

INTERNATIONAL DISTRIBUTION SERVICES PLC
Modern Slavery Statement
2023-2024

**International
Distribution
Services**



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1. Introduction and commitment to combat modern slavery

IDS is committed to ensuring that modern slavery and human rights abuse (including trafficking) (together “modern slavery”) are not taking place in our own business or supply chains. Since the Modern Slavery Act 2015 came into force, we have continued to develop and improve our approach.

We have committed to respecting and implementing the UN Guiding Principles on Business and Human Rights. We respect and support the 30 Articles of the UN Universal Declaration of Human Rights, as well as the International Labour Organisation (ILO) Fundamental Conventions, covering freedom of association, the elimination of all forms of forced and compulsory labour, the abolition of child labour, and the elimination of discrimination in the workplace.

This statement describes the steps taken by all relevant subsidiaries during our financial year ending on 31 March 2024 to tackle the risk of modern slavery within our group businesses and supply chains.

This statement is made pursuant to the Modern Slavery Act 2015 and provides information on IDS’s:

- Business, people, structure and supply chains;
- Due diligence processes;
- Policies relevant to modern slavery;
- Risk assessments and management;
- Key performance indicators (KPIs) and other measures to measure effectiveness of steps being taken;
- Training and communications on modern slavery; and
- Collaboration with the wider community.

IDS is structured with two principal subsidiaries: Royal Mail Group Limited (Royal Mail), which is its UK operation, and General Logistics Systems B.V. (GLS), the holding company for a group of companies operating outside the UK.

Additional Royal Mail subsidiaries covered by this statement are:

- Royal Mail Property and Facilities Solutions Limited (PFSL), which provides a range of facilities management services (such as property maintenance, cleaning, lighting and heating) to Royal Mail across its national network; and
- Angard Staffing Solutions Limited (Angard), which supplies flexible staffing solutions to meet Royal Mail’s demands throughout the year.

For this statement, we use the terms ‘IDS’, ‘the Group’, ‘we’ or ‘our’ to describe our overall operations including the UK subsidiaries and GLS. We use the term ‘Royal Mail’ to refer to our UK and international parcel and letters delivery businesses under the ‘Royal Mail’ and ‘Parcelforce Worldwide’ brands. These terms do not include Angard and PFSL unless otherwise indicated.

In 2023-24, our key risk mitigation activities included:

- Monitoring risks across the Group posed by our supply chains through our detailed due diligence and screening processes, site audits and risk assessments;
- Mandatory training across the Group on modern slavery for all managers and more targeted training for relevant teams;
- Increasing awareness across the Group of modern slavery via communications and guidance;
- Including training on modern slavery in Royal Mail’s mandatory compliance induction for all managers;
- Using our compliance co-ordinator network to promote awareness; and
- Using Royal Mail’s network and LinkedIn channels to increase awareness of modern slavery.



2. What is modern slavery?

Modern slavery is defined as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation.

It is a crime under the Modern Slavery Act 2015 and includes holding a person in a position of slavery, servitude forced or compulsory labour, or facilitating their travel with the intention of exploiting them soon after.

Spotting Modern Slavery

Modern slavery can happen anywhere, in any situation. Each case is different and may not fit the stereotype of groups of people being forced to work in fields or on fishing boats.

The signs of forced labour, and criminal or sexual exploitation can be very different. Victims might look helpless and afraid, but they can also seem to accept their situation, be completely unaware of it, or even defend the people who are exploiting them.

Some of the signs of modern slavery include the worker in question:

- Wearing inappropriate clothing for the job or often wearing the same clothes;
- Seeming afraid of those helping them or contacting the authorities;
- Being fearful or unwilling to engage with others;
- Having no official means of identification or having suspicious looking documents; and
- Using a bank account, which is not in their name or not having access to their money.

3. Our Business

IDS consists of two principal operations: our domestic operation, Royal Mail, and our international operation, GLS. Around two thirds of our revenue comes from Royal Mail and our UK-based subsidiaries and one third from GLS.

Royal Mail's combined letter and parcel delivery network supports the collection, sorting and delivery of parcels and letters. Parcelforce Worldwide, a business within Royal Mail, is a leading express parcel delivery provider.

Royal Mail is the UK's pre-eminent delivery company. This year we handled and delivered around 10 billion letters and parcels. Royal Mail is the UK's sole designated Universal Service Provider, and under the Universal Service it delivers a 'one

price goes anywhere' service to addresses across the country on a range of letters six-days-a-week and parcels five-days-a-week. Additionally, Royal Mail deliver commercial, non-Universal Service parcels seven-days-a-week. It is the physical fulfilment arm of the digital economy. Royal Mail's network to support the collection, sorting and delivery of parcels and letters is unparalleled in the UK in its scale and scope.

