



# Supplier Code of Conduct for Responsible Procurement



# Requirements for partner companies to implement sustainable practices when providing services for Swiss Post Group

Swiss Post Group companies (hereinafter "Swiss Post") fulfil their obligations towards people and the environment, including in procurement. Our objective is to play a leading role in the industry. To facilitate this, we want to work with our Partner Companies to ensure transparency and sustainability in supply chains. We are committed to ensuring that our Partner Companies provide socially acceptable working conditions and adhere to environmental standards.

The Swiss Post Supplier Code of Conduct covers environmental, social and governance-related issues. It is aimed at all suppliers, service providers, construction companies and subcontractors, manufacturers, consultancy firms and intermediary companies, as well as other business partners. These groups are hereafter collectively referred to as "Partner Companies". This term includes both the partner and their subcontractors in all cases. Subcontractors within the scope of this document are companies that perform a relevant part of the service provided. Lessors of production facilities and providers of general services for business operations, for example, are not deemed subcontractors under this Code of Conduct. Partner Companies must strive to ensure compliance with the Swiss Post Supplier Code of Conduct along the entire supply chain.

This Supplier Code of Conduct is based in particular on the International Labour Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights, and contains ethical, social and environmental principles.

**Partner Companies undertake to comply with the following provisions. This does not apply to sections marked with an asterisk (\*), which constitute an exception.**

These sections – subject to specific contractual or legal provisions – contain strong recommendations or desirable objectives. Swiss Post expects Partner Companies to be willing to make meaningful progress and improvements in these areas (as long as those areas are relevant to them as a company or to the product or service they provide) in accordance with objective benchmarks. Partner Companies are obliged to inform Swiss Post, on request, about their current status, past and present activities and plans in the corresponding relevant areas, and to provide Swiss Post with relevant documentation if such is available.



## 1. Compliance with relevant laws

If Partner Companies provide services to Swiss Post, they must comply with the laws in force in the relevant jurisdictions. This Supplier Code of Conduct does not replace the legislation in these jurisdictions and must be observed in addition to those laws.



## 2. Environment

Swiss Post expects its Partner Companies to commit to reducing their environmental impact, in particular with regard to climate and energy, water, waste, chemicals, air pollution, biodiversity and deforestation. The following provisions apply in this context.

### 2.1 Compliance with environmental legislation

Partner Companies must comply with all of the requirements set forth in the applicable legislation on environmental protection and the conservation of natural resources. The provision of services in Switzerland is subject to the provisions of Swiss environmental law. Partner Companies which provide services abroad must adhere to the environmental legislation in effect at the place of performance and to the principles stipulated in the international conventions listed in Annex 2 of the Swiss Ordinance on Public Procurement as a minimum, irrespective of whether or not the business in question is subject to public procurement regulations<sup>1</sup>.

### 2.2 Dangerous substances

Partner Companies must comply with all applicable legislation and provisions with regard to prohibitions on and restrictions affecting certain substances. Hazardous chemicals and other materials within products must be identified and labelled in such a way that they can be used and disposed of safely.

### 2.3 Environmental management\*

Partner Companies must operate an environmental management system based on ISO 14001 or EMAS (or equivalent standards), or establish a process-based and risk-based management system to ensure compliance with environmental due diligence obligations in their business practices. The environmental management system must be adapted to the company's business model and can also be integrated into the overall management system for due diligence. Partner Companies shall appoint a contact person for environmental protection-related matters.

### 2.4 Greenhouse gas emissions\*

As a central part of environmental management, Partner Companies undertake to reduce their greenhouse gas emissions on an ongoing basis and thereby contribute to Swiss Post's<sup>2</sup> climate target. Partner Companies must strive to bring their emissions in line with the Paris Agreement. They must report, calculate and monitor greenhouse gas emissions, both in their own operations and along the value chain. Partner Companies know the environmental footprint of their products and/or services and can report their calculated carbon footprint, ideally throughout the entire life cycle, in accordance with ISO 14044 or an equivalent standard.

### 2.5 Life cycle\*

Partner Companies must take the environmental impact of their business activities and products into account throughout the entire life cycle and beyond. They must take appropriate measures to minimize their product or service's environmental impacts throughout its life cycle (from raw materials to manufacturing, transport, use, re-use, recycling and disposal).

