicles powered by HVO 100, FAME, RME, ED95 or biogas (the latter fuels require a modified engine).

In the case of PostNord's fossil-free target as applied to buildings, the following energy sources are permissible: electricity from renewable sources and heating from fossil-free sources (fossil-free district heating, boiler fired with biogas or green hydrogen, air source heat pump and geothermal heat pump).

### PostNord's target of zero emissions from last-mile transportation

**(light vehicles):** Zero-emission vehicles have no internal combustion engine, use electricity from renewable sources as their means of propulsion and do not generate emissions during use. Last mile refers to the final transportation distance to the recipient, usually from a terminal or hub. Last mile transportation is generally performed by light vehicles (<3.5 tons), i.e. light trucks, distribution vehicles, passenger cars, mopeds and bicycles. The target applies to both own and purchased transportation. However, the reporting of results at present only covers own transportation.

## Accounting principles

All emission sources from fuel and energy use are reported on the well-to-wheel basis, that is, from production to use of the fuel/energy, and are accounted for within the relevant scope and category. Other indirect emission sources, such as vehicles and consumables, are reported on the cradle-to-gate basis, that is, including materials, production and transportation to PostNord's operations.

PostNord's science-based climate targets cover more than 95 percent of Scopes 1 and 2 emissions, and more than 67 percent of Scope 3 emissions. This accords with the Science Based Target initiative's level

of coverage for near-term targets. The targets are evaluated on an ongoing basis to pick up on any changes in the scope of operations.

Emissions for the 2020–2023 period have been adjusted based on identified sources of error and a better representation of Nordic fuel conditions. The emission values have been updated after identifying sources of error such as for instance involved double counting of transports, assumptions about fuel and categorization of transports. Conservative assumptions of electricity consumption have led to a certain transition to a residual mix where guarantees of origin could not be substantiated. For previous values see GRI 2-4 comment on page 110.

The climate reporting does not include PostNord International (PostNord Germany and Direct Link) and PostNord TPL in Denmark. Reporting includes emission data from parts of PostNord TPL in Sweden.

**Own transportation.** Operational data for PostNord vehicles is based on each vehicle's individual fuel card. Data on electricity use in electric vehicles is obtained from sub-metering or mileage-based estimates.

**Heating and electricity.** Information on use of electricity, district and direct heating and cooling is obtained from energy management systems and invoicing records.

**Purchased transportation.** Data on purchased transportation is based on capacity utilization, distance and vehicle type and cost calculations based on current fuel share data from the Swedish Road Haulage Association and fuel prices from public sources. In the case of rail, information from suppliers is also used.

Regarding purchased transportation, fuel consumption is determined by customer requirements. If the customer does not express specific requirements, fuels subject to a reduction mandate (petrol and diesel) are used and are accounted for on the basis of current information on the mix of renewable fuels in the country of operation concerned.

**Purchased goods and services.** Includes packaging materials, IT equipment (computers and telephones) and tires for vehicles. Data is obtained from internal systems, suppliers and/or, if necessary, estimates of the number of tires replaced. The climate impact from packaging materials takes into account the proportion of recycled content, the choice of materials and, where possible, the quantities reused. The climate impact from IT equipment is based on publicly available data from suppliers. In the case of tires, whether the product is new or retreaded is taken into account. Where information from suppliers is not available, calculations are based on other appropriate sources or conservative assumptions.

**Capital goods.** Includes new buildings, vehicles purchased, technical facilities for PostNord's production and parcel lockers. Climate impact from buildings is based on floor area and data on average impact for Swedish buildings from IVL (the Swedish Environmental Research Institute). Calculations for vehicles and parcel lockers are based on the numbers purchased over the year. Data is obtained from suppliers, environmental declarations and/or life cycle databases. In the case of vehicles, energy carriers (combustion, electricity, gas) are taken into account. Technical facilities are monitored via invested capital on the basis *inter alia* of environmental savings analysis from the Swedish Public Procurement Agency. Where information from suppliers is not available, calculations are based on other appropriate sources or conservative assumptions.

**Fuel- and energy-related emissions.** Based on the volumes used as per Scopes 1 and 2, as well as data from the Swedish Energy Agency and DEFRA. This also includes district cooling based on degree of efficiency and the Nordic average mix.

**Business travel and employee commuting.** Data on business travel (numbers and distance) is obtained from suppliers and from PostNord's HR system of mileage allowance for private cars used for business purposes. Commuting travel is based on the number of full-time employees, the national average for distance and mode of transport from Miljöbarometern (Environmental Barometer) and the average number of working days from Transport Analysis.

**Climate impact.** The data for climate impact is obtained from the Swedish Energy Agency and DEFRA. The calculation for electricity is based on Vattenfall's environmental declarations for hydropower with guarantees of origin. Where data are not available, the country specific residual mix for the year concerned is used. In the case of location-based emissions, climate impact is based on the IVL's Nordic average mix.

PostNord uses operational monitoring as a basis for consolidation. To convert greenhouse gases to carbon dioxide equivalents, the current IPCC values for global warming potential are used.

# We care for our people

PostNord focuses systematically on ensuring safe workplaces for our own and contracted employees, as well as on fair conditions for truck drivers at external transportation companies and employees at our suppliers.

## Safe workplaces

### Targets for safe workplaces

**Target:** No fatal accidents at work

**Outcome:** 0

**Target:** Lost time injury frequency rate (LTIFR) well below benchmark

**Outcome:** 0–7.68 (0–7.27)

During the year, the LTIFR ranged from 0 to 7.68 (0–7.27). All countries of operation except Denmark and Sweden achieved the targets set for 2023. Both Denmark and Sweden operate processes to analyze all injuries, concrete plans to reduce the number of injuries going forward and have their sights set on highly ambitious targets for 2026. One of the reasons for Denmark's high occupational injury rate is lack of compliance with required processes and safety regulations. Here, we are taking far-reaching measures to analyze the root causes and get to grips with the challenges. All Group units are committed to improving the health and safety of their employees.

It has proved difficult to produce an appropriate benchmark at Nordic level. Instead, each country sets its own annual targets based on the nature of its operations, the current situation and realistic ambitions. The targets for 2024 and 2025 remain unchanged and we are working towards more ambitious targets for 2026, i.e. the same timeframe as for the Group's business plans. LTIFR forms part of each country's business plan and is monitored quarterly.

We calculate LTIFR, i.e. injuries at work resulting in lost working time (sickness absence of more than 24 hours) or in death or permanent functional impairment. An LTI case is one where the injured person is unable to perform their usual work duties, is absent from work to recover, or is allocated to modified duties during the recovery period.

### Other indicators

In 2023, sickness absence in all units decreased compared to 2022. All units are working actively to maintain this trend, especially in Norway, where actions taken are expected to have a positive impact. In the most recent quarter, sickness absence increased in most units due to influenza, pneumonia and RSV, which had a negative impact on the full-year outcome.



### Health and safety at work

Work-related fatalities	2023	2022	Target
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Lost time injury frequency rate (LTIFR)	2023	2022	Target 2026
PostNord Sweden	4.42	3.80	2.50
PostNord Denmark	7.68	7.27	4.59
PostNord Norway	3.24	4.09	3.20
PostNord Finland	2.65	2.89	2.95
Direct Link	0	0	0
PostNord Germany	1.59	N/A <sup>1</sup>	2.00
PostNord Strålfors	0.92	0.76	2.21
PostNord TPL	2.61	N/A <sup>1</sup>	2.36
Group functions	0	0	0

LTIFR is calculated using the formula of number of work-related injuries resulting in lost time/total hours worked x 200,000.

Sickness absence, %	2023			2022
	Total	Women	Men	Total
PostNord Sweden	7.1	9.1	6.3	7.9
PostNord Denmark	5.1	6.4	4.6	5.6
PostNord Norway	9.0	9.5	8.9	9.8
PostNord Finland	5.0	3.7	5.6	4.7
Direct Link	2.1	2.6	1.6	5.5
PostNord Germany	4.5	2.6	4.9	N/A <sup>1</sup>
PostNord Strålfors	3.7	4.6	3.1	4.3
PostNord TPL	6.5	7.7	5.9	N/A <sup>1</sup>
Group functions	1.7	2.4	1.3	1.9

Sickness absence is calculated as the number of hours of sickness absence in relation to regular, contracted working hours for both regular employees and temporary staff. Regular, contracted working hours include hours worked, sickness absence, vacations, care for sick children, and other paid leave. Parental leave is not included in contracted hours.

<sup>1</sup> No information available. Due to changes in segmentation, data for 2022 is not available for units Direct Link (DL), PostNord Germany (PNDE), PostNord TPL (PNTPL) and Group Functions (GF). DL and GF were part of last year's Other segment, PNDE was part of PostNord Denmark (PNDK) and PNTPL was part of PNDK and PostNord Sweden (PNSE). The 2023 figures for PNSE and PNDK are therefore not fully comparable with 2022 and earlier years. However, the differences are minor.