GLS covers most of the Group's operations outside the UK. It covers around 40 countries and nation states worldwide, focusing on Europe and North America. GLS operates in 26 countries through its own subsidiaries and the remainder through its network partners.





Our People

c154,000 people are employed across our Group; around 130,000 (85%) are in the UK, where Royal Mail is one of the largest employers. Our employees are geographically spread across the whole of the UK in order to deliver mail to every address in the UK. GLS employs around 22,000 people in the countries where it operates.

Royal Mail and GLS employees consist of board members, executives, senior managers, managers, administrative employees and operational employees, who make up most of the workforce (for example, 120,000 out of a total of c130,000 employees in Royal Mail and its subsidiaries).

Royal Mail recognises two Trade Unions, the Communication Workers Union (CWU) and Unite/CMA, and maintaining a productive and cooperative working relationship with them is a core part of our strategy – noting membership levels of c.82% across our operational and administrative employee groups. The Business Recovery, Transformation and Growth Agreement concluded with the CWU in July 2023 signals a positive step forward, and a joint programme of work across a range of areas that will enable improved operational performance.

Many of the decisions the Group makes could impact our colleagues and it is therefore important that we engage with them and understand their views. As our people are pivotal to our long-term success, it is also important that they understand our strategy and objectives and have an opportunity to share their insights, particularly about our customers who they engage with daily.

Until 31 March 2024, Maria da Cunha was the designated Non-Executive Director for engagement with the workforce and held this role from January 2021. Ingrid Ebner took over the role with effect from 1 April 2024. In 2023-2024, Maria held eleven Employee Voice Forums with Royal Mail and two with GLS. Colleagues from operational and central functions, including delivery, fleet and engineering,

property and facility solutions and our Parcellforce business participated in these forums. Maria submits a periodic written report to the IDS Board covering key observations and themes arising from her discussions.

Permanent Resource

Royal Mail provides highly competitive employment terms and conditions in our industry in the UK. In 2023-2024, a UK postperson's basic pay range was 18%-28% more than the UK National Living Wage (NLW) for the same period. Due to the nature of our business and our regulatory requirements, Royal Mail carries out enhanced employment vetting including DBS, in addition to pre-employment checks, for all employees.

Flexible Resource

The greatest risks of modern slavery exist for workers not in permanent employment, primarily agency and casual workers. Royal Mail hires workers through agency arrangements to provide additional support with increases in volume or unexpected high levels of sickness absence. The largest use of flexible resource is to provide support to the operations function during our peak periods, the most significant of which is Christmas.

During the Christmas peak period in 2023-2024, over 15,000 additional casual workers were recruited; of which over 7000 were directly recruited and paid by Royal Mail. In total, during our peak period, over 40,000 temporary workers were employed in the UK across our internal casual resource and external agency suppliers.

Generally, flexible resource provided by external agencies is considered a higher risk area from a modern slavery perspective. To ensure that we maintain the same standards of security and vetting for our temporary resource, Royal Mail owns the security and vetting process for all workers coming into the business. In addition, some of these workers are not UK nationals, which presents an increased risk of modern slavery. Areas of concern include

discrimination, wages and health and safety. Royal Mail is committed to providing services without participating in the reduction of workers' rights, safety, security or working conditions associated with 'gig economy' labour. All temporary workers receive pay in line with the National Living Wage with the majority receiving hourly pay above the Voluntary Living Wage Foundation national level.

Royal Mail's suppliers of flexible resource are UK based and include major national providers who are required to commit to our business standards and sustainable procurement code. This approach ensures that workers are not charged unnecessary fees, for example, for payroll services or translation services. Furthermore, workers' original identification documents, including passports, are not held by

anyone other than the workers, even if done voluntarily, and resignation by workers is voluntary and without threat of punishment. We require that recruitment agents also adhere to applicable vetting and driver standards for the workers they supply to work at Royal Mail sites (in terms of the provision of documentation to enable completion of Royal Mail security and vetting processes) or to access our systems, including proof of right to work, proof of appropriate training and various security checks. If the companies we engage with cannot achieve our vetting standards then contracts are terminated.

GLS works with agency partners to supply labour services. Procurement of agency services is governed by its Business Partner Approval Process.

4. Our Suppliers

As with many corporations, the Group recognises our biggest potential exposure to modern slavery lies within our supply chains. We are committed to working across our supply chains to have a positive impact on society and the environment.

The Group relies on its suppliers for all goods and materials – it is not a manufacturer, nor does it handle raw materials. Royal Mail groups its suppliers into broad categories, from logistics to HR, property to print. This approach enables us to gain better insights into the risks associated within each industry and activity, and to more efficiently manage potential risks.

