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Group Sourcing

postnord



# PostNord's Code of Conduct for Suppliers of Road Transportation

## 1 Introduction

PostNord aims to be leading in sustainability in our industry. This requires us, in partnership with our suppliers, to respect and take responsibility for the economic, environmental and social impact of our business.

Effective collaboration with our suppliers is an essential condition for our operations. In many cases, PostNord's suppliers are also our face to the outside world. This means that it is important for PostNord to create good conditions that enable our suppliers to meet our requirements so that they can represent PostNord in a positive way.

PostNord's suppliers shall respect the requirements of PostNord's Code Of Conduct for Suppliers of Road Transportation (hereinafter called "the Supplier Code") and shall work proactively to meet the requirements, both within their own organization and in the supply chain. This should be done through dialogue, transparency and active collaboration between PostNord and the Supplier.

The Supplier Code applies to all suppliers of road transportation, including their sub-contractors, Post agents, consultants, distributors and agents (hereinafter called "suppliers").

The term "Driver" below refers to both drivers who are employed as such by the supplier, and subcontractors or drivers who otherwise are put at its disposal.

Supplier-specific sustainability requirements and targets may be defined in commercial agreements.

The Supplier Code is based on PostNord's Code of Conduct and established international frameworks<sup>1</sup>.

## 2 Work towards continuous improvements



We encourage suppliers to strive towards continuous improvements and to work with management systems and standards in the areas described in the Supplier Code. Suppliers should have an incident management system in place to handle and prevent incidents.

## 3 Compliance with international frameworks and applicable legislation

The Supplier Code reflects the undertakings of PostNord Group with regard to the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN's Guiding Principles on Business and Human Rights.

Goods and services provided shall be produced under conditions that are compatible with:

- The United Nations Universal Declaration of Human Rights (1948)
- The Eight Fundamental Conventions of the International Labor Organisation, no. 29, 87, 98, 100, 105, 111, 138 and 182
- The United Nations Convention on the Rights of the Child, Article 32
- The labor protection and labor environment legislation in force in the country of production
- The labor law, including legislation on minimum wages, and the social welfare protection regulations in force in the country of production
- The environmental protection legislation that is in force in the country of production
- The UN Declaration against Corruption

The Supplier shall comply with laws and regulations in the countries where it conducts its operations and shall obtain all licences/permits relevant to the business.

If current law stipulates higher requirements than described in this Code, the Supplier shall comply with applicable law.

The Supplier must be able to demonstrate that it fulfils legal obligations regarding payment of taxes and social welfare contributions.

Suppliers who operate within the common rules for access to the international road haulage market must be able to ensure implementation of and compliance with these rules<sup>2</sup>.

<sup>1</sup> International Framework, see 3.0 Compliance with international frameworks and applicable legislation.

<sup>2</sup> Regulation (EC) No. 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market.

## 4 Create good working conditions

The Supplier shall be familiar with and respect the generally recognized global human rights and provide fair working conditions.

This means:

### 4.1 Equal treatment

The Supplier shall offer an inclusive workplace characterized by diversity, equal opportunity and equal pay for equal work. No form of discrimination, harassment or victimization shall be tolerated. This applies, for example, to gender, transgender identity or expression, ethnic affiliation, religion or other belief, disability, sexual orientation or age. Furthermore, there must be no discrimination, harassment or victimization on the basis of pregnancy, trade union affiliation or political opinion.

### 4.2 Reasonable pay and remuneration



Personnel shall be offered conditions of employment in accordance with legal requirements, or levels in accordance with a central collective agreement with regard to working hours, remuneration, holiday, sick leave and parental leave.

Overtime shall be paid and clearly detailed on written salary statements.

Salaries shall be paid regularly, directly to the employee at the agreed time and in full.

Driver payment systems must be designed to not create incentives to endanger road safety and/or encourage infringement of the rules regulating driving times and rest periods<sup>3</sup>.

Drivers should be provided with legally stipulated daily allowances.

### 4.3 Reasonable working hours, rest and time off work

Working hours, including overtime, shall comply with applicable legislation. Unless otherwise agreed, for example in collective bargaining agreements, all working hours shall be recorded. Personnel shall be entitled to one day off a week and to sufficient rest between shifts. Overtime shall be agreed with the personnel and regular overtime shall not be encouraged.

Time off, including annual leave, public holidays, sick leave and parental leave shall be remunerated in accordance with applicable legislation.

Drivers<sup>4</sup> who spend long periods away from home should be offered free or subsidized trips home at regular intervals, for example twice a year.

The supplier must have a solution in place to ensure implementation of the rules regulating driving time and rest periods.

### 4.4 Employment contract



Personnel shall be informed as to their conditions of employment and be provided with a written employment contract.

