

Set of guidelines for Suppliers and Contractors

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PostNL Holding B.V.
Procurement & Services

This *Set of Guidelines for Suppliers and Contractors* of PostNL is a specific clarification of the [PostNL Business Principles](#) and the [OECD Guidelines](#) and acceptance is mandatory when contracting suppliers of PostNL. The *Set of Guidelines for Suppliers and Contractors* is not exhaustive, but rather serves as a guide for the main areas of focus.

One of the important items of the OECD guidelines is about responsible supply chain management. Therefore PostNL expects of its suppliers not only that they get things straightened in their own organisation, but also take their responsibility further upwards the supply chain and carefully watch on matters being taken good care of there as well.

1.1 Laws and certified management systems

Legislation

Suppliers must comply with all applicable international, national and local laws, in particular those concerning hazardous substances, environmental performance, labour conditions and work facilities and must be in possession of all the required permits. Suppliers must comply with local industry standards if these are more stringent than local statutory regulations. In addition, suppliers are required to fight any restrictions on free trade, unless this is provided for under the applicable national or international laws.

Management systems and certification

PostNL itself employs a variety of internationally recognised management systems and aims for certification of these systems in as many segments of its organisation as possible. The standards involved cover areas such as Quality Management (ISO 9001); Occupational Health and Safety (OHSAS 18001 /ISO 45001); Human Resources Policy for Employees (Investors in People); and Environmental Management (ISO 14001). PostNL urges its suppliers – in line with its own internal policy – to implement these types of internationally recognised management systems (preferably based on SA 8000 or ISO 26000).

PostNL requires that its suppliers take a proactive approach in introducing and maintaining socially responsible labour conditions and that they take environmental care seriously, including by:

- collecting and evaluating, in a timely manner, adequate data and information relating to the effects of their activities on the environment, health and safety;
- setting measurable targets, whose relevance must be assessed on a periodic basis;
- regularly monitoring and assessing the progress of objectives in striving to improve environmental performance and socially responsible labour conditions.





1.2 Supplier relations & supply chain responsibility

PostNL expects its suppliers to adopt a proactive attitude and take an innovative approach, if possible, in improving the social, environmental and ethical aspects regarding the goods or services they provide. With that they expressly take their responsibility for the supply chain and map out sustainability risks. PostNL firmly believes that compliance with the [OECD Guidelines](#) serves both its own interests and those of its suppliers, as they improve the continuity and success of our business operations in the long term. PostNL reserves the right, prior to or after placing an order, to check all production facilities where its products are manufactured – including subcontractors, production facilities and subcontractors – prior to, during and after the production process.

1.3 Agents, sub-suppliers and subcontractors

In most cases agents are likely to work with sub-suppliers and sub-contractors; this represents an additional step that renders the link between PostNL and any risks affecting PostNL less manageable. Nevertheless, PostNL holds the view that involving an agent does not affect its own responsibility for risks and regulation. Agents will be required to make the same amount of effort towards these sub-suppliers as PostNL does towards its own suppliers; traceability and transparent procedures at the agent's company are vital in this respect. This means, among other things, that the agent will need to be able to indicate who its suppliers are and can provide relevant data about them to PostNL. PostNL reserves the right to make unannounced site visits to these suppliers, either accompanied by the agent or otherwise. Our contract partners (i.e. agents or direct manufacturers) bear responsibility and guarantee that products or services that they have purchased or procured from third parties either in whole or in part comply with applicable laws and rules and do not violate the [OECD Guidelines](#). In the event of doubt, the agent must discuss this with PostNL.

1.4 Monitoring and inspection

Information and reports

At PostNL's request, suppliers must provide PostNL with information free of charge regarding their performance in all areas specified in this *Set of Guidelines for Suppliers and Contractors*. Suppliers must guarantee the accuracy and completeness of all this information. At PostNL's request suppliers are required to provide information of the production facilities at which individual orders are fulfilled. Suppliers authorise PostNL and its agents (including any third parties) to monitor compliance with this set of guidelines. All documents that must be consulted in order to monitor this compliance is available from the suppliers, including test reports, internal-control reports, inspection reports, and proof of other relevant measures. Just like PostNL protects information and properties received from third parties, PostNL expects from its suppliers to do the same regarding information and properties they receive from third parties.





Client visits at supplier sites

Depending on a supplier's risk category, PostNL (or a designated third party) will be able to check compliance with the set of guidelines onsite. If PostNL or a third party designated by same concludes that a party has failed to fully comply with the set of guidelines, they will determine what corrective measures are required in order to guarantee compliance within a timescale agreed between the parties.