## On fair conditions

### Better conditions for drivers

PostNord's commitment to the welfare of employees also extends to those who work for transportation providers and other suppliers.

**Target:** Truck Transport Social Guidelines to be implemented in operations by 2025

**Outcome:** Implementation in progress

Through the Responsible Trucking Collaborative Platform, an initiative of CSR Europe, PostNord is involved in making the transportation and logistics sector more sustainable, and fairer. The primary tool is the Truck Transport Social Guidelines (TTSG) developed by Responsible Trucking.

### Responsible purchasing

The Responsible Procurement Index (RPI) measures our compliance with PostNord's purchasing guidelines.

**Target:** Responsible Procurement Index 100 by 2026

**Outcome:** 93 (90)

The target year for RPI 100 has been moved from 2025 to 2026 to be more realistic, given that not all activities have been implemented as planned since the pandemic. The interim targets are RPI 95 for 2023 and RPI 98 for 2025.

The RPI for the full year was 93, just below the target of 95. Towards the end of the year, we identified positive developments: RPI for the fourth quarter was 96, mainly due to a higher proportion of purchases according to PostNord's guidelines.

RPI is a proprietary index that takes into account both our own actions and those of our suppliers.

It is based on the following three components:

1. Percentage of purchases from centrally procured suppliers according to PostNord guidelines (target: 90 percent)
2. Percentage of procured road transportation according to PostNord guidelines (target: 95 percent)
3. Percentage of purchases from suppliers who are signed up to PostNord's Code of Conduct and who have been reviewed and approved by PostNord (target: 90 percent)

Achieving the above targets for the three components is equal to RPI 100, given how the index is weighted. We distinguish between centrally procured purchases and road transportation purchases, as the first category is managed for the Group as a whole and road transportation is procured in each country of operation.

### Evaluation and control

In 2023, a total of 123 suppliers completed a self-assessment, an increase of 7 percent compared to the previous year. Out of 200 new suppliers, 26 (13 percent) completed a self-assessment.

32 audits (20) were performed during the year. We focused on suppliers that our review found to represent a high risk of non-compliance with labor laws and regulations. 18 (12) of the deviations identified were classified as material. These consisted in the main of shortcomings in the work environment, safety at work and errors in or non-payment of wages/salaries. The less material deviations mainly concerned the work environment and safety, length of working hours and environmental work.

Type of check (number)	2023	2022
Self-assessment	123	115
Audit	32	20



# We unleash the power of diversity



PostNord's commitment is to unleash the power of our diversity and to be an inclusive workplace. The Group's target takes into account each employee's experience of PostNord.

## Inclusion target

**Target:** Inclusion Index well above benchmark (>81)

**Outcome:** 77 (76)

The Inclusion Index summarizes employees' responses to the statement "in my team we respect and trust one another".

The Inclusion Index improved from 76 to 77 over the year, but we did not achieve our target. The figure is an average for PostNord as a whole.

The benchmark is weighted according to the number of employees per country of operation and is provided by the company that PostNord uses to conduct the annual FOCUS employee survey. Our goal is ambitious, since we compare our performance with those of companies in many different sectors that are working hard to develop employee engagement.

During the year, we expanded our FOCUS survey to get a better view of perceptions of inclusion among employees at PostNord. The new questions deal with free expression of opinions, being yourself at work and equal opportunities for development. The new questions will be incorporated into the Inclusion Index as of 2024.

## Other indicators

In addition to the Inclusion Index, which is a component of PostNord's sustainable logistics agenda, we target and monitor satisfaction and motivation (Satisfaction & Motivation Index), perception of immediate manager (Immediate Manager Index) and gender balance among managers.

## Satisfaction & Motivation Index

**Target:** 71 for 2023 and 77 for 2026

**Outcome:** 69 (67)

This index provides an overview of employee job satisfaction.

Job satisfaction at the Company improved from 67 to 69 over the year, but we did not achieve our target. Job satisfaction increased in Sweden (+2) but fell in Denmark (-2).

## Immediate Manager Index

**Target:** 75 for 2023 and 80 for 2026

**Outcome:** 75 (73)

The Immediate Manager Index summarizes employees' perceptions of their immediate manager's leadership in terms of work environment, motivation, and clarity of expectations regarding individual performance. This index is key, since how the immediate manager is perceived has a major impact on engagement.

Employees were more positive (75) towards their immediate manager compared to last year (73) and we achieved our target.

## Gender balance

**Target:** 40/60 for all management categories

**Outcome:**

- 35/65 (37/63) women and men respectively at levels 1–3
- 30/70 (32/68) at levels 4–6
- 50/50 (44/56) in the Group Leadership Team
- 60/40 (50/50) on the Board of Directors

We monitor gender balance to prevent discrimination, because it is a clear and measurable indicator and because gender balance among managers says something about PostNord's ability to attract, develop and retain competent colleagues, irrespective of gender. Initiatives to improve gender balance also tend to have an impact on other aspects of diversity.

The gender balance among managers is measured at organizational levels 1–3 and 4–6 (CEO is level 0).

## Membership and representation

Every employee enjoys the right to freedom of association, including the right to join a trade union. More than 98 percent of the Group's employees are covered by collective bargaining agreements. PostNord is a member of industry and employer organizations in each of the countries in which it operates, including Almega and the Swedish Confederation of Transport Enterprises (Sweden), the Confederation of Danish Industry (Denmark), the Confederation of Norwegian Enterprise (NHO) and the Norwegian Logistics and Freight Association (Norway), and Finnish Industries (Finland).

## PostNord's workforce

Number of employees (core staff at year-end)	2023	2022
Administration	3,559	3,525
<i>of whom, women</i>	1,356	1,378
<i>of whom, men</i>	2,203	2,147
Production	20,349	21,876
<i>of whom, women</i>	5,827	6,373
<i>of whom, men</i>	14,522	15,503
<b>Total</b>	<b>23,908</b>	<b>25,401</b>

Number of employees (all staff at year-end)	2023	2022
Core staff	23,908	25,401
<i>of whom, women</i>	7,183	7,750
<i>of whom, men</i>	16,725	17,651
Temporary employees	6,649	8,191
<i>of whom, women</i>	2,229	2,903
<i>of whom, men</i>	4,420	5,288
<b>Total</b>	<b>30,557</b>	<b>33,592</b>

Temporary employees those who are employed as and when needed. In addition, PostNord hires staff from staffing agencies.

Gender distribution (core staff)	2023	2022
Managers	1,344	1,263
<i>of whom, women (%)</i>	31	33
All employees	23,908	25,401
<i>of whom, women (%)</i>	30	31

Age distribution (core staff) (%)	2023	2022
-29	19	20
30-50	44	43
51–	37	37
<b>Total</b>	<b>100</b>	<b>100</b>



# We meet external requirements

## Stakeholder dialog

### Business partners

Suppliers and service point operators are among PostNord's most important business partners. Every year, PostNord purchases goods and services of significant value. With our approximately 4,000 service points and 5,500 parcel lockers in the Nordic region, our services are available to millions of people.

**Dialog and follow-up:** Meetings with suppliers, procurement, audits, continuous dialog with service point operators.

### Customers and recipients

PostNord offers business customers, private individuals and recipients in the Nordic region nationwide, secure and reliable postal and logistics services with the focus on quality, the environment and social responsibility.

**Dialog and follow-up:** Dialog with customers, feedback via customer service and from drivers, mail carriers and service point operators at delivery, ongoing customer and corporate image surveys.

### Employees

With around 30,000 employees, PostNord is one of the biggest employers in the Nordic region. We thus bear a major responsibility for providing a safe and attractive workplace that promotes personal development.

**Dialog and follow-up:** Performance appraisals, workplace meetings, employee survey, communication via various internal channels, dialog with trade unions.

### Community stakeholders

PostNord plays a key role in the business community and in society. We make it possible for businesses, public authorities and individuals to do business and communicate with each other on a daily basis. By operating a stable and profitable business in the long term, with a focus on the environment and social accountability, we meet the expectations of the world around us and strengthen our competitiveness.

**Dialog and follow-up:** Dialog with public authorities, politicians, decision-makers and opinion-formers. Dialog and collaboration with trade associations, advocacy organizations, organizations for sustainable development and social accountability, and with students.

### Financial market

PostNord's operations are financed in the first instance by the cash flow of the business and also via facilities such as bond and bilateral loans.

The trust of the financial markets is important in terms of assuring a stable supply of financing.

**Dialog and monitoring:** Interim reports, annual and sustainability report and direct contact with analysts, lenders and investors.