Over 98% of tier one suppliers to our UK business are based in the UK, where we spent around £2.93 billion during 2023-24. Although Royal Mail's suppliers are mostly UK based, their workforces can be located around the world. For example, a supplier of air freight services will have workers located in all countries in which they operate.

Royal Mail has a small number of suppliers across Europe, including in Canada, Australia and India plus 18 in the US.

Royal Mail is aware that large, unpredictable or last-minute changes in demand can impact suppliers and in turn increase the risk of modern slavery in their workforces. We therefore work collaboratively with suppliers to minimise the risk of this happening. Royal Mail also works with internal stakeholders to promote better ways of working with suppliers and forecasting of demand.

Failure to pay supplier invoices on time can lead to increased pressure on suppliers leading to a higher risk of modern slavery in our supply chains. We therefore strive to ensure the timely payment of supplier invoices, in line with our policy setting out our standard payment terms. However, we take a flexible approach, in particular in relation to small and medium-sized suppliers, enabling faster payment where appropriate.



Royal Mail works with suppliers to help them present invoices in the correct, most easily processed format and support efficient invoicing – for example through enablement on Royal Mail’s Ariba finance system. Royal Mail has also rolled out a purchasing card solution and other supplier financing options for suppliers, via Bank of America Merrill Lynch and NatWest Bank.

All new Royal Mail suppliers are required to comply with the Supplier Code of Conduct (see below). In a small number of cases where suppliers do not directly state compliance with the Supplier Code of Conduct, Royal Mail assesses their own social, environmental and ethical policies and statements to confirm they operate to a comparable standard.

As part of its tendering activity, Royal Mail requires suppliers to attest to and evidence their compliance with the International Labour Organisation (ILO)’s Fundamental Conventions, for example by providing industry-recognised assessments and audits. Where this is not confirmed, we seek to independently confirm their compliance by looking at the supplier’s policies and standards.

Suppliers are also required to confirm that they comply with these Conventions as part of Royal Mail’s supplier selection process. Where a supplier does not meet the required standards and any remedial action is found to be inadequate, Royal Mail will not contract with that supplier or will terminate its dealings with them. During 2023-2024 Royal Mail has not had any instances of supplier non-performance that resulted in an existing contract being terminated, though a number of potential new suppliers were eliminated at an early stage of our supplier due diligence process.

Royal Mail consider vehicle cleaning services undertaken in the UK to be higher risk from a modern slavery point of view. Where possible, we continue to make use of a provider of waterless cleaning services, ‘Dropless’ which has signed up to an extended probity declaration covering worker safety and rights for vehicle washing services, and continue to operate this extended probity declaration with other locally sourced vehicle cleaning providers.

Suppliers of cleaning services and of manufactured goods such as uniforms, rubber bands and mail bags have also been identified as high risk, as they are industries using low-skilled labour. For these high-risk suppliers, our risk mitigation plan looks to mitigate risks further down the supply chain via independent assurance (either SEDEX or AMFORI/BSCI).

Due Diligence

Establishing a risk-based due diligence framework enables the Group to better identify potential modern slavery risks in its supply chains.

The day-to-day due diligence processes vary throughout our Group to take account of the different business set-ups and operations. Within Royal Mail, during the invitation to tender stage or before awarding a contract, all suppliers are asked to provide insight into their corporate responsibility performance by completing a detailed supplier due diligence questionnaire. This is to ensure they meet the minimum standards we require. Due diligence activity is enhanced for high-risk suppliers, who are required to answer additional questions. These include in-depth questions around labour standards for categories which are potentially high risk from a human rights and modern slavery perspective.

The Royal Mail Procurement team has developed a modern slavery heatmap that provides an unadjusted and adjusted risk marking at a category level and the mitigations that are relevant to individual suppliers. This is reviewed and updated every year by senior procurement managers. The heatmap is used to identify high risk categories of supplier through location and sector. Risk heatmaps allow us to determine where in Royal Mail the most severe risks exist and the effectiveness of our prevention measures. They also enable us to customise our mitigation strategies for identified risks.

If modern slavery concerns are identified regarding a particular supplier, we may require them to provide a site audit, either through SEDEX/AMFORI or independently. If remedial actions are identified in an audit, those must be completed by the supplier prior to contract or, if identified as part of ongoing monitoring, in accordance with a remediation plan. The timeline for this will depend on the severity of the risks identified. In the event of a failure to complete remediation activity to Royal Mail’s satisfaction, suppliers are removed from our supply chain.

