

DHL Supply Chain UK's Modern Slavery Statement For Financial Year Ending 31 December 2022

Introduction

This statement is made by DHL Services, DHL Supply Chain, DHL Real Estate, DigiHaul and McGregor Cory (together referred to as "DHL Supply Chain UK").

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes DHL Supply Chain UK's Modern Slavery Statement for the financial year ending 31st December 2022 and was approved by the Board of Directors of DHL Services, DHL Supply Chain, DHL Real Estate, DigiHaul and McGregor Cory on 24th April 2023.

Overview and Business Structure

DHL Supply Chain UK is part of the Deutsche Post DHL Group ("the Group"), which is the world's leading logistics company approximately 590,000 employees in over 200 countries and territories. The Group connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees and investors worldwide. To this end, Deutsche Post DHL Group is focusing on growth in its profitable core logistics businesses and accelerating the digital transformation in all business divisions. The Group contributes to the world through its commitments to clean operations for climate protection, a great company to work for all and a highly trusted company.

DHL Supply Chain UK provides a range of supply chain services to its customers, including value-add logistic solutions, e-commerce fulfilment, reverse logistics, procurement, co-packaging, warehousing, distribution and managed transportation.

As part of the Group, DHL Supply Chain UK is fully aligned with all Group policies and practices in relation to responsible business practice and human rights standards, including those in relation to forced labour, or modern slavery. The Group's Human Rights Policy statement complements Deutsche Post DHL Group's Code of Conduct, the basis and benchmark for all guidelines and regulations that ensure responsible and ethically irreproachable conduct within the Group. The policy statement defines its minimum standards for working conditions and human rights in the Group's employee and partner relations. For our suppliers, Deutsche Post DHL Group's Supplier Code of Conduct sets out the required Human Rights minimum standards. All policies are regularly reviewed to ensure they are relevant, up to date and supplemented with new topics where necessary.

As an employer, DHL Supply Chain UK as part of Deutsche Post DHL Group, leads by example: its human rights policy statement anchors minimum standards for fair working conditions and human rights in employee relations throughout DHL Supply Chain UK. The Group supports the following globally recognised declarations, principles and goals;

- the Ten principles of the UN Global Compact,
- the Universal Declaration of Human Rights,
- the International Labour Organization's Declaration on the four Fundamental Principles and Rights at Work,
- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the UN Sustainable Development Goals.

Accountability for the implementation of this policy is overseen by the DHL Supply Chain UK Board. This ensures that the DHL Supply Chain business is clear about the responsibility to respect human rights and its day-to-day implementation



The Group's Code of Conduct is underpinned by key themes. These are: respect for human rights, equal opportunity, recruitment and employment, promoting health and safety in the workplace, transparency and an unequivocal stand against discrimination, bribery and corruption.

The Code of Conduct is available on the Group's intranet in more than 20 languages. Management participate in online compliance programmes about the Code and its application to everyday scenarios at work and undertaking business; this learning also forms an integral part of the induction process.

The Group's ethical and environmental values and principles are enshrined in its Supplier Code of Conduct which is a component of all Group contracts including its DHL Supply Chain UK contracts and its procurement contracts. In turn, this encourages suppliers to implement the same standards in their own supply chains. The Supplier Code of Conduct sets out what the Group means by respect for human rights and fair working conditions, in the same way as these are understood by its own employees. There are a number of areas covered including the extract below:

Forced labour

Deutsche Post DHL Group rejects all forms of forced and compulsory labour. All labour must be voluntary. We do not tolerate any forms of forced labour, including bonded labour, indentured labour, military labour, modern forms of slavery and any form of human trafficking. This applies across all our divisions globally and we expect our partners to share our commitment and to conduct their business in an ethical manner and act with integrity.

Suppliers shall not use any form of forced, bonded or involuntary labour.

Suppliers shall ensure that employees are not required to pay fees or make payments of any kind in return for employment. Punishments and physical and mental coercion are prohibited.

The Group has made the Supplier Code of Conduct available in multiple languages and also offers online training courses on its use. The main content and requirements of the Code are outlined in an interactive module on the Group's website, a measure designed to promote and encourage a shared understanding of the Groups values and goals.

The Group's Employee Relations (ER) management system helps ensure consistent and effective implementation of its Human Rights Policy and common processes in the different countries and cultures which are represented throughout the Group. The ER management system aims to satisfy the requirements of the UN Guiding Principles on Business and Human Rights.

The main areas of risk in relation to modern slavery in DHL Supply Chain UK's operations have been identified as agency workers and other types of sub-contracted labour.

Due Diligence, Auditing and Training

The Group has a Human Rights management system in place to ensure uniform implementation of our principles throughout the Group as outlined in our Human Rights Policy Statement.



The Group's Code of Conduct Supplier Code of Conduct and e-learning modules are mandatory for all line managers and must be refreshed on a bi-annual basis. We also have a Human Rights e-learning to complement these modules. Our Procurement teams are expected to take steps to ensure that any supplier of labour has read and understood the Supplier Code of Conduct and will not be engaged unless they demonstrate that commitment in writing by accepting those terms. Only labour suppliers on an approved 'core-supplier' list may be used by DHL Supply Chain UK operations. This approved supplier list has been significantly reduced over the last two years to enable DHL Supply Chain UK to have greater visibility of its providers and monitor compliance more easily.

DHL Supply Chain UK utilises internal and external auditing capabilities to identify potential or actual risk and opportunity with its suppliers. Internal auditors are trained to SMETA standards and use an audit process aligned to the ETI base code requirements. Audits are scheduled following risk assessments based on volume of labour supplied and where second tier supply and beyond is identified.

To the date of this statement there have been no compliance issues raised in relation to modern slavery through these processes in DHL Supply Chain UK.

Whistle-blower Hotline

DHL Supply Chain UK operates an anonymous 'Compliance Hotline' where employees are able to share concerns/issues outside of their normal reporting structures, including matters relating to labour practices or breaches of human rights. All reported violations are handled confidentially. Any matter raised is investigated by an independent compliance team.

Future steps to prevent modern slavery in our supply chains:

DHL Supply Chain UK will continue to monitor the modern slavery risk through continued risk assessment and due diligence, both in its own operations and labour suppliers. It will continue to monitor its labour suppliers' compliance with obligations committed to in the Supplier Code of Conduct through a continuous schedule of audits.

DHL Supply Chain UK will strive to increase general awareness of modern slavery in the UK and across the globe through continued training of its management teams and by encouraging its employees to highlight any concerns or potential evidence of modern slavery in its various forms.

The Group is also actively seeking to engage with other organisations to identify opportunities to further address the challenge of modern slavery in the workplace.

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