### Owners

PostNord is owned by the Danish and Swedish States. Our owners have tasked us with maintaining the universal postal service in Sweden. Up to December 31, 2023, PostNord also operated a similar assignment in Denmark. Our owners also require us to generate economic value and to serve as a role model in sustainable enterprise.

**Dialog and follow-up:** Direct contact with owners' representatives, annual general meeting, annual and sustainability report, interim reports.

## Collaboration

Collaboration is a prerequisite if PostNord is to achieve the sustainability goals we have set ourselves. PostNord maintains ongoing dialog with legislators, owners of infrastructure and opinion-formers. We also run development projects with customers, suppliers and other players in our supply chain.

PostNord is represented in several national and international business networks that address sustainability in general and sustainable transportation in particular. These include the UN Global Compact, the Pathways Coalition, ASTER (the Alliance for Sustainable E-commerce), the Network for Transport Measures (NTM), the 2030 Secretariat, the Sustainable Business Network, Triple F (Fossil Free Freight), CSR Europe/Responsible Trucking and CSR Sweden.

We also participate in the sustainability groups within postal operator associations such as UPU (Universal Post Union), IPC (International Post Corporation) and PostEurop.

## Sustainability governance

### Owners' requirements

As well as complying with the law, directives, the precautionary principle and general industry regulations, PostNord must observe the Swedish and Danish states' respective ownership policies and principles for state-owned enterprises. This includes pursuing a carefully considered and well-established policy, strategy and established strategic targets for sustainable value creation. Like other State-owned companies, PostNord's performance is measured against both financial and non-financial targets. Every function within PostNord must take account of sustainability in its strategic and operational activities. Finally,

PostNord is required to prepare a sustainability report in accordance with the GRI Standards.

### Other external regulations

In its work on sustainability, PostNord is guided by a number of external regulations: The OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the UN Global Compact. The Global Compact is in turn based on the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention against Corruption. These regulations are reflected in PostNord's Code of Conduct. PostNord also operates and reports according to the EU Taxonomy and the TCFD (Task Force on Climate-related Financial Disclosures). During the year, we began implementing the new EU Corporate Sustainability Reporting Directive (CSRD) and related standards (ESRS).

### Internal rules and regulations

PostNord's Code of Conduct ("the Code") has been adopted by the Board of Directors and is the Group's ultimate governing document. The Code covers the areas of business ethics, employees and working conditions, business partners, coordinated purchasing, community engagement and sponsorship programs, as well as the environment.

It provides guidance to all employees on ethical conduct and compliance with laws, regulations and internal rules. The Code may be supplemented as required by policies, guidelines and instructions laying down more detailed internal rules. It is to be regarded as a minimum standard and therefore must be observed, even if local legislation were to indicate a lower standard. All employees must have read and understood the Code and are required to undergo e-learning every year.

PostNord also requires business partners to comply with the code. A version has been developed for suppliers and one for road transportation providers. The supplier code is incorporated into agreements with PostNord.

In 2023, a total of 13,818 (11,920) employees underwent training in PostNord's Code of Conduct, including 10,693 in Sweden (9,282), 1,750 in Denmark (1,233), 499 in Norway (627), 243 in Finland (248) and 633 at PostNord Strålfors (530).

In addition to the PostNord Code of Conduct, the following policies govern the Group's sustainability work: Tax policy, Disclosure and Insider Trading Policy, Information Security Policy, Diversity Policy, Health and Safety at Work Policy, Anti-corruption Policy, Climate Policy and Purchasing Policy. Group Compliance is responsible for annual review and follow-up of compliance with Group-wide policy documents.



## Sustainability organization

PostNord's sustainability work is overseen by the Group Leadership Team, whose Head of Nordic Strategy & Solutions bears overall responsibility for sustainability issues. Work on sustainability is led by the Group Head of Sustainability, who reports to the Head of Nordic Strategy & Solutions.

### PostNord's agenda for sustainable logistics

PostNord's agenda for sustainable logistics sets out the structure for the Group's sustainability work. The agenda is based on three commitments, with associated targets and indicators. Each target is assigned a target owner responsible for that target. The Head of Group Sustainability is responsible for the climate target. The Head of HR and Talent Management is responsible for the work environment, safety, and diversity and inclusion targets. The Head of Sustainable Supply Chain is responsible for the sustainable supply chain target. The Group Head of Sustainability has overall and coordinating responsibility for the sustainability agenda.

Every country of operation has a sustainability manager and most of the work of operational sustainability is managed in the country concerned. Sustainability controllers oversee and are responsible for monitoring and reporting.

PostNord's strategic sustainability targets are developed and evaluated in the annual strategy process. Strategic targets and key performance indicators are monitored quarterly via reports to the Group Leadership Team and the Group Board of Directors. A Sustainability Deep Dive is performed twice a year as part of follow-up of the business plans. Senior management's knowledge of PostNord's sustainability agenda and sustainability issues in general is also reinforced by the fact that the CEO sponsors Green by PostNord, our climate transition program, and that she has completed training for business leaders at the Stockholm Resilience Centre.

## Other sustainability disclosures and results

### Environment and climate

#### Licensed and notifiable operations

PostNord conducts licensed and notifiable operations under national environmental legislation in Sweden and Denmark. Strålfors' graphic production facilities are licensed, PostNord TPL has licensed and notifiable logistics facilities and PostNord Sweden has a number of notifiable vehicle washing facilities. PostNord systematically checks for compliance with legislation relating to the work environment and the general environment.

In 2023, PostNord did not deviate in any material way from environmental work environment legislation. Material deviations are those that are subject to fines of SEK 5 million or more.

#### Climate compensation

The Group's emissions are not climate compensated, as our focus is on reducing our direct and indirect climate impact. Climate compensation is part of PostNord's customer offering and we offset our climate-efficient services in each country.

#### Customer environment reports

PostNord assists customers with their reporting and communications. This is done, for example, via customer-specific environmental reports that customers can use to monitor their logistics and as a basis for customers' own environmental or sustainability reporting.

## Customers and quality

### Range and availability of services

PostNord offers a wide range of services that are readily available to customers and recipients. We build on existing services and develop new ones. For example, PostNord's award-winning app provides increased availability.

Range and service availability are regulated, for example, by the terms and conditions of PostNord's postal licenses. Specific requirements also apply to the postal service. For example, a postal service must be provided without requiring the recipient to have access to the internet. An extended service is available to households where all members are more than 80 years of age or have disabilities.

In Denmark, a model is used in which we have up to five business days to deliver regular letters. This means that regular mail items can be delivered within two to five business days. In Denmark, the Quickbrev service is also offered for letters that must be delivered to the recipient on the next weekday. Quickbrev items must be handed in at one of Denmark's 1,200 post offices.

### Quality

PostNord shall maintain good quality at reasonable prices. In Sweden, the primary quality standard for two-day delivery is that no less than 95 percent of regular letters must be delivered within the two following working days.

In Denmark, 93 percent of regular letters must be delivered within five business days. The quality target for Quickbrev is 95 percent.

Ensuring robustness and resilience in the face of disturbances and disruptions of service is critical to the continuity of operations. PostNord works systematically on continuity management in accordance with the ISO 22301 standard. The Group operates a continuity program to

ensure our ability and preparedness to deal with any events causing disruptions in critical deliveries. All critical deliveries are analyzed annually and plans for restoring and maintaining resources and deliveries are established and tested.

#### Quality: Mail

Outcome, Sweden:

- Mail 0–2 Sweden (Priority): 92.4 percent (94.7)

Outcome, Denmark:

- Mail 0–5 Denmark (Standard): 95.2 percent (96.6)
- Quickbrev 0–1 Denmark (Priority): 92.3 percent (95.6)

Swedish External Monitoring (SWEX) and Danish External Monitoring (DEX) are two independent, external quality surveys that continuously gauge the proportion of mail that is delivered on time. Measurements are performed via a statistically assured test mail operation that meets the requirements set out in the SS-EN 13850:2012 standard.

#### Parcels

Outcome:

- Sweden: 94.7 percent (93.6)
- Denmark: 95.1 percent (93.4)
- Norway: 90.9 percent (92.2)
- Finland: 86.7 percent (88.1)

The Group's overall measure of quality for parcels is a weighted figure calculated on the basis of the quality and volumes reported from the countries concerned. The production system measures the proportion of parcels delivered at the right time, from initial production scan to final delivery scan at the distribution point or the recipient's address.

The products included in the measurements are business-to-business parcels and business-to-consumer parcels, other than in Finland, where only business-to-business parcels are included. In Denmark, consumer-to-consumer parcels are also included.

#### Image

PostNord's image amongst private individuals is measured using the RepTrak/Pulse index. The Pulse score was 65 (64), indicating that the positive trend in the public's perception of PostNord has stabilized in all markets. Probable reasons are conscious efforts to strengthen the brand and investments in better products, services and consumer experience.