Non-compliance

Insofar as suppliers are not (yet) able to comply with the provisions of this *Set of Guidelines for Suppliers and Contractors*, PostNL will discuss with them what measures are necessary to ensure compliance in the near future. PostNL strives to work together with its suppliers in order to raise awareness of their CR performance. PostNL will point out its suppliers on methods for sustainable procurement in order to realize the desired sustainability of the supply chain. However, in all cases where a violation of the provisions of this *Set of Guidelines for Suppliers and Contractors* is observed, PostNL reserves the right, depending on the seriousness of the violation, to terminate the relationship with immediate effect -at PostNL's discretion-, and cancel pending orders. In such a case, the supplier is not entitled to any payment or other form of compensation.

1.5 Ethical conduct

It is not permitted to offer or accept bribes in order to secure or grant contracts, services or financial or other benefits. Any attempt at, or opportunity for, bribery must be immediately rejected and reported. It is not permitted to reward employees or offer them gifts or entertainment if, in accepting these offerings, they might give the impression of entering into obligations.

Employees of PostNL or people representing PostNL are not allowed to benefit themselves from business opportunities that fall to PostNL.

1.6 Conflict of interest

Suppliers are obliged to report every transaction or relation that reasonably leads/could lead to a conflict of interest. This applies for every violation of policies and procedures that are applicable within PostNL, violation or supposed violation of existing rules and rules or any other possible irregularities. The report can be done at the contact person of PostNL. If this person is part of the irregularity to his/her direct manager, or otherwise to the PostNL department *Audit & Security* through integriteit@postnl.nl. Reports will be dealt with immediately and strictly confidentially.





1.7 Working conditions

PostNL expects all its suppliers to honour fundamental human rights. Suppliers are required to treat all employees with dignity and respect. PostNL wishes to only conduct business with suppliers that honour the rights of employees, that are set out in the [OECD Guidelines](#), as are included in the provisions below.

Freedom of employment / humane treatment

PostNL rejects all forms of forced, bonded and indentured labour, and suppliers are prohibited from using forced, bonded or indentured labour or involuntary prison labour. Employees may not be required to pay a security deposit or submit their identity documents to their employer, and must have the freedom to leave their employer, provided they give the appropriate notice. Physical or psychological abuse and disciplinary action, threats of physical violence, sexual and other violence and other abuse, along with verbal abuse and other forms of intimidation are not permitted. All disciplinary measures must be documented.

Child labour

PostNL defines child labour as any labour that is (sometimes involuntarily) performed by children below the age of 15 and that disadvantage the child in his or her school performance (in the broadest sense of the term) and violate his or her right to free time, as described in the [1989 United Nations Convention of the Rights of the Child](#).

PostNL does not conduct business with companies that employ children below the age of 13. The category of 13 and 14-year-olds may perform light, harmless auxiliary work under supervision only and only at specific times and days. The category of 15-year-olds may work independently but only light, harmless work, also at specific times and days. The category of 16 and 17-year-olds may work independently, but only harmless work, also only at specific times and days. There should be no overtime and no services on an on-call basis.

Within one month after the start of work, a written employment contract must be provided with agreements about the type of work, the employment (fixed or temporary), the number of hours, the gross salary and the probation period (maximum 2 months). The contract for the 13- to 15-year-olds has to be unilaterally terminated immediately by one of the parents without giving any further reasons.

If any cases of child labor are identified, or if there are doubts about whether or not there is child labour, then suppliers are obliged to participate in (and contribute to) policies and programs aimed at providing the child in question to follow high-quality education until it is of age, or otherwise, to set up such programs themselves.





In countries where learning programs for children aged 12 to 15 are permitted by law, PostNL accepts that children in this age group work a few hours a day (e.g. as part of UNICEF projects), provided this is properly documented. PostNL does not accept that children younger than 18 perform night work or risky activities. The age of the children employed must be carefully administered. In all cases, the basic principles described in the [1989 United Nations Convention of the Rights of the Child](#) are decisive for PostNL.

Freedom of association and the right to collective negotiation

PostNL recognises the fundamental right of employees to organise themselves in order to be able to represent and protect their interests. Suppliers recognise and honour this right of their employees to join (or not join) organisations of their choice (including trade unions) or establish such organisations, without needing to request their employer's permission. When hiring new employees, it is not permitted to stipulate that prospective employees refrain from joining a trade union or that they cancel their existing membership. Furthermore, union membership must never be a reason for dismissal or any other measures taken against an employee. Suppliers are not permitted to become involved in labour organisations or to finance them or otherwise attempt to control such organisations. Within the parameters set by laws and regulations and by means of the applicable labour relations and procedures, suppliers are required to honour the right of their employees to be represented by trade unions and other employee organisations. Suppliers are required to aim for agreement regarding the labour conditions by means of negotiations, either directly or through an employers' organisation. To the extent that the freedom of association and collective negotiation is restricted under the law, the employer is required to provide resources for developing similar tools for independent and free association and negotiation, and not to restrict these rights in any manner.

