

Supplier Code of Ethics

1. What is the Supplier Code?

The Supplier Code of Ethics sets out Yodel's expectations of the standards of conduct and behaviour of those suppliers who work with us directly or associated indirectly.

It explains our requirements regarding ethical standards, and although our dealings with suppliers often take place in cultures which are different from our own and have a different set of norms and values which we respect, certain standards are universally valid and must apply to all our business activities with suppliers.

All goods, works, and services procured and supplied to Yodel must be produced and provided in conformity with the United Nations Charter, Chapter IX: International Economic and Social Cooperation (Articles 55-60) | United Nations, with specific reference to workers' rights and working conditions.

2. Who does the Supplier Code Apply to?

The Supplier Code of Ethics applies to all Suppliers, Subcontractors and Consultants, collectively referred to as our "suppliers".

Suppliers are wholly responsible for compliance with this Code and require that monitoring is an integral part of your day-to-day management process. Suppliers must apply these principles at all times and must also be able to demonstrate that they are doing so. We will work with suppliers to support any necessary improvements, but we will also take action, which may involve cancelling contracts and ceasing to trade, if suppliers are not prepared to make appropriate changes.

3. Our Business

Every year Yodel delivers more than 190 million parcels on behalf of many of the UK's leading retailers and businesses. During the 'Peak' pre-Christmas season, we have a workforce of over 10,000 colleagues supporting our operation of over 50 UK sites. As a service-based organisation, our people, and the communities they work in embody who we are and are key to our future success here at Yodel.

Our mission

"Be a profitable, responsible and trusted organisation and the go-to brand within the carrier market" this reflects our core values, key initiatives, and our audiences.

Our Values

Our Values are at the core of our business and instilled into everything we do. We are dedicated to working with suppliers who openly demonstrate an alignment and compliments our beliefs. We are therefore guided by those relationships we build through mutual trust and respect. Our Values are:

- We think differently
- We link together
- We move to the beat
- We deliver with oompf

4. Legal compliance

The provisions of this Code of Ethics constitute minimum and not maximum standards, and this Code should not be used to prevent suppliers from exceeding these standards. Suppliers applying this Code are expected to comply with national and other applicable law, and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater employee protection.

5. Business Ethics

Business shall be conducted without bribery, corruption, or any type of fraudulent behaviour. Suppliers are required to provide their policies on ethics and corruption, in line with our Anti-Bribery and Corruption Policy.

We engage with suppliers that are committed to the same principles, and we set exacting standards for suppliers at Yodel. These standards are derived from the United Nations Guiding Principles on Business and Human Rights, and the Core Conventions of the International Labour Organization (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. When interpreting these policies, we follow ILO guidance materials and definitions.

6. Competition Law

We are always fully committed to complying with competition law and expect the highest standards of ethical conduct and integrity in our business dealings, which are critical in supporting the achievement of Yodel's strategic and business objectives. Competition law applies to all organisations and seeks to preserve free, fair, and effective competition between businesses for the protection of the consumer.

7. Supplier Relations

7.1. Principles

We seek to develop long-term business relationships with our suppliers who should have a natural respect for our ethical standards in the context of their own particular culture. Our relationships with suppliers are based on the principle of fair, open, and honest dealings at all times and in all ways. We specifically require our suppliers to extend the same principle to all those with whom they do business, including employees, subcontractors and other third parties.

7.2. Communication

We require all suppliers to make this Code freely available throughout their business and supply chains, including a translation into any appropriate foreign language(s).

8. Labour and Universal Human Rights

8.1. Forced Labour

We will not tolerate forced, compulsory or trafficked labour, bonded labour or labour which involves physical or mental abuse. This means that suppliers must not use or threaten workers with any physical punishment, verbal or sexual harassment, or dominate or restrain workers by force, authority or threats.

Workers must not be required to lodge "deposits" or their identity papers with their employer, and they must be free to leave their employer after reasonable notice.