#### Measurement and calculation method: Image

RepTrak/Pulse comprises four questions posed by the Reputation Institute, ranked on a scale of 0 to 100. In the survey, 800 people a month,

evenly distributed across Sweden, Denmark, Norway and Finland, are asked questions about how they perceive the PostNord brand. The overall result is weighted results from each country.

### Customer and consumer privacy

Personal data processed by PostNord shall always be kept protected and secure and shall be processed with due care and attention such that the right to protection for personal data is respected.

In 2023, PostNord's internal data protection framework was further strengthened with a new Enhanced Data Protection Framework. With the introduction of the new framework, we also increased the number of data protection coordinators in the Group and developed new GDPR training materials.

## Compliance and other information

### Safety and security

The purpose of PostNord's safety work is to ensure a reasonable and appropriate level of security protection. The aim is for employees and visitors to be, and feel, secure and safe, and for customers' assets to be protected from theft, damage and fire. PostNord must also have the capability to counteract and deal with disruptions in critical deliveries and to effectively manage crises, by quickly switching over to the Company's crisis management organization.

We use data analytics to identify and counter criminal activity. The security protection is based on the TAPA FSR and TSR global standards and is described in PostNord's Minimum Security Requirements. Based on the Minimum Security Requirements, internal security is audited on an ongoing basis. The aim is to assure a consistently high level of security throughout the organization.

### Anti-corruption

PostNord operates a zero tolerance policy for bribery and other forms of corruption. A continuous focus on preventing all forms of corruption and lack of business ethics is an important part of PostNord's sustainability work. PostNord's anti-corruption rules are set out in the Code of Conduct, an anti-corruption policy and instructions on external benefits and business entertainment.

### Reporting improper conduct

All PostNord Group employees have access to a procedure for reporting allegations of misconduct. The whistleblowing procedure consists of the following steps: choosing a channel for reporting, confirmation of the case within three days, assessment and evaluation, investigation, outcome of the investigation and proposed action with report.

Investigation and follow-up are handled by designated persons who are independent and autonomous of PostNord's Group companies and who have the right skills to handle the various aspects of the case. PostNord's Group Board of Directors regularly monitors use of and compliance with the whistleblowing procedure.

PostNord's whistleblowing procedure aims to ensure that the Company complies with the EU Directive and the law regarding the protection of persons who in a work-based context report improper conduct. In this way, PostNord plays a part in creating transparency and preventing crime and irregularities.

### Deviations from laws and regulations

In 2023, 31 (37) admissible cases were received via PostNord's whistleblower portal regarding alleged breaches of PostNord's Code of Conduct. All cases were followed up in line with PostNord's internal procedures. No cases alleged corruption. No reports of suspected corruption were received via internal reporting channels. Furthermore, PostNord was not subject to any external corruption investigation in 2023.

During the year, six cases of leaks, theft or loss of customer data were identified. In addition, four substantiated complaints were received from external parties regarding breaches of customer privacy. All complaints were closed by the Swedish Authority for Privacy Protection (IMY) without any action taken. The case launched by the authority in 2019 was closed without any action taken against PostNord. During the year, IMY opened a case against PostNord AB. The investigation was ongoing at year-end.

### Humanitarian aid

PostNord established a service enabling individuals to send parcels of supplies to Ukraine free of charge. The operation was ongoing in Sweden at year-end. PostNord Denmark terminated its service in 2023. Since the relief effort began shortly after Russia's invasion, PostNord has sent more than 100,000 parcels. In addition to the aid parcels, PostNord has waived terminal fees for incoming mail from Ukraine.

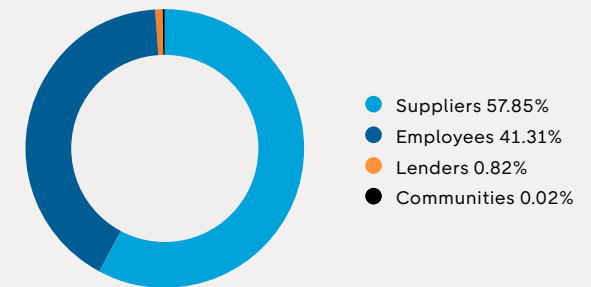
The background is that the Ukrainian postal service approached PostNord and other postal operators for support and we were one of the companies to commit support. Given the situation in Ukraine, it was a natural step to lend our transportation and logistics services to help people in need.

### Distribution of economic value

The economic value PostNord generates is distributed to employees in the form of wages, salaries and other remuneration (see Note 5), to suppliers as payment for goods and services (Notes 6 and 7), to lenders as interest payments and other financial expenses (Note 8) and to the communities in which PostNord operates, in the form of tax payments

and any dividends payable to its owners. In all, SEK 37,601 million (38,419) was distributed in 2023.

Value generated and distributed, SEKm





# The EU Taxonomy Regulation

## Background: The EU Taxonomy Regulation

The Taxonomy Regulation provides a framework for identifying environmentally sustainable activities. For a particular economic activity to be classified as environmentally sustainable, it must contribute significantly to one or more of the six environmental objectives identified, do no significant harm (DNSH) to any of the other objectives and meet certain minimum social sustainability requirements (minimum safeguards). Reporting in accordance with the Taxonomy Regulation is part of the statutory sustainability report.

The taxonomy includes the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Prevention and control of environmental pollution
6. Protection and restoration of biodiversity and ecosystems

One of the defined sectors that are included in the taxonomy is transportation. The transportation sector currently uses technical screening criteria for environmental objectives 1 and 2.

## Accounting principles

The extent to which the activities of the companies are sustainable is to be presented by calculating three key indicators: turnover, capital expenditure and operating expenditure. The key indicators are defined in the delegated acts and are described in more detail in the respective table of key indicators. Information is provided on the share of environmentally sustainable activities per key performance indicator and economic activity.

PostNord has identified the following economic activities in the transportation sector that are included in EU taxonomy:

- 6.2 Freight rail transportation
- 6.4 Bicycle logistics
- 6.5 Transportation by motorcycles, cars and light vehicles
- 6.6 Freight transportation services by road
- 6.15 Infrastructure enabling low-carbon road transportation and public transportation

PostNord's taxonomy non-eligible activities (B) include printing, enveloping, change of address service, digital services and Parent Company functions.

One activity can contribute to several environmental objectives. To determine which activities contribute materially to each environmental objective, the European Commission has established technical screening criteria. All the criteria for a specific activity must be met.

In PostNord's view, the first environmental objective, climate change mitigation, is the most relevant, given that PostNord's operations are transport-intensive.

Reporting on only one environmental objective also reduces the risk of double counting of revenues and costs in the key performance indicators.

## Criteria regarding significant contribution and DNSH (Do No Significantly Harm)

PostNord's business operations are in the main contributing to environmental objective 1, climate change mitigation. Individual economic activities have been assessed on the basis of the requirements for significant contribution to environmental objective 1 and related DNSH criteria in order not to cause significant harm to the other environmental objectives included in the EU Taxonomy Regulation. For an economic activity to be considered compliant with the technical screening criteria of the Taxonomy Regulation, all criteria and requirements have to be met.

### CCM 6.2 Freight rail transportation

Includes the purchase, financing, leasing and operation of rail freight transportation and is assessed on the basis of the DNSH criteria for environmental objective 1, especially the DNSH criteria regarding objectives 2, 4 and 5. The significant contribution criteria require that trains and wagons are emissions-free, using electricity, or use conventional technology where electric operation is not available, and that trains and wagons are not dedicated to the transportation of fossil fuels.

PostNord's compliance with the criteria is based on contract provisions, dialogue with transport providers and knowledge of sections lacking a fully developed infrastructure for electric operation, as well as the fact that PostNord does not operate transportation dedicated to fossil fuels. The DNSH criteria for transition to a circular economy (environmental objective 4) is assured through compliance with contractual provisions and the main contractor's own environmental policy. The criteria for pollution prevention and control (environmental objective 5) are not audited due to lack of adequate traceability for individual assets that are used in the economic activity, and apply only to sections where electric operation is not possible. Aspects of the Taxonomy Regulation's key indicators are regarded as not compliant where the criteria for environmental objective 5 apply. As a result, sections operated on the basis, for example, of hybrid technology are not considered compliant with the requirements.