### 4.5 Freedom of association and the right to bargain collectively

The Supplier shall recognize and respect the right of personnel to enjoy freedom of association and collective negotiations, in alignment with applicable legislation.



In countries where freedom of association is limited, the supplier should encourage communication with the personnel on issues relating to occupational health and safety and employment conditions.

### 4.6 Freedom and mobility in the labor market

The Supplier may not in any way be involved in or tolerate forced labor or human trafficking. No illegal or unfair salary deductions or withholding of salary may take place. Personnel shall be free to terminate their employment after giving due notice.

Conditions for repayment of loans shall be reasonable and consistent with the law.

### 4.7 Zero tolerance of child labor

All work shall be performed by personnel who have attained the legal age for working. Personnel shall be no less than 15 years of age, or older where local law stipulates a higher minimum age. Juvenile workers shall be employed under lawful conditions. In countries and industries with a high risk of child labor, an action plan for working in the best interests of the child shall be in place and implemented.

<sup>3</sup> Regulation (EC) No. 561/2006 of the European Parliament and of the Council of 15 March 2006 on the harmonisation of certain social legislation relating to road transport and amending Council Regulations (EEC) No. 3821/85 and (EC) No. 2135/98 and repealing Council Regulation (EEC) No. 3820/85, or other relevant legislation).

<sup>4</sup> Applies to drivers domiciled in a country other than the where the work is carried out

## 5 Provide a safe and healthy workplace

The Supplier shall promote a healthy work environment and prevent risks of physical injury and mental ill-health arising from organizational and social factors in the workplace.

This means:

### 5.1 Continual improvement of occupational health and safety performance



The Supplier shall be aware of the occupational health and safety risks of its operations.

The occupational health and safety efforts shall be documented and the following should be in place:

- A Health and Safety policy
- A health and safety program consisting of targets and activities, together with a plan to eliminate occupational health and safety risks
- An appointed health and safety officer

The scope of the health and safety efforts should be proportionate in relation to the specific circumstances and risks of each supplier, taking account of the number of employees and the scale of operations.

### 5.2 Training and safety

The Supplier shall have routines in place to ensure that personnel have relevant permits/licences, professional training and qualifications for performing their work.

Personnel shall receive training and instruction in any health risks that the work may pose, including fire safety, hazardous work activities and first aid. The Supplier shall provide appropriate personal protective equipment and work tools and shall ensure that information about health and safety is readily accessible in the workplace.

Working premises shall be provided with adequate fire safety and emergency evacuation facilities, taking into account the nature of operations and the risk of fire and other hazards. Emergency exits shall be clearly marked and illuminated and must not be blocked. Evacuation drills and testing of fire alarms shall be conducted regularly.

If a mobile telephone is used while driving, the device must be used in hands-free mode.

Vehicles must be equipped with first aid and fire extinguishing equipment.

### 5.3 Zero tolerance of alcohol and drugs



All work shall be performed without any influence from alcohol or drugs. "Drugs" shall be understood to mean narcotics, non-medicinal use of pharmaceuticals and anabolic steroids.

Should any abuse of alcohol or drugs be suspected or confirmed, this shall be handled in accordance with dedicated treatment programs.

The Supplier shall ensure that its drivers operate their vehicles without being affected by tiredness, alcohol, drugs or pharmaceuticals such as to affect driving performance.

Suppliers are encouraged to install breathalysers, ignition interlock device or similar.

### 5.4 Safe parking and facilities

Drivers<sup>5</sup> should be provided free or subsidized and conveniently available access to toilets and shower, cooking and laundry facilities.

Drivers should be provided free or subsidized and conveniently available access to secure parking.

## 6 Environmental consideration

The Supplier shall be aware of any negative impact its business operations may have on the environment and shall actively work to reduce such impact.

This means:

### 6.1 Continual improvement of environmental performance



The Supplier shall have routines in place to identify and measure its environmental impact.

The Supplier shall take appropriate action to reduce the environmental impact of its operations and shall focus on constantly improving its environmental performance and minimizing its consumption of resources and its emissions.

<sup>5</sup> Applies to drivers domiciled in a country other than the where the work is carried out

The environmental efforts shall be documented and the following should be in place:

- An environmental policy
- An action plan, consisting of targets and activities, to minimize the environmental impact of operations
- An appointed environmental officer

The scope of the environmental efforts should be proportionate in relation to the specific circumstances and risks of each supplier, taking into account the number of employees and the scale of operations.

## **6.2 Plan for reduced carbon dioxide emissions**

A plan and activities for reduced carbon dioxide emissions shall be in place.