### 2.6 Circular economy\*

Partner Companies must be guided by design criteria associated with the circular economy when creating products, equipment and facilities. These criteria include durability, modularity, detachability, repairability, cascading use and material health<sup>3</sup>. Partner Companies must maintain systematic waste management processes. Re-use or reprocessing must take precedence over recycling and professional disposal wherever possible.

## 3. Social responsibility



Partner Companies must adhere to the regulations governing working conditions and occupational health and safety applicable at the place where the service is provided. All Partner Companies must respect the Universal Declaration of Human Rights (UN, 1948), the UN Guiding Principles on Business and Human Rights and the Fundamental Conventions of the International Labour Organization (ILO). Below we refer to various ILO labour standards and provide a brief summary of their contents. In each instance, the ILO labour standards referred to apply in their entirety and as amended. In the case of contradictions between the Supplier Code of Conduct and the texts containing the conventions, the latter shall take precedence.

1 Relevant conventions for the protection of the environment and conservation of natural resources: [https://www.fedlex.admin.ch/eli/cc/2020/127/en#annex\\_2/lv\\_u1](https://www.fedlex.admin.ch/eli/cc/2020/127/en#annex_2/lv_u1)

2 Swiss Post's climate target: <https://www.swisspost.ch/en/about-us/responsibility/corporate-responsibility/climate-and-energy>

3 Source: Swiss Federal Procurement Conference guidelines on procurement for a circular economy: [https://www.bkb.admin.ch/dam/bkb/de/dokumente/Oeffentliches\\_Beschaffungswesen/Empfehlungen/Leitfaden%20Kreislauff%C3%A4hige%20Beschaffung-de-v5.pdf.download.pdf/Leitfaden%20Kreislauff%C3%A4hige%20Beschaffung-de-v5.pdf](https://www.bkb.admin.ch/dam/bkb/de/dokumente/Oeffentliches_Beschaffungswesen/Empfehlungen/Leitfaden%20Kreislauff%C3%A4hige%20Beschaffung-de-v5.pdf.download.pdf/Leitfaden%20Kreislauff%C3%A4hige%20Beschaffung-de-v5.pdf)

### 3.1 Ban on child labour

Child labour is prohibited. Partner Companies undertake not to employ persons who cannot provide evidence that they are at least 15 years of age. Special regulations apply in countries that fall under the exception for developing countries, as set out in ILO Convention 138. Persons under 18 years of age may not work overtime, at night, or in hazardous working conditions. ILO Convention nos. 138 and 182 are authoritative.

### 3.2 Ban on prison labour and forced or slave labour

Partner Companies undertake not to be involved or complicit in any form of slavery, forced labour, debt bondage, compulsory labour, human trafficking or involuntary labour, including forced labour imposed by state authorities. Partner Companies must adhere to the international basic principles of responsible procurement, including the "Employer Pays" principle, and must require their recruitment partners to do the same when hiring employees (either directly or indirectly), in particular members of vulnerable groups such as temporary and migrant workers. This means that at the very least, Partner Companies must

- not charge recruitment fees and related costs to employees;
- use clear, transparent employment contracts;
- neither trick nor coerce staff into performing activities;
- guarantee employees freedom of movement and not retain their identity documents;
- ensure access to free, comprehensive and accurate information;
- give employees the freedom to terminate their contract, change employer and return home safely;
- ensure access to free dispute resolution and effective legal remedies.

If it is found that a Partner Company does not currently comply with these basic principles or has disregarded them previously, it must compensate the employee for the damage incurred; it must do so within a reasonable deadline and within the framework of those same international basic principles. ILO Convention nos. 29 and 105 are authoritative.

### 3.3 Ban on discrimination, ensuring respect for employees

Partner companies undertake to treat all employees with respect and dignity irrespective of gender identity, age, religion, origin, birth, social background, disability, ethnic or national background, nationality, membership in trade unions or other legitimate organizations, political affiliation or views, sexual orientation, family obligations, marital status, pregnancy or illness.