## Nuclear energy and fossil gas related activities

Nuclear energy related activities		
1.	The Company conducts, finances or is exposed to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear energy processes with minimal waste from the fuel cycle.	No
2.	The Company conducts, finances or is exposed to the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as safety upgrades for such facilities, using the best available technology.	No
3.	The Company conducts, finances or is exposed to the safe operation of existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as safety upgrades for such facilities.	No
Fossil gas related activities		
4.	The Company conducts, finances or is exposed to the construction or operation of electricity generation facilities that produce electricity using fossil gas fuels.	No
5.	The Company conducts, finances or is exposed to the construction, renovation and operation of plants for the combined production of heating/cooling and electricity using fossil gas fuels.	No
6.	The Company conducts, finances or is exposed to the construction, renovation or operation of heat production facilities that produce heating/cooling using fossil gas fuels.	No





#### CCM 6.4 Operation of personal mobility devices, bicycle logistics

Comprises the sale, purchase, financing, leasing and operation of one-person vehicles or other transport equipment powered wholly or partly by physical activity and zero-emission technologies. Also includes the provision of freight transportation services with (cargo) bicycles and is assessed on the basis of the DNSH criteria for environmental objective 1, especially DNSH criteria regarding environmental objectives 2 and 4. The significant contribution criteria close to mirror the description of the economic activity but add that it must be permissible for the vehicle in question to be operated in public places intended for bicycles and pedestrians.

Compliance with the circular economy criteria (environmental objective 4) is assured through country-specific policy documents regarding the disposal of end-of-life vehicles.

#### CCM 6.5 Transportation by motorcycles, cars and light vehicles

Comprises the purchase, financing, leasing and operation of M1, N1 (with a reference weight not exceeding 2,610 kilos) and L category vehicles (with 2-4 wheels) and is assessed based on the DNSH criteria regarding environmental objectives 2, 4 and 5. The significant contribution criteria apply to emission levels that vary according to type of vehicle. All vehicle categories are based on relevant information per vehicle from suppliers and for PostNord it is only fully electrified vehicles that meet the criteria and that are assessed via access to the existing vehicle register.

The DNSH criteria (environmental objective 4) are based on what weight shares of vehicles that can be handled on a high level of the waste hierarchy. Compliance with environmental objective 4 is assured through country-specific policy documents regarding disposal of end-of-life vehicles and through dialogue with vehicle suppliers. The criteria for the prevention and control of environmental pollution (environmental objective 5) include the Euro 6 emission standard for light vehicles. Vehicles in categories M and N are also subject to requirements for EPREL classification for external noise and rolling resistance.

Compliance with the criteria is based on country-specific tire policies or similar data. Those of the Group's assets concerned are not equipped with tires that meet the stringent requirements. The economic activity of purchased transportation is regarded as not aligned in view of insufficient information on suppliers' vehicles.

#### CCM 6.6 Freight transportation services by road

Comprises the purchase, financing, leasing and operation of N1 (with a reference weight of more than 2,610 kg), N2 or N3 category vehicles that meet at least the Euro VI stage E emission standard and relate to road freight transportation. It is assessed on the basis of the DNSH criteria regarding environmental objectives 2, 4 and 5. The significant contribution criteria include emission levels according to category and

weight of the vehicle, and the requirement that the vehicles are not dedicated to the transportation of fossil fuels. All vehicle categories are based on environmental data provided by vehicle suppliers. PostNord has concluded that only fully electrified vehicles meet the criteria for significant contribution. PostNord does not operate any transportation dedicated to fossil fuels.

The DNSH criteria for circular economy (environmental objective 4) are based on weight shares of vehicles that can be handled at a high level of the waste hierarchy. Compliance with environmental objective 4 is assured through country-specific policy documents regarding disposal of end-of-life vehicles and through dialogue with vehicle suppliers. The criteria for the prevention and control of environmental pollution (environmental objective 5) include the latest Euro VI emission standard and EPREL rating requirements for external noise and rolling resistance. PostNord's compliance with the criteria is based on country-specific tire policies or similar data. Those of the Group's assets concerned are not equipped with tires that meet the stringent requirements. The economic activity of purchased transportation is regarded as non-compliant in view of insufficient information on suppliers' vehicles.

#### CCM 6.15 Infrastructure enabling low-carbon road transportation and public transportation

Comprises new construction, modernization, maintenance and operation of infrastructure required for an emission-free vehicle fleet. Also includes infrastructure for transshipment of goods and is assessed on the basis of the DNSH criteria regarding environmental objectives 2-6. The significant contribution criteria relevant to PostNord reflect the previous description of the economic activity specifying the infrastructure dedicated to an emission-free vehicle fleet, where charging infrastructure and upgrading of electricity grid connection are relevant to PostNord, and that the infrastructure is not dedicated to transportation or storage of fossil fuels.

Compliance with the criteria means that only PostNord's production-related facilities and third-party logistics are included in the economic activity, as well as investments in electrification infrastructure for vehicles. PostNord does not operate dedicated transportation of fossil fuels, or have its own filling stations or storage of fuels of any kind.

The DNSH criteria regarding sustainable use and protection of water and marine resources (environmental objective 3) cover risks of overuse and negative impacts on water quality and protective measures for identified risks. The criteria for environmental objective 3 are met partly since PostNord is not a water-intensive business. In addition, PostNord conducts environmental impact assessments when required for building permits (governed by national legislation in the Nordic region) and maps the potential impact on hydrological conditions when required in order to secure the construction and limit the impact on water conditions at the site.

The circular economy criteria (environmental objective 4) require no less than 70 percent of non-hazardous construction and demolition waste to be prepared for reuse, recycling and/or other material recovery, including backfilling of excavated soil according to the waste hierarchy and the EU Demolition Protocol. The criteria for environmental objective 4 are met via waste management plans produced for each construction project and via monitoring of sorted fractions.

The criteria for the prevention and control of environmental pollution (environmental objective 5) include the requirement that mitigation measures are taken to reduce noise, dust and other pollutant emissions during construction and/or maintenance work. The criteria for environmental objective 5 are met by temporarily installing noise reduction barriers to reduce impact on the local environment. In order to reduce particulate emissions, heavy machinery may not be left idling for longer than necessary.

The criteria for the protection and restoration of biodiversity and ecosystems (environmental objective 6) include conducting environmental impact assessments and mitigating or compensating for the impacts of construction projects. In the case of facilities near high nature value areas, this must be taken into account in the action and compensation plan.

The criteria for environmental objective 6 are partly met by PostNord in general localizing facilities in already urbanized areas and following existing local development plans. For security reasons, fencing is always in place around PostNord's production facilities. These also serve as wildlife fences and there are extremely few green areas within PostNord's property boundaries.

As regards infrastructure established before the technical screening criteria were established, PostNord applies the criteria for maintenance and operation. In the case of new infrastructure, all criteria have been mapped if to be reported as compliant with the Taxonomy Regulation.

#### Do No Significant Harm criteria regarding climate change adaptation

Climate change adaptation is an overall DNSH criterion that applies to all PostNord's economic activities that are included in the taxonomy. According to the criteria, a scenario-based risk and vulnerability analysis must be performed to map physical climate risks based on the conceivable consequences of different temperature increases and time horizons. PostNord complies with this by analyzing and managing climate risks according to TCFD. Read more on page 36-37. This includes own operations and related assets. Enhanced ambitions on climate change adaptation will be pursued under the CSRD.

#### Enabling and transitional activities

An economic activity in category 6.15 is termed an enabling activity. Such activities include terminal infrastructure for loading, unloading and transshipment of goods. PostNord's reporting includes owned and



leased terminal infrastructure and related equipment, such as sorting machines, forklifts and electric vehicle charging stations. It also includes owned and leased properties for transportation and warehousing services in PostNord's third-party logistics operations, PostNord TPL. Investments in parcel lockers are also included in this activity.

Economic activities in categories CCM 6.2, CCM 6.5 and CCM 6.6 may qualify as transitional activities even if they do not meet the criteria specified for significant contribution. An economic activity that meets all the requirements for transitional activities is regarded as environmentally sustainable until 2025. PostNord does not report any economic activities as transition activities in categories CCM 6.2, CCM 6.5 and CCM 6.6.

#### Minimum safeguards

"Minimum safeguards" means that the Company has processes in place to enable the business to be conducted in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles for Business and Human Rights in the value chain. This means, for example, that companies must perform risk analyses, adopt policies, take risk mitigation measures, monitor outcomes and maintain transparent communication. At PostNord, the State's ownership policy and PostNord's Code of Conduct are the guiding principles in this respect, alongside the above-mentioned regulations.

Due diligence is a process to identify, prevent and manage risks in operations and business relationships. The Group works continuously on identifying, evaluating, managing and monitoring risks in the world around us and within the business. Risk management is based on the Group's Enterprise Risk Management Policy. Scenario analyses were performed in 2022 to identify physical and transition-related risks that are posed by climate change, and was updated and validated in 2023. Read more about risks, risk management and climate risks in Task Force on Climate-related Financial Disclosures (TCFD) in the section on Risk.

To limit negative impact from the supply chain, a Group-wide process is in place for setting structured, Group-wide and appropriate requirements for risk assessment, approval, implementation and monitoring of suppliers from a sustainability perspective. This includes a Group-wide Supplier Code of Conduct that includes a self-assessment, risk assessment and on-site audit process. In production there are processes in place for systematic and continuous improvements regarding environmental and health issues.