Royal Mail works with GAN Integrity, which provides a risk-based end-to-end due diligence solution that delivers intelligence and alerts to procurement category teams. Contract managers within the business are also made aware of relevant alerts. Where appropriate, the contract manager will work with the Procurement team to put in place suitable remedial actions. The solution screens suppliers identified as being in sectors with medium to high

risk of corruption, human rights abuses or environmental risks. In addition, some high-risk suppliers (based on geographical location and activity) are asked to enrol with SEDEX which tracks suppliers' social, environmental and ethical performance and holds third-party audits to ensure accurate reporting. High-risk suppliers are monitored on an ongoing basis.

Royal Mail also uses standard contract clauses in its standard Master Purchase Agreement – our preferred means of contracting, wherever commercially feasible – and in Purchase Order terms issued to suppliers, prohibiting our suppliers from engaging in modern slavery.

Royal Mail Procurement and Compliance & Ethics teams work together to operate a 'red flag' process for various risks relating to third parties, including modern slavery, bribery and financial risks. The checklist helps identify red flags that may indicate a potential issue with a supplier and possible mitigations to put in place. This ensures issues are being dealt with in a consistent manner.

GLS operates a dedicated Business Partner Approval Process. Potential suppliers with either a spend greater than 10,000€ or with an intended relationship longer than three months are checked to ensure there are no negative workers' rights indicators before a business relationship can be started.

Where appropriate GLS contracts, including standard terms and conditions, include a section specifically mandating compliance by suppliers with all applicable laws, aimed at combating any form of modern slavery. If a supplier does not meet GLS's required standards and this is not remedied, GLS will terminate the contract with that supplier. Existing suppliers are reviewed at least every three years as part of the Business Partner Approval Process. If the required standards are no longer being met, GLS will put in place appropriate measures, up to and including contract termination.

5. Policies in relation to Modern Slavery and Human Trafficking

Our Group policies set out our expectations and commitments to our people, business partners, suppliers and customers.

Modern slavery prevention is included as part of our policies on:

- Environmental, social and governance (ESG) matters;

Royal Mail Due Diligence Figures 2023-2024

- 100% of Royal Mail high-risk suppliers monitored daily by GAN Integrity against all risks including modern slavery
- 41 suppliers are registered on SEDEX, allowing access to self-assessments and/or third-party audits
- 19 on-site audits of tier one and tier two suppliers and sub-contractors completed.

Auditing Suppliers

Royal Mail employs audits using a risk-based approach to verify that its first tier suppliers or second tier suppliers (sub-contractors) comply with its Sustainable Procurement Code. The suppliers are responsible for commissioning an audit when required by Royal Mail. The audits must use the SEDEX Members Ethical Trade Audit (SMETA) Reporting Framework or the Business Social Compliance Initiative (BSCI) standards to assess the suppliers in a number of areas, including management systems and code implementation, safety and hygiene conditions, freely chosen employment, use of child labour, living wage, benefits and working hours.

The audits must be completed by a SEDEX-accredited third-party auditor and include a site visit/tour (which may be unannounced) and both group and individual worker interviews on site. During 2023-2024, a programme of on-site audits took place with 19 suppliers and sub-contractors. The results of these audits, including remediation plans and evidence of completion of remedial actions, were reported via SEDEX or directly to Royal Mail.

Where suppliers or sub-contractors fail to comply with the requirement to submit to an audit and/or carry out corrective actions, they are given an opportunity to rectify this. Where these requirements are not met, Royal Mail may cease to use the supplier or sub-contractor.

- Supplier Code of Conduct;
- The prevention of Bribery and Corruption;
- People Policy; and
- Speak Up (whistleblowing).

Together with Royal Mail's Business Standards, (which serve as Royal Mail's Code of Conduct).

The ESG policy statement and Bribery and Corruption and Speak Up policies are all overseen by the Board. The Royal Mail Supplier Code of Conduct is approved by the Procurement Director.

ESG Policy Statement

This Group-wide policy statement outlines our commitment to responsible business conduct, and details our support of the UN Global Compact, the UN Universal Declaration of Human Rights and the ILO's Fundamental Conventions, which are fundamental to ensuring there is no modern slavery in our supply chains.

Our Business Standards

Royal Mail's Business Standards incorporate our company values and clearly describe the standards

of behaviour we expect from everyone at Royal Mail and PFSL. This includes following the law, our policies and procedures (including the processes we have in place to address modern slavery risks) and treating one another with respect. Royal Mail's Business Standards encourage our colleagues to help build the right culture by applying good judgement, understanding and following our policies, procedures and processes, being honest and speaking up when things don't seem quite right. Employees who do not adhere to these standards may face disciplinary action in line with our Conduct Procedure, up to and including dismissal. There is a section specifically on modern slavery which serves to encourage colleagues to be aware and mindful of the signs of modern slavery, both at work when out in the community delivering mail and outside of work. As Royal Mail serves the community, we are in a unique position to look out for these signs.