Partner companies must ensure that employees are not subjected to any form of violence, harassment, inhuman or degrading treatment at work and safeguard against threats of violence and mistreatment, including corporal punishment, verbal, physical, sexual, economic or psychological abuse, psychological or physical coercion and other forms of harassment or intimidation.

Disciplinary measures must be set out in writing and explained to employees verbally, in a language that they understand. These disciplinary measures must be in line with the national legislation in the respective country.

If issues are reported in relation to one of the above principles, the Partner Company shall verify that employees are not harassed, disciplined or discriminated against, and remedy the issue where necessary. ILO Convention nos. 100 and 111 are authoritative.

### 3.4 Employee wages and benefits

Partner Companies undertake to provide their employees with reasonable remuneration and to pay them at least the standard minimum wage applicable in the relevant country or industry (whichever is higher), provided no statutory minimum requirements apply. Wages are paid on the basis of the statutory standard working hours. Employers may only make deductions from an employee's wages under the conditions and to the extent permitted by law or applicable collective bargaining agreements. Partner Companies are required to pay the support allowances that apply to the relevant region. All applicable statutory provisions, in particular those relating to the minimum wage, must be observed when hiring employees from abroad (e. g. cross-border commuters). ILO Convention no. 26 is authoritative.

In the case of services provided in Switzerland, the service provider must acknowledge and comply with the provisions of the Gender Equality Act with regard to equal pay. The living wage should gradually be introduced across the entire supply chain<sup>4</sup>.

### 3.5 Employee working hours

Partner Companies undertake to ensure that employees do not work more than 48 standard working hours per week. This is subject to stricter statutory provisions at the place of performance or applicable industry-specific standard employment contracts.

The working hours outlined above may only be exceeded in the exceptional circumstances defined by the ILO<sup>5</sup>. Employees may not work more than a total of 60 hours within any seven-day period. Overtime may only be an exception, and must both be performed voluntarily and paid at the local or statutory overtime rate. Employees must be able to take breaks every working day when working and have at least one day off every seven days, unless exceptions not stipulated in collective bargaining agreements apply. ILO Conventions no. 1, 132, 14 and 161 are authoritative.

<sup>4</sup> Supplementary explanations and guidance can be found on the website of the United Nations Global Compact at <https://unglobalcompact.org/what-is-gc/our-work/livingwages/>

<sup>5</sup> ILO Convention no. 14

### 3.6 Employee health and safety

Partner Companies undertake to maintain a safe, hygienic working environment and to promote occupational health and safety best practices, taking into account prevailing knowledge of and specific risks inherent to that industry.

Partner Companies must pay adequate attention to occupational hazards specific to their industry and ensure a safe, hygienic working environment. They must put in place effective provisions to prevent accidents and minimize health risks as far as possible.

Partner Companies must establish and use an adequate health and occupational safety management system to prevent accidents and occupational illnesses. They must also identify potential emergency situations and develop emergency concepts to minimize their impacts.

Partner Companies undertake to safeguard vulnerable groups in particular, especially young employees, young and expectant mothers and persons with disabilities. ILO Convention nos. 62, 136, 162, 120, 170 and 174 are authoritative.

### 3.7 Freedom of association and right to collective bargaining

Employees have a right of consultation on working conditions. They also have the right to organize themselves in trade unions or to join an association of their choice without restrictions or consequences<sup>6</sup>. Employees have a right to collective bargaining.

If the right to freedom of association and collective bargaining is restricted by law, the employer may not prevent other forms of collective bargaining (e. g. the organization of workers). ILO Convention nos. 87 and 98 are authoritative.

### 3.8 Accessibility

Partner Companies are required to provide inclusive, accessible services that persons with disabilities can also use.

## 4. Transparent supply chains\*



Swiss Post strives to work with its Partner Companies to implement the requirements arising from Human Rights Due Diligence (HRDD) and to manage supply chains responsibly. The objective is to create transparency across supply chains.

Partner Companies shall disclose the details of their supply chains (where known to them) on request; this ensures that any potential risks associated with human rights and environment-related due diligence obligations can be identified together with Swiss Post at an early stage. Where Partner Companies do not have all of the details regarding their supply chains, they shall do everything possible to close all supply chain transparency gaps within a reasonable deadline.