Fair payment

The wages and benefits for a standard working week are at least in accordance with the applicable national standard or to the standard agreed for the industry if this is higher. The wages for a standard working week (excluding overtime) should preferably be sufficient to cover employees' basic needs and also guarantee a certain amount in disposable income. Prior to commencing employment, all employees must be provided with comprehensible written information regarding their wages under employment law and must subsequently receive a pay slip for each payment for the period in question. It is not permitted for employers to dock employees' wages as a disciplinary measure, unless this is permitted under national law. Any other deductions not provided for under national law are permitted only with the express consent of the employee concerned.





Working hours and overtime

Working hours must comply with national laws or with general industry standards if these provide more protection. Under no circumstances employees can be required to consistently work more than 48 hours a week, and they must receive at least one day off for each period of an average of seven days. Overtime is performed on a voluntary basis. Employees working overtime are permitted to work a maximum of 12 hours per shift, and 60 hours per week for a 4-week period. During a 16-week period, employees are not permitted to work more than 55 hours on average. Overtime is payable at a higher rate.

Discrimination

Suppliers are required to treat their employees equally in their employment and profession and ensure that they all have equal opportunities. Suppliers must pay employees in similar positions equal pay for equal work. No form of intimidation or discrimination is permitted with regard to employment (i.e. hiring, compensation, training opportunities, promotion, termination, retirement, etc.) and profession, including discrimination based on race, caste, national origin or socioeconomic background, skin colour, sex, marital status, age, disability, sexual orientation, union membership, language, religion, political convictions, ownership, birth, or otherwise.

Regular employment and employment contract

All work is performed on the basis of a recognised employment contract drafted in compliance with national laws and practices. Suppliers are not permitted to shirk their obligations towards employees in relation to laws and regulations regarding employment and social security arising from the regular employment contract, either by only purchasing external labour or through outsourcing or teleworking contracts or on the basis of learning programmes without the actual intention of teaching skills or offering regular employment. Suppliers are likewise not permitted to evade such obligations by relying excessively on fixed-term employment contracts.

1.8 Health and safety

PostNL sets strict requirements for its suppliers with regard to their employee health and safety policy.

Health and safety at production and office sites

Suppliers are required to provide their employees with a safe, clean and healthy workplace that complies with all applicable local, national and international laws and regulations, taking into account the relevant expertise within the industry and any specific dangers involved. Suppliers are required to implement effective measures in order to prevent accidents and injury resulting from, relating to or occurring during the work, and will fight potential risks in the workplace provided this is reasonably possible. PostNL expects its suppliers to take appropriate and effective basic measures in order to protect the health and





safety of their employees, including by providing personal protective equipment, fire-control equipment, First Aid facilities and proper lighting, ventilation and heating systems. Evacuation exercises are performed, at least once a year. Employees are provided written safety instructions and/or regularly attend documented safety training courses; these courses are provided again for the benefit of new or transferred employees.

Employees have free access to clean sanitary facilities, drinking water and, if applicable, equipment to store foodstuffs. If applicable, suppliers must provide their employees with clean and safe accommodation that meets their basic needs.

Insofar as the supplier also provides personnel, he must ensure that the relevant employees are competent and capable for their tasks.

Road traffic safety

PostNL aims to actively contribute to reducing the number of traffic accidents among its subcontractors.

To this end, PostNL requests that its subcontractors:

- maintain their vehicles carefully and on a regular basis in order to be able to ensure maximum safety;
- carefully watch on the use of safety devices (e.g. helmets, safety belts, (daytime running) lights, blind-spot mirrors etc.)
- not use any vehicles older than 15 years;
- preferably have the employees concerned attend traffic-safety training courses.

Serious injuries

PostNL requires its (sub)suppliers and subcontractors to inform PostNL of all accidents with serious injuries occurred during the performance of work for PostNL within 48 hours according the [PostNL Group Policy on incident reporting](#). This can be done via telephone number +31 88 868 61 12 or by e-mail to security@postnl.nl.

1.9 The environment and hazardous substances

PostNL expects its suppliers to comply with the national, provincial and local environmental laws and measures in order to protect the environment in the broadest sense of the term. Suppliers must adopt a proactive attitude and take an innovative approach, if possible, in improving the environmental aspects of the goods or services they provide.





CO₂-emissions

Suppliers must make a consistent effort to reduce the consumption of fossil fuels (such as gas, oil, coals, diesel, etc.) reducing electricity consumption and stimulating energy generation based on renewable sources (e.g. biogas, tides, hydropower, wind power, solar energy, etc.) to limit CO₂ emissions to the lowest level that is reasonably achievable.