Mapping our business and tier-one supply chain

United Kingdom

Number of employees: 130,393
Number of tier-1 suppliers: 3,909
Number of high-risk suppliers: 142
Categories of high-risk suppliers: N/A

Austria

Number of employees: 299
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Belgium

Number of employees: 545
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Croatia

Number of employees: 121
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Czech Republic

Number of employees: 173
Number of tier-1 suppliers: N/A
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Denmark

Number of employees: 1,162
Number of tier-1 suppliers: 4
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Finland

Number of employees: 25
Number of tier-1 suppliers: N/A
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

France

Number of employees: 1,491
Number of tier-1 suppliers: 2
Number of high-risk suppliers: 2
Categories of high-risk suppliers: N/A

Germany

Number of employees: 9,416
Number of tier-1 suppliers: 6
Number of high-risk suppliers: 2
Categories of high-risk suppliers: N/A

Hungary

Number of employees: 595
Number of tier-1 suppliers: N/A
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Ireland

Number of employees: 95
Number of tier-1 suppliers: 10
Number of high-risk suppliers: 2
Categories of high-risk suppliers: N/A

Italy

Number of employees: 1,145
Number of tier-1 suppliers: 1
Number of high-risk suppliers: 1
Categories of high-risk suppliers: N/A

Canada

Number of employees: 2,200
Number of tier-1 suppliers: 4
Number of high-risk suppliers: 2
Categories of high-risk suppliers: N/A

USA

Number of employees: 1,386
Number of tier-1 suppliers: 13
Number of high-risk suppliers: 2
Categories of high-risk suppliers: N/A

Poland

Number of employees: 1,237
Number of tier-1 suppliers: 1
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Spain

Number of employees: 1,477
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Malta

Number of employees: 0
Number of tier-1 suppliers: 1
Number of high-risk suppliers: 1
Categories of high-risk suppliers: N/A

Netherlands

Number of employees: 423
Number of tier-1 suppliers: 6
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Norway

Number of employees: N/A
Number of tier-1 suppliers: 1
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Portugal

Number of employees: 146
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Romania

Number of employees: 236
Number of tier-1 suppliers: 1
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Serbia

Number of employees: 20
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Key

- Assets and clothing
- HR and people
- IT and automation
- Marketing, communications and professional services
- Print
- Property
- Logistics
- Vehicles

Singapore

Number of employees: N/A
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Slovakia

Number of employees: 107
Number of tier-1 suppliers: N/A
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Slovenia

Number of employees: 100
Number of tier-1 suppliers: N/A
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Sweden

Number of employees: N/A
Number of tier-1 suppliers: 0
Number of high-risk suppliers: N/A
Categories of high-risk suppliers: N/A

Switzerland

Number of employees: 0
Number of tier-1 suppliers: 2
Number of high-risk suppliers: 1
Categories of high-risk suppliers: N/A

Supplier mapping refers to Royal Mail suppliers only and covers risks such as anti-bribery and corruption, modern slavery and human trafficking, environmental, safety, international sanctions

GLS has its own Code of Business Standards (the GLS Code, which is aligned to Royal Mail's document). This outlines the values and behaviours GLS expects from its employees and business partners.

Responsible Procurement

The Royal Mail Sustainable Procurement Code sets out the social, ethical and environmental standards expected from all Royal Mail suppliers. This is based on the ten principles of the UN Global Compact and requires our suppliers to comply with internationally recognised standards of the ILO covering human and labour rights.

The Sustainable Procurement Code makes it clear that Royal Mail weights social, environmental and ethical factors as pass/fail elements in the contract award process. The Code also includes a supplemental supplier values brochure, which sets out Royal Mail's expectations on suppliers to comply with its business values. All Royal Mail and Angard suppliers (and all PFSL suppliers with a procurement contract) are required to comply. There is an explicit prohibition in the Code on the use of forced labour, child labour or human trafficking in our business operations.

The GLS Business Partner Approval Process and Supplier Code of Conduct (which sets out the standards GLS expects of its suppliers and is also based on the UN Global Compact Principles framework) cover the modern slavery aspects that are included in the Sustainable Procurement Code. The GLS Business Partner Approval Process Guideline is made available to all employees and the Supplier Code of Conduct is available on all GLS country entity home pages.

Ethical Business Conduct

Royal Mail's policy sets out the standards of behaviour expected to ensure the integrity of the supply chains and to reduce the risk of bribery and corruption across the business. The guidance associated with the policy highlights 'red flags' that are also potential indicators of modern slavery, such as cash payments; unusual payments to a third party; or any close ties to public officials.

