

Royal Mail Group

Anti-Bribery and Corruption Policy (including Gifts and Hospitality)

Royal Mail Group has a strict zero tolerance policy towards bribery and corruption. This policy sets out the standards of behaviour we expect to minimise the risk of bribery, including our requirements for giving and receiving gifts and hospitality involving third parties.

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Owner: Emily Pang
VERSION: 19 March 2015



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Getting help

Contact your line manager if you have any queries about this policy.

Line managers can obtain advice by:

UK

Calling the HR Services Advice Centre on 0845 6060603 / 5456 7100

Managers working for Parcelforce Worldwide can call 0845 6042787 / 5456 4747

Contacting the Group Compliance team on 0207 449 8302 / 5461 8302 or group.compliance@royalmail.com

For web access please go to: <https://www.psp.royalmailgroup.com>

GLS Group

Contact your line manager if you have any queries about this policy.

You can obtain compliance advice from your country Compliance Manager, who can also provide or arrange for legal advice +353 1 8606242. [For GLS BV please use the following number: +31 206587780].

Country Compliance Managers can obtain advice by calling GLS Group Compliance on +49 6677 64658 17500/501/502. Page 1 of 5

Letter from Moya Greene

Introduction

The trust that Royal Mail Group enjoys from our customers is one of our key assets. We all need to work to make sure that we do everything we can to protect this asset, which has taken 500 years to build. One of the ways we must do this is through strict compliance with all laws and regulations.

Following the introduction of the Bribery Act in 2011, Royal Mail Group has strengthened its anti-corruption processes and continues to keep them under review. This is done not only to comply with the anti-bribery laws but also to protect our reputation and to uphold our commitment to carrying out business fairly, honestly and openly, in accordance with the highest ethical standards.

In addition, corruption exposes Royal Mail Group, our employees and others acting on our behalf to the risk of prosecution, fines, exclusion from tendering for business and other penalties. It is contrary to everything that we and our brand stand for.

We have a strict zero tolerance policy towards bribery and corruption. This principle has been unanimously approved by the Board.

The entire executive team is committed to these principles. Working together we must ensure that Royal Mail Group's reputation continues to remain strong. Please take the time to read this updated policy, and the associated guidance, carefully to ensure you understand your role and obligations in these important matters.

I know I can count on your support. Thank you.

A handwritten signature in black ink, appearing to read 'Moya Greene', with a large, stylized loop at the end.

Moya Greene
CEO Royal Mail Group

<p>1. The Policy</p>	<p>Royal Mail Group Limited (RMG) has a strict zero tolerance policy towards bribery and corruption. It is our policy to comply with the UK Bribery Act (2010) and all other bribery and corruption laws in the countries where we do business. Therefore:</p> <ul style="list-style-type: none"> • individuals working for RMG must <u>never</u> promise, offer or give a bribe; • they must <u>never</u> request or accept a bribe; • all individuals must adhere to the standards contained within RMG's Anti-Bribery and Corruption guidelines, Gifts and Hospitality guidelines and the Conflicts of Interest Policy; • no individual will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes, even if the refusal may result in the company losing business. <p>The Board has unanimously approved these principles. They apply in every country in which we operate, regardless of local customs and practices.</p>
<p>2. Who must comply?</p>	<p>This policy applies to all individuals working anywhere in the world for RMG, and its subsidiary companies, including the General Logistics B.V. group of companies (the 'GLS Group'). Individuals include all employees, irrespective of the particulars of their employment contracts, as well as officers and any other representatives of the Company.</p> <p>RMG requires third parties performing services for or on its behalf to comply with all applicable anti-bribery laws in all their dealings with or for GLS.</p> <p>RMG may also require such third parties to comply with this policy and the associated guidelines in all their dealings with, or for, RMG.</p>
<p>3. What are bribery and corruption?</p>	<p>Bribery is promising, offering, giving, requesting or accepting, any advantage to encourage or reward improper behaviour.</p> <ul style="list-style-type: none"> • An advantage can be any kind of benefit or anything of value, or perceived value to the person being offered the bribe – it does not have to involve money. • Improper behaviour is behaviour which is illegal, dishonest or a breach of duty. <p>The bribe can be made direct or through a third person. It is still an offence to make a bribe, even if it is turned down or fails to have the intended effect.</p> <p>Corruption is when you abuse your position with RMG, or someone else abuses the power or position associated with their role, for personal benefit. This may arise from a conflict of interest between your private affairs and your work for RMG.</p> <p>Bribery and corruption may involve the public sector or private sector. However, extra care is needed when dealing with public officials (e.g. a government official or an employee of a state-owned company such as a national airline or postal operator) as the laws relating to them are stricter.</p> <p>Facilitation payments (also known as 'back-handers' or 'grease payments'), are typically small, unofficial payments or gifts made to public officials to perform, or speed up the performance of, their duties. Examples include unofficial payments to police officers or to accelerate customs clearance, health and safety checks or obtaining a permit, licence or visa. Facilitation payments are bribes and are illegal.</p> <p>RMG can be held responsible for bribery committed anywhere in the world by anyone performing services or acting on our behalf. This can include contract staff, business partners, suppliers, contractors (for example, companies contracted to provide a specific service, e.g. building contractors, planning consultants etc.) (and in some cases sub-contractors), third party intermediaries such as agents, and consultants, as well as any of our employees.</p>

4. How do you comply?

Bribery and corruption

Everyone must follow standards of behaviour that minimise the risk of bribery for RMG. All our dealings with public officials or private individuals and businesses must be open, transparent and conducted appropriately, following our business processes. This will ensure that no bribery or corruption takes place and avoid any appearance or suggestion that we are behaving improperly.