For transport services (including subcontractors driving on behalf of PostNL), suppliers must opt for the most fuel-efficient and least environmentally damaging mode of transport available, provided this is economically feasible. Suppliers providing transport services are expected to train their drivers in 'Ecodriving' and must demonstrably facilitate inspections relating to vehicle management (including oil and fuel consumption, monthly tyre pressure checks, etc.).

Pollution prevention

Suppliers are responsible for ensuring demonstrable and continuous improvement of their environmental performance in a variety of areas, including reducing emissions, noise and waste, plus a reduction of their dependency on natural resources and hazardous substances based on clear targets and an effective improvement programme.

Product development

In close collaboration with the customer, designer and producer, every stage of product development and production the environmental impact (including the waste stage) is taken into account as much as possible (according to the people-planet-profit concept) and is preferably based on of a circular economy or cradle-to-cradle (C2C) design philosophy.

Waste

Suppliers maintain a set of procedures for the safe processing, storage, transport, consumption and removal of waste and in particular hazardous waste in accordance with the applicable laws. Provided this is economically feasible, waste collection will be segregated in order to ensure maximum reuse.

Hazardous and/or environmentally harmful substances

Suppliers, factories and subcontractors must ensure that the delivered goods are manufactured in accordance with all applicable environmental laws and regulations, including tightened and/or different





national standards in individual EU member states and that there are no obstacles to the admission of these goods to the European Union.

1.10 Transparency

PostNL expects its suppliers to be transparent regarding their CR policy and activities. Sound reporting on CR efforts enables stakeholders to enter into a dialogue with the supplier and allows the supplier to improve itself through the constructive criticism of its stakeholders.

For Dutch companies, the [Transparency Benchmark](#) of the Ministry of Economic Affairs provides transparency to the manner in which companies report on their CR activities.

PostNL encourages companies to independently assess their CSR performance by organizations such as www.fira-verificatie.nl/ or www.ecovadis.com.

1.11 Glossary - Management systems

Investors in People

[Investors in People](#), established in the United Kingdom in 1990 by a partnership between leading companies and national organisations, assists organisations in improving their performance and achieving their objectives through an effective approach involving HR management and employee development. Accredited companies receive a certificate confirming their accreditation.

ISO 9001

ISO 9001 is an internationally recognised standard for establishing and certifying quality management systems. The standard describes what measures organisations must implement in order to comply with the applicable regulations and quality standards of its customers while at the same time improving customer satisfaction and continuously enhancing their performance in attempting to achieve these objectives.

ISO 14001

ISO 14001 is an internationally recognised standard for establishing and certifying environmental management systems in order to manage environmental aspects, improve environmental performance, reduce the damaging impact on the environment and improve environmental policy on an ongoing basis.

OHSAS 18001 / ISO 45001

ISO 18001 is an internationally recognised standard for establishing and certifying employee health and safety management systems in order to manage and reduce the health and safety risks to which employees are exposed while performing their work.





OHSAS 18001 is being changed to ISO standard 45001. For further information, see:

<https://www.iso.org/iso-45001-occupational-health-and-safety.html>

SA 8000

This standard, issued by the human rights organisation Social Accountability International (SAI) is designed to enforce fair and decent working conditions within supply chains. SA 8000 is based on international standards for working conditions specified in the conventions of the ILO, the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child. This standard covers the areas of child labour, forced labour, health and safety, freedom of association and the right to collective negotiation; discrimination, disciplinary measures, working hours, compensation and management systems. For further information, see www.sa-intl.org.

ISO 26000

ISO 26000 is an international guideline for the implementation of corporate social responsibility (CSR) in organisations. The guideline is based on a set of seven principles: accountability, transparency, ethical conduct, respecting the interests of stakeholders, compliance with laws and regulations, compliance with international standards, treaties/conventions and codes of conduct, and respect for human rights.

ISO 26000 has the nature of guidance and is therefore not appropriate and explicitly not intended for certification. Nevertheless, organizations have an increasing desire to show that they are applying ISO 26000.

This is why the NEN Standards Committee on Social Responsibility has developed the Dutch code of practice NPR 9026

For further information regarding this Guidance on self-declaration see: <http://www.nen.nl/NEN-Shop/Vakgebieden/MVO-ISO-26000-duurzaamheid/Nieuws-over-ISO-26000-duurzaamheid/Guidance-on-selfdeclaration-NENISO-26000-and-Publication-Platform-ISO-26000.htm>

For general information regarding ISO26000 see:

<https://mvonederland.nl/dossier/iso-26000>

<https://www.iso.org/iso-26000-social-responsibility.html>

UN Convention of the Rights of a Child:

www.ohchr.org/EN/ProfessionalInterest/Pages/CRC.aspx