PostNord works systematically to prevent all forms of corruption and inadequate business ethics. The Group's anti-corruption rules are set out in the Code of Conduct and Anti-Corruption Policy. In addition to the PostNord Code of Conduct, the following policies govern the

Group's sustainability work: Climate Policy, Tax Policy, Disclosure and Insider Trading Policy, Information Security Policy, Diversity Policy, Health and Safety at Work Policy, Anti-corruption Policy, Data Protection Policy and Procurement Policy. Group Compliance is responsible for annual review and follow-up of compliance with Group-wide policy documents.

#### Comments on outcomes

Overall, the key indicators for turnover and capital expenditure show a similar trend for 2023 as for 2022, with a stable outcome for environmentally sustainable taxonomy aspects (A1). But with clearer changes regarding the respective shares of non-environmentally sustainable economic activities (A2) and taxonomy non-eligible activities (B). The key performance indicator for operating costs is the only one that shows a declining trend in the share of environmentally sustainable activities (A1) but in real terms this value is in line with the operating costs for the preceding year.

The formulae for allocating turnover to economic activities were adjusted in 2023 by excluding sales for exports, mainly from Sweden and Denmark. This had the effect of reducing the share of turnover in economic activity categories CCM 6.2 and CCM 6.4, and increasing the share in B.

In 2022, PostNord invested significant sums in new buildings (CCM 6.15). Investments in 2023 were lower, which affects the outcome for capital expenditure.

#### Outlook

PostNord has not yet set targets for the KPIs of the EU taxonomy, but several areas are close to PostNord's other operational targets. In order to include the taxonomy-aligned aspects of purchased transportation in taxonomy reporting, better knowledge of suppliers' vehicles is needed.

PostNord's climate transition is based on the use of renewable fuels over a transitional period. The EU Taxonomy does not distinguish between emissions from different fuels. Only vehicle-specific direct emissions from standardized tests below reference values are considered environmentally sustainable. This means that it will take some time before PostNord's road transportation operations (CCM 6.6) will be classified as environmentally sustainable. The process will be quicker for the light vehicle fleet (CCM 6.4 and CCM 6.5). This is because converting heavy transportation to electric power is more demanding.

	Share of total turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	10%	29%
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	—
BIO	—	—

	Share of capital expenditure/Total capital expenditure	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	59%	72%
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	—
BIO	—	—

	Share of operational expenditure/total operational expenditure	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	45%	58%
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	—
BIO	—	—

CCM: Climate change mitigation, CCM: Climate change adaptation, WTR: Water, CE: Circular economy, PPC: pollution, BIO: Biodiversity



**The delegated acts of the Taxonomy Regulation introduce concepts related to (see also in the tables concerning the calculation of ratios):**

- Environmentally sustainable economic activities, taxonomy-aligned (A.1)
- Taxonomy-eligible economic activities that are not environmentally sustainable, not taxonomy-aligned (A.2)
- Economic activities that are not taxonomy-eligible (B)

**Turnover**

**Definition**

Total turnover for PostNord Group consists of net sales from customers. See also Note 3 to the Consolidated financial statements. PostNord conducts transportation using both its own capacity, in the form of owned and leased vehicles, and purchased capacity. Only transportation performed with own and leased vehicles, together with purchased rail transportation operations, are included in A.1 and A.2, in accordance with the technical screening criteria. This is partly because of a lack of comprehensive information on purchased transportation and partly because of difficulties in meeting the criteria for tires in own heavy duty vehicles. Sales related to warehousing services provided by PostNord's third-party logistics (TPL) activities are included in economic activity CCM 6.15.

In order to determine the sum of A.1 and A.2, the Group has based its calculation on total turnover, less turnover from activities

- not included in the taxonomy
- services that are performed using outsourced capacity

The sum of the above turnover is allocated using allocation formulae based on kilometers driven or costs, combined with other information required to establish the activities that are taxonomy-eligible and those that are not, together with the appropriate economic activity.

**Outcome**

The PostNord Group's sales amounted to SEK 39,301 million (40,212), all of which were from customers. In all 10 percent (10), SEK 4,018 million (4,117) of PostNord's sales are classified as environmentally sustainable and taxonomy-compliant.

Sales in category A.1 are evenly split between logistics and warehousing activities. Sales from the logistics business consist exclusively of the use of bicycles and light vehicles that are not subject to the same requirements as those that apply to tires for light and heavy goods vehicles. In 2023, sales in category CCM 6.15 Infrastructure increased to 6 percent (5), mainly on the basis of an increased share of the Group's third-party logistics being performed within this activity.

The share that is taxonomy eligible but not classified as environmentally sustainable (not taxonomy-compliant, A.2) decreased to 19 percent (24). The proportion of activities not covered by the taxonomy increased to 71 percent (66). One contributing factor is the continued strict classification of vehicles, mainly heavy goods vehicles, according to which only Euroclass 6 E is eligible and aligned with the EU taxonomy according to PostNord's strict assessment. Another factor is the change in the allocation formulae and a third is the fact that a large share of operations continue to be outsourced, which reduces the possibilities for obtaining detailed information. All conditions for taxonomy alignment and environmental sustainability must be clearly met if they are to be reported on within A1. A further 13 percent (20) of PostNord's sales would have been classified as taxonomy-aligned (A.1) if all vehicles meeting the emission criteria had the right type of tires.

Turnover																					
Economic activities	Code	2023		Substantial contribution criteria							DNSH (Does Not Significantly Harm) criteria							Minimum safeguards	Proportion of taxonomy aligned(A.1) or eligible (A.2) turnover in 2022	Category Enabling activity	Category Transitional activity
		Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity						
		SEKm	%	Y / N /N/EL	Y/N: /N/EL	Y/N: /N/EL	Y/N: /N/EL	Y/N: /N/EL	Y/N: /N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
<b>A. Taxonomy-eligible activities</b>																					
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																					
Freight rail transportation	CCM 6.2	155	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1%				
Operation of personal mobility devices, bicycle logistics	CCM 6.4	1,262	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	-	Y	4%				
Transportation by motorcycles, cars and light vehicles	CCM 6.5	300	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1%				
Infrastructure enabling low-carbon road transportation and public transportation	CCM 6.15	2,302	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	5%	E			
<b>Turnover for environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		4,018	10%	10%	0%	0%	0%	0%	0%								10%				
Of which, enabling activities		2,302	6%	6%	0%	0%	0%	0%	0%									E			
Of which, transition activities		0	0%	0%															T		
<b>A.2. Activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)</b>																					
				EL: /N/EL	EL: /N/EL	EL: /N/EL	EL: /N/EL	EL: /N/EL	EL: /N/EL												
Freight rail transportation	CCM 6.2	95	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Transportation by motorcycles, cars and light vehicles	CCM 6.5	5,904	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								22%				
Freight transportation services by road	CCM 6.6	1,456	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%				
<b>Turnover for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		7,454	19%														24%				
<b>Turnover for taxonomy-eligible activities (A1 + A.2)</b>		11,472	29%														34%				
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																					
<b>Turnover for taxonomy-non-eligible activities (B)</b>		27,829	71%																		
<b>Total (A+B)</b>		39,301	100%																		

Y/N stands for YES and NO respectively  
EL: N/EL stands for Eligible and Non-eligible respectively.



**Capital expenditure**

Definition

The Group's total capital expenditure amounted to SEK 2,746 million (3,872), of which, property, plant and equipment SEK 1,117 million (1,701), intangible non-current assets SEK 186 million (167) and new lease contracts SEK 1,443 million (2,004).

See also Notes 10, 11 and 12 on the Consolidated financial statements. Goodwill is not included in the definition of intangible assets.

Outcome

Capital expenditure relating to environmentally sustainable activities (taxonomy-aligned activities as shown in Table A.1) accounts for 59 percent (57), consisting in the main of enabling activities within the scope of 6.15, for example leasing of terminals.

Infrastructure in category A.2 is investment that has not been confirmed via one or more criteria not to cause significant harm to the other environmental objectives. As well as infrastructure, light and heavy goods vehicles in CCM 6.5 are included in A2 at 4 percent (5), SEK 111 million (177), and in CCM 6.6 at 7 percent (9), SEK 181 million (357).

With regard to the total share of capital expenditure for activities that are taxonomy-eligible but are not environmentally sustainable (A2), expenditure has fallen to 13 percent (26), and overall the share of PostNord's capital expenditure that is taxonomy-eligible is 72 percent (83). The share of capital expenditure for taxonomy non-eligible activities increased to 28 percent (17), mainly due to the fact that capital expenditure overall decreased sharply (by nearly 30 percent). While investments in category B increased somewhat, contributing to the shift in the relative shares of categories A and B. A further 4 percent (5) of PostNord's capital expenditure would have been classified as taxonomy-aligned (A.1) if all vehicles meeting the emission criteria had the right type of tires.