## 5. Governance



### 5.1 Anti-corruption

Partner Companies shall comply with all applicable national and international anti-corruption legislation and regulations. Partner Companies shall prevent all forms of corruption, bribery or unfair business practices. Employees of government agencies or private sector counterparties may not be offered, granted or promised unlawful benefits as an inducement for influencing official negotiations or providing an unfair advantage. This includes abstaining from giving or accepting unauthorized facilitation payments.

### 5.2 Conflicts of interest

The Partner Company undertakes to disclose all conflicts of interest (potential and/or actual) immediately, even if such conflicts arise unintentionally.

### 5.3 Conflict minerals

Partner Companies shall comply with all applicable laws and associated due diligence obligations in connection with the procurement of minerals and materials from conflict regions and risk areas that contribute to human rights violations, corruption, the financing of armed groups or similar negative impacts.

### 5.4 Competition law

Partner Companies undertake to operate in accordance with the principle of free and fair competition, and shall comply with the applicable competition law. In particular, Partner Companies shall not conclude price fixing, production quantity, or market or client-sharing agreements with competitors, nor fix retail prices or enter into agreements regarding complete market exclusivity.

<sup>6</sup> See also Art. 28 of the Federal Constitution, Art. 11 ECHR and Art. 22 UN Pact II.





## 5.5 Money laundering, terrorist financing

Partner Companies shall undertake not to promote money laundering or terrorist financing, either directly or indirectly, and shall, in their business operations, ensure compliance with the applicable statutory anti-money laundering provisions.

## 5.6 Data protection

Partner Companies shall process personal data in accordance with applicable legislation. They shall in particular observe the requirements of the Swiss Federal Data Protection Act (FADP) and the General Data Protection Regulation of the European Union (GDPR) where applicable. In particular, Partner Companies shall ensure that unauthorized third parties cannot access this personal data.

Partner Companies process personal data in strict confidentiality and exclusively for the purposes stipulated in the contract. They shall implement appropriate technical and organizational measures to guarantee data security. They shall ensure that personal data is protected effectively and respect the privacy of data subjects.

## 5.7 Sanctions and embargoes

Partner Companies shall comply with all international trade sanctions. They shall ensure that their goods and services meet the applicable statutory and regulatory requirements with regard to export and import processes (import, export and transit of goods), including sanctions and embargoes.

## 6. Compliance with the Supplier Code of Conduct

### 6.1 Inspections

Swiss Post is entitled to check that its Partner Companies are complying with the provisions in this Supplier Code of Conduct and in any overarching contract or assign such inspections to third parties. Partner Companies must likewise ensure that it is possible to perform a corresponding inspection of its subcontractors. To facilitate these inspections, Swiss Post can provide necessary information and documents to the third parties that it assigns to conduct these inspections.

The Partner Company shall present the required evidence of this upon request. The inspections are conducted solely to ensure compliance with the provisions in this Code of Conduct and other contractual obligations. In doing so, Swiss Post respects business secrets, data protection-related limits and the like.

### 6.2 Reports

The employees of Partner Companies must be able to express their thoughts and observations regarding the Partner Company's business operations and supply chain without fear of reprisals.

Swiss Post maintains a whistleblowing platform through which internal and external individuals can report breaches of this Supplier Code of Conduct. These reports can also be made anonymously. The whistleblowing platform can be accessed via the following link: <http://www.postcourage.ch/>.

Wherever possible, Partner Companies shall support Swiss Post in processing reports pertaining to their operations or supply chains. Should human rights abuses be identified, measures to remedy these must be implemented without delay.

### 6.3 Breaches of this Supplier Code of Conduct on the implementation of responsible procurement

Breaches of the basic principles and requirements set out in this Supplier Code of Conduct must be reported to Swiss Post immediately. Swiss Post is free to agree possible remedial measures with Partner Companies without restricting the rights granted to it in the following section.

Any non-fulfilment of the provisions set out in this Supplier Code of Conduct will be deemed a serious violation of contractual obligations and entitles Swiss Post to terminate the contract without notice for good cause. All other statutory rights and legal remedy in the event of such a breach remain reserved.