8.2. Child Labour

Exploitation of child labour is totally unacceptable under any circumstances. Suppliers must not employ any person under the minimum legal working age applicable to their country and under no circumstances must they employ anybody under the age of 14 years.

8.3. Remuneration

Wages and benefits paid for a standard week must meet as a minimum, local legal standards or industry benchmark standards, whichever are the higher. For the avoidance of doubt, this means that workers in the UK must be paid no less than the current national minimum wage (including the national living wage where applicable). In any event wages should always be enough to meet basic needs and to provide some discretionary income.

The supplier shall provide to the jobseeker, in a language they understand, accurate details of working conditions in the host location, including worker's legal rights, nature of work, wages and benefits and duration of contract at the time of recruitment. The details of working conditions described at the point of recruitment shall be consistent with the details of the employment contract at time of hiring or, if changes occur, are communicated prior to starting and in no way violate relevant laws.

The supplier must not charge fees or costs nor request deposits for job placement services, from jobseekers, his/her employers, agents, nor subagents. The Supplier's financial arrangements with agents and sub agents shall not allow fees from jobseekers as part of the agents' or subagents' revenue for services provided. Should it become evident that recruitment fees have been paid, the supplier shall reimburse the worker of any fees, costs or deposits paid.

Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded and available for review by all concerned parties.

8.4. Freedom of Association and the Right to Collective Bargaining

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The supplier will adopt an open attitude towards the activities of trade unions and their organisational activities.

Workers' representatives must not be discriminated against and must have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the supplier will facilitate and not hinder the development of parallel means for independent and free association and bargaining.

8.5. Discrimination

Suppliers shall Commit to providing equal employment opportunities and promotion and not discriminate in employment, including hiring, compensation, advancement, discipline, termination or

retirement, or on the basis of gender, race, religion, age, disability, sexual orientation, nationality, HIV/AIDS status, political opinion, social group or ethnic origin.

8.6. First Aid

All suppliers must provide adequate provision for first aid and must ensure that formally qualified personnel are always available.

8.7. Working Hours

Working hours must comply with national laws and benchmark industry standards, whichever affords the greater protection.

8.8. Regular Employment

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour only contracting, subcontracting, or home working arrangements.

Equally, obligations must not be avoided through the use of apprenticeship schemes where there is no real intent to import skills or provide regular employment, nor shall any obligations be avoided through the excessive use of fixed term contracts of employment.

8.9. Working conditions

Suppliers must ensure that they abide by all local laws relating to health and safety in the workplace and residentially where facilities are provided. It is imperative that any amendments to these laws are implemented immediately and that all standards of health and safety are maintained at the forefront of local custom and practice or to benchmark industry standards, whichever affords the greater protection.

A safe and hygienic working environment must be provided.

Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practical, the causes of hazards inherent in the working environment.

Workers must receive regular and recorded health and safety training, and such training must be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water, and if appropriate, sanitary facilities for food storage must be provided.

Accommodation where provided, must be located separately from the workplace, be clean, safe and meet the basic needs of the workers.

Responsibility for the observation of the code with regard to health and safety must be assigned to a senior management representative.

9. Environment

Suppliers are required to comply with applicable environmental laws; we encourage our suppliers to look for opportunities to go beyond regulatory compliance obligations and make progress towards integrating sustainable practices throughout their operations.

9.1. Environment

We encourage our suppliers to look for ways to minimise the impact on the environment (including but not limited to the use of energy, greenhouse gas emissions, hazardous materials, and recycling) through their entire operations.

9.2. Greenhouse Gas Emissions

We encourage suppliers to look for ways to improve consumption and mitigate greenhouse gas emissions. We look to share best practice and encourage our suppliers to work in collaboration in reducing the carbon footprint.

10. Anti-Bribery and Corruption

We have a zero-tolerance approach to bribery and corruption in all our dealings with suppliers. We expect our suppliers to comply with all applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including the UK Bribery Act 2010 'as amended'.