Capital expenditure																			
Economic activities	2023			Substantial contribution criteria						DNSH (Does Not Significantly Harm) criteria						Minimum safeguards	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) capital expenditure 2022	Category Enabling activity	Category Transitional activity
	Code	Capital expenditure	Proportion of capital expenditure	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity				
	SEKm	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																			
Operation of personal mobility devices, bicycle logistics	CCM 6.4	1	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	-	Y	0%		
Transportation by motorcycles, cars and light vehicles	CCM 6.5	9	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1%		
Infrastructure enabling low-carbon road transportation and public transportation	CCM 6.15	1,615	59%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	56%	E	
<b>Capital expenditure for environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		1,625	59%	59%	0%	0%	0%	0%	0%								57%		
Of which, enabling activities		1,615	59%	59%	0%	0%	0%	0%	0%									E	
Of which, transition activities		0	0%	0%															T
<b>A.2. Activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)</b>																			
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL										
Transportation by motorcycles, cars and light vehicles	CCM 6.5	111	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										5%
Freight transportation services by road	CCM 6.6	181	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										9%
Infrastructure enabling low-carbon road transportation and public transportation	CCM 6.15	54	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										12%
<b>Capital expenditure for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)</b>		346	13%																26%
<b>Capital expenditure for taxonomy-eligible activities (A1 + A.2)</b>		1,971	72%																83%
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
<b>Capital expenditure for taxonomy-non-eligible activities (B)</b>		775	28%																
<b>Total (A+B)</b>		2,746	100%																

Y/N stands for YES and NO respectively  
EL: N/EL stands for Eligible and Non-eligible respectively.



**Operating expenditure**

Definition

Operating expenditure is included in operating expenses under the headings Other expenses and Transportation costs, see also the Consolidated income statement.

Operating expenditure under the EU Taxonomy consists of direct costs not accounted for as assets and relating to, for example:

- renovation of buildings
- short-term leases (lease contracts of less than 1 year)
- maintenance and repairs
- all other direct expenditure relating to the day-to-day maintenance of property, plant and equipment that is necessary to ensure the continuous and effective functioning of such assets.

Outcome

Of PostNord's operating expenditure, 45 percent (50) – SEK 897 million (908)– is classified as environmentally sustainable and taxonomy-aligned (A.1). In real terms, this is a decrease of 1%. The major share of A.1 consists of infrastructure in economic activity CCM 6.15, where costs decreased to SEK 784 million (801). The relative shares of other economic activities CCM 6.2 rail transportation, CCM 6.4 bicycle logistics and CCM 6.5 transportation by passenger cars and light vehicles, are unchanged.

Of PostNord's operating expenditure, 14 percent (13) – SEK 275 million (232) – is taxonomy-eligible but is not classified as environmentally sustainable (not taxonomy-aligned, A.2). Of this amount, 10 percent (10) of operating expenditure relates to light vehicles within economic activity CCM 6.5. The share of expenditure for the taxonomy-eligible categories A1 and A2 has decreased to 58 (63) percent of the costs. A further 9 percent of PostNord's operating expenditure would have been classified as taxonomy-aligned (A.1) if all vehicles meeting the emission criteria had the right type of tires.

Operating expenditure																			
		2023		Substantial contribution criteria						DNSH (Does Not Significantly Harm) criteria									
Economic activities	Code	Operating expenditure SEKm	Proportion of capital expenditure %	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) operating expenditure in 2022	Category Enabling activity	Category Transitional activity
				Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N/N/EL	Y/N	%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																			
Freight rail transportation	CCM 6.2	18	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1%		
Operation of personal mobility devices, bicycle logistics	CCM 6.4	53	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	-	Y	3%		
Transportation by motorcycles, cars and light vehicles	CCM 6.5	43	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	2%		
Infrastructure enabling low-carbon road transportation and public transportation	CCM 6.15	784	39%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	44%	E	
<b>Operating expenditure for environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		897	45%	45%	0%	0%	0%	0%	0%								50%		
Of which, enabling activities		784	39%	39%	0%	0%	0%	0%	0%									E	
Of which, transition activities		0	0%	0%															T
<b>A.2. Activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)</b>																			
				EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL										
Transportation by motorcycles, cars and light vehicles	CCM 6.5	196	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10%		
Freight transportation services by road	CCM 6.6	58	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Infrastructure enabling low-carbon road transportation and public transportation	CCM 6.15	21	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
<b>Operating expenditure for activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) (A.2)</b>		275	14%														13%		
<b>Operating expenditure for taxonomy-eligible activities (A1 + A.2)</b>		1,172	58%														63%		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
<b>Operating expenditure for taxonomy non-eligible activities (B)</b>		839	42%																
<b>Total (A+B)</b>		2,011	100%																

Y/N stands for YES and NO respectively  
EL; N/EL stands for Eligible and Non-eligible respectively.



## About PostNord's Sustainability Report

This Annual and Sustainability Report summarizes PostNord's sustainability initiatives and performance during the 2023 financial year in accordance with the GRI Standards. PostNord reports on sustainability annually with the most recent report having been published on March 10, 2023. The publication date for this report is March 8, 2024.

PostNord also reports on sustainability to the UN Global Compact (UNGC).

### Materiality and content of the report

PostNord's agenda for sustainable logistics and our sustainability report are based on the materiality analysis conducted in 2021.

The materiality analysis encompasses:

- Driving forces and trends expected to shape society over the next decade

- Analyses connected with PostNord's climate transition
- Human rights due diligence (HRDD)
- Dialog with PostNord's key stakeholders: business partners, the financial market, customers and recipients, employees, community stakeholders and owners.

According to the analysis, PostNord's most significant sustainability issues are: climate impact, sustainable customer solutions, responsible supply chain, digitalization and automation, quality and customer service, work environment, diversity, and financial performance. These issues form the framework for PostNord's sustainability agenda and our three commitments: climate leadership, people, and diversity and inclusion.

## In preparation for CSRD: Double materiality analysis

During the year, we started work on implementing the new EU Corporate Sustainability Reporting Directive (CSRD). Until now, the process has involved extensive analytical work including a double materiality analysis. Structured stakeholder dialog with customers, owners, employees, civil society and suppliers, among others, formed the basis of the materiality analysis.

PostNord will report in line with the new requirements in 2025 for the 2024 financial year.

For further information on PostNord's sustainability work and sustainability reporting, contact us via [sustainability@postnord.com](mailto:sustainability@postnord.com).

**Statement on use: PostNord AB has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023. Our reporting accords with the principles of the GRI Foundation 2021.**

GRI Standard	Disclosure	Location	Comments (including reasons and explanations for omissions)
<b>General disclosures</b>			
	2-1 Organizational details	2, 3	
	2-2 Entities included in the organization's sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	111	
	2-4 Restatements of information	12, 23, 96–98, 113	Previously reported values for operational targets (tonnes of CO <sub>2</sub> ): 380,957 (2020), 381,197 (2021) and 341,311 (2022). Previously reported values for scientific climate target Scope 1+2 (tonnes CO <sub>2</sub> e): 102,620 (2020), 79,092 (2021) and 59,436 (2022). Previously reported values for scientific climate target Scope 3 (kg CO <sub>2</sub> e/parcel): 2.91 (2020), 2.59 (2021) and 3.18 (2022). Previously reported total scope 3 emissions (tonnes CO <sub>2</sub> e): 575,610 (2020), 579,875 (2021) and 665,046 (2022). New segmentation affects the reporting of occupational injury rates. Change of target year for RPI from 2025 to 2026.
	2-5 External assurance	115	
	2-6 Activities, value chain and other business relationships	3, 6–7, 9–11, 15–21, 101	The Group's segmentation was changed during the year.
	2-7 Employees	64, 101, 116	
<b>GRI 2: General disclosures 2021</b>	2-8 Workers who are not employees	Not reported	Information not available. No follow-up at Group level.
	2-9 Governance structure and composition	39–48	
	2-10 Nomination and selection of the highest governance body	43	
	2-11 Chair of the highest governance body	45	
	2-12 Role of the highest governance body in overseeing the management of impacts	32, 36, 38, 102–103	
	2-13 Delegation of responsibility for managing impacts	36, 38, 43, 102–103	
	2-14 Role of the highest governance body in sustainability reporting	44	
	2-15 Conflicts of interest	Not reported	Not relevant. PostNord is a State-owned enterprise and none of the management team or Board of Directors owns shares; as a result no personal conflicts of interest exist.
	2-16 Communication of critical concerns	Not reported	The main channel of communication for employees is via safety representatives and trade unions. Customer and consumer feedback is passed through customer service. Information is not compiled, and aggregated information is not currently available.