Royal Mail has a mandatory compliance e-learning course on bribery and corruption for all new manager-level joiners and specific face-to-face/video conference training for business units or teams identified as higher risk due to their interaction with third parties or their roles.

In 2023-2024, bribery and corruption communications were sent to Royal Mail's network of Compliance Coordinators. Bribery and corruption were also covered in our 2023 annual compliance refresher training completed by Royal Mail and PFSL managers.

GLS has an anti-bribery policy, which is communicated to all employees. It sets out its approach to minimising the risk of bribery and corruption taking place in any part of its business. The policy applies worldwide, wherever GLS employees do business.

Embedding Our Business Standards

Royal Mail develops and maintains a safe, ethical and fair workplace by seeking active employee engagement with its Business Standards. The document is reviewed on an annual basis and any changes are communicated to colleagues. This year's update was launched as part of a new campaign focused on behaviours across Royal Mail. Royal Mail's Business Standards are the foundation of our business policies and processes and set out the standards of behaviour it expects from all employees. The focus of the campaign is to remind colleagues of the standards and why they are important in ensuring that we do the right thing – for each other, our customers and the business. As part of this campaign, for the first time, Royal Mail also asked colleagues to complete an attestation to confirm that they have read and understand the Business Standards and what it means for them as an employee.

The Business Standards booklet is accessible online 24/7 to all Royal Mail employees via the Royal Mail intranet, myroyalmail.com and the Royal Mail People App. It is also available to view externally via the IDS website. Royal Mail's Business Standards are a standard part of the induction programme with all new joiners receiving access to the document as part of their induction material. Royal Mail communicates the Business Standards to all employees regularly via managers and through the internal communication channels. During the annual compliance refresher, all managers must sign an attestation that they will comply with the Business Standards.

The GLS Code of Business Standards is communicated to all employees internally in their local language and is available on all GLS country entity home pages.

Angard has its own version of our Business Standards, which is available to Angard employees on its website. PFSL also adhere to the Royal Mail's Business Standards which are available on its internal intranet site for employees.

Availability of Policies

All policies referred to in this document are publicly available on the following corporate websites as appropriate (except for the GLS Anti-Bribery Policy, the GLS Business Partner Approval Process and the GLS Speak Up Policy, which are available internally):

Royal Mail:

<https://www.internationaldistributionsservices.com/en/sustainability/governance/> Angard: [https:// www.angardstaffing.co.uk/policies/](https://www.angardstaffing.co.uk/policies/)

GLS:

<https://gls-group.eu/GROUP/en/about-us/compliance>

All GLS policies are available to all employees with computer access and colleagues must attest to having received and understood them. GLS tracks this both per country and across the whole of GLS. Operational employees have access to the policies in paper format at their place of work.

6. Risk Assessments and Management

Royal Mail conducts risk assessments to better understand the risk profile of its business and supply chains, enabling targeted risk mitigation activities. Ultimate responsibility for the oversight of risk management is with the Audit and Risk Committee (ARC). This acts on behalf of the IDS Board.

Ongoing Risk Assessment

Royal Mail has developed an ongoing compliance risk assessment process covering its UK business. These risk assessments track a business area's risk profile, which is made up of a variety of compliance risks within business units, such as bribery, competition law and modern slavery. It also tracks whether associated controls and mitigation activities are being effectively implemented.

The outcome of a risk assessment determines whether a business area is treated as higher or lower risk, which in turn determines how often this risk assessment is completed (every six months for higher-risk teams and every 12 months for lower risk teams). The central Compliance & Ethics team engages with the relevant business units (using its network of compliance coordinators from within each business unit) to assess and verify conclusions and follow-up mitigation activity. This process is completed by compliance leads and is supported by

regular attestations from senior Compliance & Ethics Champions in each business unit across Royal Mail. In relation to modern slavery risks, each business unit is asked to confirm that Royal Mail recruitment processes are followed when recruiting new workers (including flexible resource) and procurement processes are followed when onboarding new suppliers and third parties, as these are critical controls to ensure modern slavery are not taking place in our business or supply chains. Material instances of non-compliance are followed up on if appropriate by the Compliance & Ethics team, although there have been no instances when this was necessary in 2023-2024.

GLS conducts comprehensive annual compliance risk assessments, tracking compliance risks, including modern slavery risks, across all GLS entities and assigning appropriate mitigation activities. Completion of these is tracked by both a central GLS Corporate Compliance team and GLS Group Audit.

These assessments concluded that the risk of human rights violations in most areas of our business and supply chains is low. However, there are certain categories of supplier that represent a higher risk based on sector or location (see Our Suppliers above).