You **must**:

- comply with this policy and any additional guidance issued by RMG, GLS Group and/or your business unit;
- take reasonable steps to reassure yourself that the agency, intermediary or other business partner you want to deal with is honest and can reasonably be expected to refrain from bribery;
- keep proper, complete and accurate records;
- always use approved business channels to make payments – never use cash or off-shore accounts;
- complete all mandatory anti-bribery training courses you are asked to do, including refresher training;
- report any concerns to your compliance team or the external Speak Up helpline.

You **must not**:

- promise, offer or give a bribe in any form, either direct or via someone else such as an agent or supplier;
- request or accept a bribe in any form, either direct or via someone else;
- make facilitation payments on behalf of RMG or give the impression that RMG will make such payments;
- allow a private interest to influence your work for RMG, or fail to disclose a connection to a person or organisation we are doing business with;
- use your official position with RMG for your own advantage.

If in doubt about whether something might be a bribe or whether an action is appropriate, you **must** ask your compliance team **before** going ahead.

Gifts and hospitality

If you offer or accept gifts, hospitality, entertainment, charitable donations or sponsorship to encourage or reward improper behaviour, this could be a bribe. This also includes any gifts or hospitality offered to your partner or relative in connection with RMG business. Our Gifts and Hospitality guidelines sets out what is reasonable and appropriate.

You **must**:

- follow the procedures for approving and recording gifts and hospitality, charitable donations and sponsorship in RMG or your subsidiary;
- advise your compliance team immediately if you (or your partner or relative) are offered a gift, tip or hospitality and the donor suggests that something is expected in return. Do not accept the offer as this may be a bribe.

You **must not**:

- request a gift from any individual or organisation with which RMG has dealings;
- offer or accept any gift, hospitality, charitable donation or sponsorship in order to influence a decision, or to conceal a bribe;
- offer or accept any gift of cash or cash equivalents such as shares, gift cards or

	<p>vouchers (this excludes tips from customers to front-line staff);</p> <ul style="list-style-type: none"> • offer or accept any other gift or hospitality which is not allowed by RMG or your subsidiary; • make any form of political donation on behalf of RMG, either financial or in kind (for example free use of business premises). <p>The key question to ask yourself is ‘Do I expect the business relationship to be influenced improperly as a result of the gift, hospitality, donation or sponsorship in question?’</p> <p>If the answer is yes, this may be a bribe, so don’t do it. If in doubt about whether you should offer or accept a gift or hospitality you must ask your compliance team.</p>
<p>5. What happens if you do not comply?</p>	<p>Under UK law, bribery is a criminal offence. If you are convicted, you could go to prison for up to ten years or face unlimited fines. There are also serious penalties for RMG, including unlimited fines, third party claims for loss, and being prevented from competing for public contracts. Your compliance with this policy and all applicable laws on anti-bribery and corruption is therefore essential to protect both you and RMG.</p> <p>You have a personal responsibility to follow this policy and the standards set out in the Anti-Bribery and Corruption guidelines and Gifts and Hospitality guidelines. Any breach will be treated as a disciplinary matter by RMG and its subsidiaries and may result in disciplinary action (in accordance with local law if applicable) including termination of employment without notice. RMG and its subsidiaries may report a breach to any appropriate authorities.</p> <p>Where a business partner fails to comply with this policy RMG may seek to terminate that business relationship.</p>
<p>6. Guidance</p>	<p>You should read this policy alongside the Anti-Bribery and Corruption guidelines, which explain more about bribery and corruption and provide further guidance on the main areas of risk, along with examples.</p> <p>You should also read the Gifts and Hospitality guidelines for your business unit or subsidiary, for the requirements on approval and recording of gifts and hospitality.</p>
<p>7. Reporting concerns</p>	<p>RMG is committed to ensuring that you can report any concerns in complete confidence. We take all reports very seriously and will investigate them. Retaliation, in any form, against someone who reports a concern is strictly prohibited.</p> <p>If you are offered a bribe, or are asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred or may occur, anywhere within, or related to, RMG, you must immediately report this to your compliance team, or to the external ‘Speak Up’ helpline.</p> <p>To report a concern using Speak Up in the UK you can contact InTouch MCS Ltd on 0800 0971131. Alternatively you can leave a message using the confidential on-line web based service www.intouchfeedback.com/royalmail.</p> <p>If you work for GLS Group and want to report a concern using Speak Up, you can contact the GLS ombudsman:</p> <p style="text-align: center;">Dr. Rainer Buchert Bleidenstraße 1 D-60311 Frankfurt am Main Phone: +49 69 710 33 330 or +49 6105-921355 Fax: +49 69 710 34 444 E-Mail: kanzlei@dr-buchert.de</p>