GRI Standard	Disclosure	Location	Comments (including reasons and explanations for omissions)
<b>General disclosures</b>			
<b>GRI 2: General disclosures 2021</b>	2-17 Collective knowledge of the highest governance body	39–48, 103	
	2-18 Evaluation of the performance of the highest governance body	42	The work of the CEO and the Group Leadership Team is assessed by the Board of Directors. The Board of Directors is assessed annually by an independent consultant. Actions resulting from these evaluations are confidential and disclosure 2-18 c. is not reported externally.
	2-19 Remuneration policies	42, 58, 63, postnord.com	Compliance with the remuneration policy is reported in detail in PostNord's remuneration report. Disclosure 2-19 b. is not reported, as specific sustainability criteria are not stated.
	2-20 Process to determine remuneration	42, 58, 63, postnord.com	Disclosure 2-20 b. is not applicable (remuneration is not subject to voting).
	2-21 Annual total compensation ratio	64	Information on median salaries not available. Otherwise: see remuneration report.
	2-22 Statement on sustainable development strategy	4–5	
	2-23 Policy commitments	2, 26, 29, 32, 36, 42, 43, 102, 107	Code of Conduct, Supplier Code of Conduct at postnord.com
	2-24 Embedding policy commitments	2, 29, 32, 36, 42, 43, 102, 107	
	2-25 Processes to remediate negative impacts	Not reported	The main channel of communication for employees is via safety representatives and trade unions. Customer and consumer feedback is passed through customer service. Information is not compiled, and no aggregated information is currently available.
	2-26 Mechanisms for seeking advice and raising concerns	104	
	2-27 Compliance with laws and regulations	8, 102, 104	
	2-28 Membership associations	101	
	2-29 Approach to stakeholder engagement	102	
2-30 Collective bargaining agreements	101		
<b>Material topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	111	
	3-2 List of material topics	111	
<b>Economic performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22, 36, 38, 43, 102–103, 111	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	103	
	201-2 Financial implications and other risks and opportunities due to climate change	36–38, 105–110	



GRI Standard	Disclosure	Location	Comments (including reasons and explanations for omissions)
<b>Economic performance</b>			
<b>GRI 201: Economic Performance 2016</b>	201-3 Defined benefit plan obligations and other retirement plans	59, 71–73	
	201-4 Financial assistance received from government	57, 61	
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22–25, 36–38, 96–98, 102–103, 111	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	97	
	305-2 Energy indirect (Scope 2) GHG emissions	97	
	305-3 Other indirect (Scope 3) GHG emissions	97	
	305-4 GHG emissions intensity	97	Emissions intensity (Scopes 1, 2) per employee (core staff): 1.58 t CO <sub>2</sub> (2022: 1.99)
	305-5 Reduction of GHG emissions	23–25, 96–98	
<b>Responsible supply chain</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Sustainability governance: supply chain	22–28, 36–38, 96–100, 102–104, 111	
<b>GRI 308: Environmental supplier evaluation 2016</b>	308-1 New suppliers that were screened using environmental criteria	100	
	308-2 Negative environmental impacts in the supply chain and actions taken	22–25, 33, 36–38, 95–98, 107	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	100	
	414-2 Negative social impacts in the supply chain and actions taken	22, 27–28, 34, 100, 107	
<b>Safe workplaces</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Sustainability governance: occupational health & safety	22, 26–27, 99, 103	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	26–28, 99	
	403-2 Hazard identification, risk assessment, and incident investigation	26	Disclosure 403-2 d. is not reported, information not available. PostNord will develop reporting on this topic in the future.
	403-3 Occupational health services	113	All employees have access to occupational health services.





GRI Standard	Disclosure	Location	Comments (including reasons and explanations for omissions)
<b>Safe workplaces</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-4 Worker participation, consultation, and communication on occupational health and safety	26	
	403-5 Worker training on occupational health and safety	25	
	403-6 Promotion of worker health	26–28	Disclosure 403-6 b. is not reported, information not available. PostNord will develop reporting on this topic in the future.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	26–28	Focus on the prevention of accidents related to the delivery of mail and parcels.
	403-8 Workers covered by an occupational health and safety management system	26–28, 99–101	All workers, included contracted workers, are covered by an occupational health and safety management system.
	403-9 Work-related injuries	99	
	403-10 Work-related illness	99	
<b>Diversity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	29–31, 101	
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	Not reported	Information not available. No follow-up at Group level.
	404-2 Programs for upgrading employee skills and transition assistance programs	29–31, 101	
	404-3 Percentage of employees receiving regular performance and career development reviews	29	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	63, 101	
<b>Quality and customer service</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Sustainability governance: quality and customer service	103	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Customer privacy	103	



## Auditor's Limited Assurance Report on PostNord AB's Sustainability Report and statement regarding the Statutory Sustainability Report

*This auditor's report replaces the auditor's report submitted, but not published, by us on the 22nd of February 2024.*

PostNord AB (publ), CIN 556771-2640

### Introduction

We have been engaged by the Board of Directors of PostNord AB to undertake a limited assurance engagement of PostNord AB:s Sustainability Report for the year 2023. The company has defined the scope of its sustainability report and its statutory sustainability report on the inside cover of the 2023 annual and sustainability report.

### Responsibilities of the board of directors and company management

The board of directors and management are responsible for the preparation of the sustainability report, including the statutory sustainability report, in accordance with applicable criteria and the Swedish Annual Accounts Act. The criteria given on page 110 of the annual and sustainability report consist of those parts of the sustainability reporting framework published by the Global Reporting Initiative (GRI) that are relevant to sustainability reporting and the company's own reporting and calculation principles. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover forward-looking information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, and applying analytical and other limited assurance procedures. Our

examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR:s accounting standard RevR12 Auditor's Opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different to and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies the International Standard on Management Quality 1, which requires the company to formulate, implement and manage a system of quality control including guidelines or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of PostNord AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on

the basis of a review and a review in accordance with RevR 12 do not give the same level of assurance as a conclusion expressed on the basis of an audit.

Our review of the sustainability report is based on the criteria stated by the board of directors and management, as defined above. In our view, these criteria are appropriate for preparation of the sustainability report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

### Other information

This report replaces a previous submitted report due to adjustments in the Company's sustainability report.

### Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the sustainability report was not, in all material respects, prepared in accordance with the criteria stated by the board of directors and management, above.

A statutory sustainability report has been prepared.

Stockholm, March 5, 2024

Deloitte AB

Anneli Pihl  
*Authorized Public Accountant*

Adrian Fintling  
*Specialist member of FAR*



# Multi-year review

SEKm, unless otherwise specified <sup>1</sup>	2023	2022	2021	2020	2019
<b>Group</b>					
Net sales	39,301	40,212	40,693	38,729	38,278
Other operating income	651	843	953	1,427	351
Operating expenses	-40,517	-40,699	-39,165	-37,734	-38,446
Operating income (EBIT)	-564	357	2,481	2,421	184
Operating margin (EBIT) (%)	-1.4	0.9	6.1	6.3	0.5
Net income for the period	-664	-23	1,989	1,711	-239
Cash flow from operating activities	2,033	1,646	4,011	4,151	2,132
Net debt (including pensions and lease liabilities)	3,817	1,137	3,885	8,064	9,454
Net debt ratio (including pensions and lease liabilities), %	35	8	43	164	259
Net debt (including pensions but excluding lease liabilities)	-2,294	-5,232	-1,892	2,001	3,776
Net debt ratio (including pensions but excluding lease liabilities), %	-20	-37	-20	38	102
Return on capital employed, %	-3.8	2.6	19.2	18.6	1.6
Investments	1,303	1,868	1,408	1,074	1,356
Dividend, total	0 <sup>2</sup>	0	0	0	0
Average number of employees (FTE)	24,604	26,701	28,358	28,006	28,627
Number of employees at end of period	30,557	33,592	36,020	36,248	36,362
<i>of whom, temporary employees</i>	6,649	8,191	8,191	9,747	8,645
Volumes, millions <sup>3</sup>					
Sweden, Mail	834	961	1,112	1,215	1,368
Denmark, Mail	160	184	195	220	266
Group total, Parcels <sup>4</sup>	243	248	265	236	205

<sup>1</sup> The consolidated accounts have been prepared in accordance with IFRS regulations applicable at any one time. Where applicable, figures for comparison have been restated for the most recent preceding year. In accordance with IFRS 16, figures for comparison have not been restated.

<sup>2</sup> Proposed dividend 2023.

<sup>3</sup> The data on volumes have been modified using a calculation method that better reflects the revenue recognized and the transfer of "Varubrev" from letters to parcels. Figures for comparison have been restated.

<sup>4</sup> Volumes between countries have been eliminated.



Nordic ecolabeled.

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