Do the right thing

SPEAK UP

Speaking Up (Whistleblowing)

The Royal Mail policy was reviewed in June 2023 to provide more detail on the Speak Up process from start to finish, to increase transparency and therefore trust in the process. It provides assurance around confidentiality of the process and explicitly states that retaliation in any form against a person making a report is not tolerated. Concerns around modern slavery issues can be made to the Speak Up helpline.

GLS operates a dedicated Whistleblowing Helpline that is available for reporting allegations of criminal acts or similar serious offences. GLS encourages employees, business partners and third parties to report, in confidence, any concerns they have.

Confidential Employee Reporting

The Royal Mail confidential 'Speak Up' helpline allows all our UK people, including contractors, temporary workers, suppliers, business partners and their employees, as well as members of the public, to raise concerns about wrongdoing confidentially and anonymously if they wish. It is available 24 hours a day, 365 days a year. Employees are encouraged to report modern slavery concerns to the helpline. All reports received are triaged to assess whether they are in scope or not and the seriousness of the report, to ensure reports are escalated as appropriate.

Where there is sufficient information to investigate a report, it is allocated to an investigator in the relevant part of Royal Mail (e.g., HR, Security, Health & Safety etc.) for investigation. All investigation reports are then reviewed to ensure the allegations have been fully investigated to the required standard.

The reporter is informed if their report has been upheld or not and the reasons for that. Where possible, remedial actions are shared with the reporter (but no confidential personal information is shared). A quarterly report is provided to the ARC on key Speak Up metrics and a detailed review is provided at the end of the financial year, identifying themes and trends.

Continued awareness of the Speak Up helpline and transparency around the process. Initiatives include:

- Quarterly updates to the business on key metrics such as the number of reports received, anonymous reporting levels and substantiation rates, together with anonymised case studies;
- Presentation at the Compliance Coordinator's quarterly call; and
- Improved reporting to the ARC on Speak Up, setting out more insight and actions.

These initiatives have led to a 1% increase in the number of Speak Up reports received in 2023-2024, compared to the previous year (13% in the last 2 years). This demonstrates increased awareness and trust in the Speak Up process.

The GLS confidential reporting service is open to all, including people outside GLS. The Royal Mail and GLS misconduct reporting policies (Speak Up Policies) make it clear that people making disclosures must not suffer any detrimental treatment because of raising a concern.

As with the Royal Mail process, all reports received are triaged to assess whether they are in scope or not, and the seriousness of the report. All potentially significant reports are reviewed by the GLS Investigation Committee to determine the appropriate approach, which may be at country-level or at GLS Group level.

The Group confidential reporting helplines are promoted via the intranet and compliance training, and communicated externally through our Business Standards, Sustainable Procurement Codes and on our external websites.

In addition to the Speak Up helplines, colleagues can speak up about modern slavery concerns through a variety of other mechanisms including:

- Informal conversations with managers;
- Talking to HR or Compliance teams; or
- Raising an issue with a member of the management board.

Training and Communications

Royal Mail provides training to raise awareness of risks within its business and supply chains. Learning how to escalate concerns is a key element of its efforts to eliminate modern slavery and associated risks from our business and supply chains.

Employees complete various training programmes throughout the year, to ensure they understand our approach and expected behaviours. These include mandatory induction training and annual compliance refresher training. In 2023-2024, Royal Mail has concentrated on improving awareness of modern slavery risks in its business and supply chains and how to report concerns. Specific actions taken include:

- Updating the mandatory compliance induction training for all new managers joining Royal Mail to include modern slavery, specifically modern slavery risks, dealing with third parties, red flags and escalation of concerns, highlighting situations that might arise at Royal Mail. The other induction topics covered are bribery, corruption, facilitation of tax evasion, sanctions, speak up and leading with integrity, certain regulatory obligations and competition law;
- Delivering targeted training on modern slavery to colleagues with procurement or supply chain management responsibilities and to managers in our flexible resourcing team and flexible resource supplier companies, over and above the annual compliance refresher training that is mandated for all Royal Mail managers, educating them on the signs of modern slavery to look out for and how to report concerns;
- Circulating communications across Royal Mail in relation to modern slavery, including posters and a specific awareness communication for Anti-Modern Slavery Day (18 October 2023), highlighting its prevalence in society and examples of it taking place; and

- GLS has a targeted training approach, including the following:
- An online training module on Compliance in the Supply Chains (covering bribery risks and modern slavery), which has been rolled out to all GLS employees with purchasing responsibility and/or oversight of suppliers in depots. GLS has an average on-time completion rate for this training of 97%; and,
- Face-to-face training on modern slavery risks for specific focus groups (i.e., those GLS employees most likely to make relevant purchasing decisions or to encounter modern slavery red flags in the course of their duties).