Under no circumstances shall any supplier or persons associated with its business, offer or accept any bribes, kickbacks or anything else that may be viewed as an attempt to improperly influence business decisions.

We expect you to:

- promptly report to us any request or demand for any undue financial or other advantage of any kind which you receive in connection with your dealings with us; and
- immediately notify us in writing if any of your officers or employees is or becomes a foreign public official, or if any foreign public official acquires a direct or indirect interest in your organisation.

11. Anti-Slavery and Human Trafficking

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our dealings with suppliers. We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect our suppliers to comply with all applicable laws, regulations, codes and sanctions relating to anti-slavery and human trafficking including the Modern Slavery Act 2015.

We expect our suppliers to:

- maintain a complete set of records to trace the supply chain of all goods and services provided to us;

and

- prepare and deliver to us an annual slavery and human trafficking report, setting out the steps you have taken to ensure that slavery and human trafficking is not taking place in any of your supply chains or in any part of your business.

12. Anti-Facilitation of Tax Evasion

It is our policy to conduct all of our business in an honest and ethical manner. We have a zero-tolerance approach to all forms of tax evasion, whether under UK law or the law of any foreign country, and are committed to implementing and enforcing effective systems to counter tax evasion facilitation. We expect our suppliers to comply with all applicable laws, regulations, codes and sanctions relating to the prevention of tax evasion facilitation including the Criminal Finances Act 2017.

Under no circumstances shall any supplier or persons associated with its business knowingly become involved with, or take steps with a view to, assisting another person to fraudulently evade tax (whether UK tax or tax in a foreign country).

We expect our suppliers to:

- Always conduct your business in a manner such that the opportunity for, and incidence of, tax evasion is prevented;
- and
- promptly report to us any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person.

13. Supplier compliance

12.1 Written contract

The supplier shall:

Ensure that any person associated with your organisation who is performing services, or providing goods, in connection with your dealings with us, does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on your organisation from this Code of Ethics ("**Relevant Terms**"). You shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to us for any breach by such persons of any of the Relevant Terms.

Have in place robust policies and procedures designed to prevent persons associated with your business from committing bribery and corruption offences, anti-slavery and human trafficking offences and tax evasion facilitation offences, and shall enforce them. Such policies and procedures must be subject to regular review to ensure their effective operation.

12.2 Disclosure, Reporting and Audits

We require our suppliers to:

- make full disclosure of all facts and circumstances concerning production, use of sub-contractors and the use of other third parties;
- implement annual supplier and subcontractor audits to monitor compliance with the Relevant Terms;
- certify to us in writing signed by a director, on an annual basis, compliance with this Code of Ethics and with all applicable laws, statutes, regulations and codes relating to: (a) anti-bribery and corruption; (b) anti-slavery and human trafficking; and (c) anti-facilitation of tax evasion, by your organisation and all persons associated with it, and to provide such supporting evidence of compliance as we may reasonably request; and
- comply with such audit requirements in relation to this Code of Ethics as may be reasonably required by us from time to time.

12.3 Training

We expect our suppliers to implement a system of training for their employees, suppliers, and subcontractors to ensure compliance with the Relevant Terms.

All suppliers shall keep a record of all training offered and completed by their employees, suppliers, and subcontractors to ensure compliance with the Relevant Terms, and shall make a copy of the record available to us on request.

12.4 No Detriment

We expect our suppliers to implement systems designed to ensure that their employees, suppliers, and subcontractors are encouraged to raise concerns about any issue or suspicion of: (a) bribery and corruption; (b) modern slavery and human trafficking; or (c) facilitation of tax evasion, in any part of their business or supply chain, at the earliest possible stage. As part of such policies, suppliers must ensure that nobody suffers any detrimental treatment as a result of reporting in good faith any such issues or suspicions. For these purposes, detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern.

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