## **6.3 Engines**

Heavy goods vehicles (gross vehicle weight more than 3,500 kg) shall:

- as a minimum meet the requirements of Euro 5
- as a minimum meet the requirements of Euro 6 from the year 2021

Light goods vehicles N1 Class 2 (gross vehicle weight between 1,330 and 3,500 kg) shall:

- be less than 8 years old
- as a minimum meet the requirements of Euro 6 from the year 2021
- emit less than 225 g of CO<sub>2</sub> per kilometer, mixed driving<sup>6</sup> or shall be operated entirely with renewable fuels or electricity.

Light goods vehicles N1 Class 1 (gross vehicle weight up to 1,330 kg) shall:

- be less than 6 years old
- as a minimum meet the requirements of Euro 6 from the year 2020
- emit less than 150 g of CO<sub>2</sub> per kilometer, mixed driving<sup>7</sup> or shall be operated entirely with renewable fuels or electricity.

## **6.4 Fuel**

Renewable fuels shall be prioritized.

In the absence of any renewable alternative, suppliers shall use fuel as defined in EN 228 (petrol) and EN 590 (diesel).

In Sweden, fuel of environmental class 1 shall be used and the proportion of renewable fuels used shall amount to no less than 25%.

## **6.5 Tires**

Both new and remould tires shall meet the requirements of EU legislation on tires sold within the EU. Tires that do not meet these requirements must not be used.

With the exception of remould tires and stud-tires, tires with the lowest rolling resistance according to the EU labelling system shall be used, provided that transportation can be carried out safely in view of prevailing circumstances.

## **6.6 Eco-driving**

The supplier must ensure that all drivers receive training in the best possible energy-efficient driving (for example eco driving).

## **6.7 Spoilers**

The supplier shall ensure that the air-resistance of the vehicles is low. Spoilers must be fitted to heavy vehicles.

## **6.8 Maintenance**

The supplier must comply with relevant local regulations related to maintenance, washing, cleaning and handling of environmentally-hazardous products, waste and painting of vehicles. Eco-labeled products should be prioritized.

## **6.9 Reporting of environmental data**

Reporting of environmental data (vehicle and fuel statistics, types of fuel, proportion of renewable fuels, Euro classes and follow-up of environmental programs and environmental aspects) must be provided to PostNord on request.

The supplier should be open to dialogue with PostNord in order to develop transportation arrangements/systems in line with PostNord's environmental goals.

<sup>6</sup> As per NEDC (New European Driving Cycle).

<sup>7</sup> As per NEDC (New European Driving Cycle).

## 7 Zero tolerance of corruption



PostNord has a zero tolerance policy on corruption, including bribery, conflict of interest, fraud, embezzlement, blackmail, nepotism and favouritism/cronyism.

The Supplier shall not, directly or indirectly, offer or provide undue payment or other remuneration to any person or organization in order to obtain, retain or control business dealings or to obtain other undue advantage within the scope of its operations.

The Supplier shall not, directly or indirectly, request or accept any kind of undue payment or other remuneration from a third party which may affect the objectivity of any business decision.

The Supplier may not offer any PostNord employee benefits intended to facilitate the Supplier's business dealings with PostNord.

## 8 Follow-up

The business relationship between PostNord and our suppliers shall be based on honesty, trust and cooperation.

PostNord shall be provided with the opportunity to verify the Suppliers' compliance with the requirements of the Supplier Code. Follow-up may be conducted in the form of self-assessments and/or by on-site audits conducted by PostNord personnel, or a third party appointed or approved by PostNord. The audits include inspection of health and safety, together with interviews of employees and access to accurate and comprehensive documentation regarding compliance with the Supplier Code.

Deviations revealed during audits shall be remedied within the agreed period. If self-assessment is not carried out within the time stipulated, PostNord may require the Supplier to pay for and present an audit report, performed by a third party that PostNord has appointed or approved, confirming compliance with the requirements of the Supplier Code.

It is the responsibility of the Supplier to ensure that sub-contractors fulfil the requirements of the Supplier Code. The Supplier is responsible for evaluating and examining its supply chain and must be able to provide PostNord with information in this respect on request.

Any audits or checks that PostNord conducts at suppliers' sub-contractors will be conducted upon agreement with the supplier.

Failure to enable PostNord to verify compliance with the Supplier Code, or to remedy identified non compliances within an agreed period, will be regarded as a material breach of contract.



PostNord recommends that deviations from the Supplier Code are reported via our whistle-blower system: <https://postnord.whistleblownetwork.net/FrontPages/Default.aspx>.

PostNord regards information obtained in the course of self-assessment or audit as confidential and will not, without the written consent of the Supplier, pass on any confidential information to a third party or unauthorized person at PostNord.

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I, the undersigned authorized representative of the Supplier, hereby certify that the Supplier accepts and complies with the Supplier Code.

Full company name:

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Corporate identity number:

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Place and date:

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Name and position:

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Signature:

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