Effectiveness in ensuring modern slavery is absent from our business and supply chains

IDS is committed to continuous improvement in its modern slavery prevention measures. It does this through:

- A pan-Royal Mail modern slavery working group chaired by the Compliance & Ethics team, which meets periodically to share best practice and look at innovative ways to improve our activity in relation to modern slavery both within our business and our supply chains. Actions are created and monitored to track performance;
- Verifying the effectiveness of compliance controls in our business units through the ongoing Group risk assessment processes;
- Reporting material compliance risks and incidents to the relevant Royal Mail ARC or GLS ARC as appropriate. No material risks in relation to modern slavery were reported to either body in 2023-2024; and
- Reviewing the results of Royal Mail on-site supply chains audit programmes to ensure corrective actions are implemented.

It monitors the effectiveness of mitigation activities via a wide variety of channels and performance indicators set out below.

Effectiveness of Supply Chain Processes

Royal Mail monitors the effectiveness of its procurement processes using a number of indicators. These include:

- The number of Royal Mail suppliers and sub-contractors on the SEDEX is currently 43;
- The number of on-site audits completed (18); and
- The percentage of Royal Mail's high-risk suppliers that are monitored and screened through the GAN Integrity platform (100%).

Looking forwards, Royal Mail has set a target to have 50 of its high-risk suppliers and subcontractors reporting self-assessments or third-party sustainability audits via SEDEX by the end of 2023-2024. Royal Mail is working with SEDEX to expand coverage, including launching an on-boarding support programme to identify and sign-up more suppliers.

Training effectiveness

Royal Mail has a target of 95% completion of its mandatory compliance training within three weeks of being allocated it. In 2023-2024:

- 95% of Royal Mail, PFSL and Angard managers completed the annual mandatory compliance refresher training within three weeks. This training included information on modern slavery, employee obligations to comply with business policies on the use of approved suppliers, the risks in our supply chains and how to raise concerns. Completion stood at 99% at the end of 2023-2024. Managers are required to attest to Royal Mail's Business Standards as part of this training; and
- 85% of new managers completed all four induction training modules within three weeks.

Overall completion of all modules in 2023-2024 stands at 93%.

Royal Mail measures effectiveness of the programme by assessing whether people understood their training and runs diagnostics to determine additional training needs for higher risk teams.

7. Collaboration

We believe only if the business community works together as one, can we effectively raise awareness and combat modern slavery and associated risks.

Royal Mail also regularly responds to due diligence requests from customers making them aware of the steps taken to identify and mitigate risks including modern slavery risks within its own business and supply chain.

Royal Mail produced a bespoke postmark in partnership with the charity Anti-Slavery International, to support and raise awareness of modern slavery on 18 October, Anti-Slavery Day. The postmark depicted the Anti-Slavery International logo and was titled "Stamping Out Modern Slavery" and "Anti-Slavery Day 18th October". The postmark was applied to stamped mail due for delivery on 18 October.

In GLS, the target is 95% of relevant employees having completed the necessary training within mandated time limits. In 2023-2024, this target was achieved.

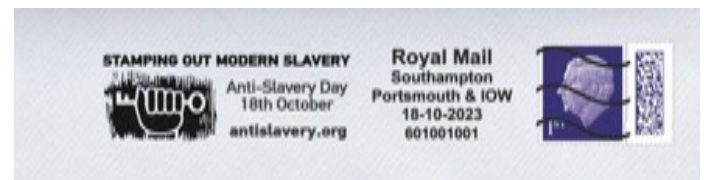
Effectiveness of our Speak Up helplines

Royal Mail's Speak Up helpline is confidential and run by an independent third party. Reports can be made, in confidence and anonymously if they wish. The helpline is available by phone or online 24 hours a day, 365 days a year.

Royal Mail benchmarks its Speak Up process using publicly available benchmarks. During 2023-24:

- Royal Mail's total number of reports received was above the European benchmark for a company of its size, which is very positive and suggests our people feel confident reporting wrongdoing;
- Our substantiation rates (i.e., the percentage of investigated reports that were upheld or partially upheld) equalled the European benchmark which is positive and suggests our investigations are robust; and
- Our average report closure times were 10 days shorter than the European benchmark, a substantial improvement on the previous year; which is positive and provides an above average.

GLS benchmarks its Speak Up data against benchmarks provided by its Speak Up platform provider.



If you are interested in partnering with Royal Mail to reduce the impact of modern slavery within our supply chains, please contact us at group.compliance@royalmail.com

Approval of this Statement

This statement covers 27 March 2023 to 31 March 2024 and was approved by the Board of Directors on 26 September 2024

Keith Williams
Chairman

Signature 

Date of signature 26 September 2024