



HUMAN RIGHTS DUE DILIGENCE POLICY

FOR THE RESPONSIBLE SOURCING OF UNIFORMS AND FOOTWEAR

Swiss Post takes its responsibility for human rights due diligence in procurement seriously. We are therefore committed to socially responsible working conditions for our suppliers and our supply chain. Every year, we review the supply chain regarding compliance with human rights, fair working conditions and other human rights due diligence obligations.

The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector¹ supports companies in avoiding negative impacts on workers and the environment in connection with their activities along their garment supply chains. Swiss Post has been implementing the OECD guidelines in its garment supply chains since 2017.

Swiss Post is aware of its responsibility in its supply chains. By working together as partners, we encourage our suppliers to fulfill their due diligence obligations in the areas of human rights. Wherever they operate, suppliers should harmonize their business practices with our Supplier Code of Conduct for Responsible Procurement, the Fair Wear's Code of Labour Practices and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Since we operate in Switzerland, we are legally bound to follow the Ordinance on Due Diligence and Transparency in relation to minerals and metals from conflict-affected areas and child labour (DDTrO).

The policy is aligned with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the relevant ILO conventions and recommendations, and the ILO's Declaration of Principles on Multinational Enterprises and Social Policy. Swiss Post's human rights due diligence process for the procurement of uniforms and footwear takes into account the six steps according to the OECD Due Diligence Guidelines for Responsible Business conduct (see Figure 1).

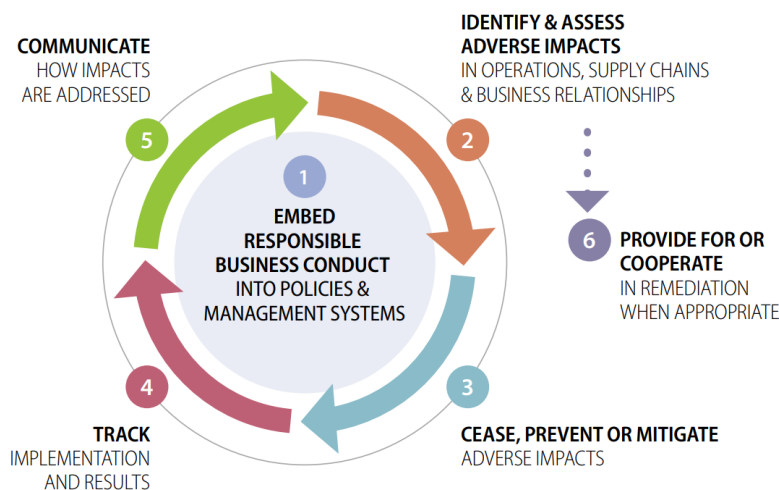


Figure 1: Due diligence process and supporting measures in accordance with OECD

¹ OECD (2020), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector



1. EMBEDDING OF HUMAN RIGHTS

Respect for human rights is a core value of Swiss Post and a core element in the [Supplier Code of Conduct for Responsible Procurement](#) and in the [Corporate Responsibility Charter](#). Swiss Post aims to reduce risks within the supply chain and build sustainable relationships with stakeholders.

The Swiss Post [Supplier Code of Conduct for Responsible Procurement](#) 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. The [Supplier Code of Conduct for Responsible Procurement](#) 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.

Swiss Post adheres additionally to Fair Wear's Code of Labour Practices for the procurement of uniforms, which is founded on internationally recognized standards. This includes upholding the ILO Conventions No. 87, 98, and 135, which protect workers' rights to form and join trade unions, bargain collectively, and safeguard worker representatives from discrimination. These rights are critical to ensuring effective communication between workers and management, thereby enabling workers to advocate for their own rights and improve labour conditions within the supply chain wherever possible.

2. IDENTIFICATION AND ASSESSMENT OF RISKS

Identifying the impact of potential human rights violations in the supply chain is the first step in effectively preventing and combating human rights violations. Swiss Post has implemented a systematic approach to the supply chain of its uniforms by conducting a country and supplier risk analysis, which is updated annually and submitted to Fair Wear Foundation. According to the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), sector risks in terms of human rights in the garment and footwear sector include, but are not limited to, the following: child labour; discrimination; forced labour; excessive hours of work; work-related and health; violations of the right of workers to establish or join trade unions and representative organizations of their own choosing and the right of workers to bargain collectively; noncompliance with minimum wage laws and wage levels that do not meet the basic needs of workers and their families; and discrimination. Swiss Post has a procedure for identifying risks (figure 2). The potential and significant risks in the supply chain are first identified using our uniform specific supplier questionnaire.



Figure 2: Procedure for identifying risks

- As a first step, Swiss Post identifies industry risks in the countries where the goods are produced. Subsequently, the individual production plants are inspected. Here, the sourcing model (whether work is carried out directly or through a general contractor), spend and capacity allocation by Swiss Post are essential to identify possible human rights and financial risks.
- In the second step, the significant industry risks for each production company are assessed based on the severity and probability of damage occurring (e.g. child labour).
- In the third step, an overall risk analysis is carried out and submitted to the management

The country risks are determined using the UN Development Index, UNICEF, Fair Wear Foundation country reports and the Amfori EU Risk Analysis for the garment sector.



Swiss Post has a hybrid sourcing model for awarding contracts, which includes both direct awarding of contracts to production companies and procurement via a general contractor. The risks of the sourcing model are identified annually as follows and, where necessary, measures are initiated:

- Identification of the production plant
- Capacity allocation for Swiss Post's orders and Swiss Post's expenditure at production plant
- Overall risk for production plant and for Swiss Post

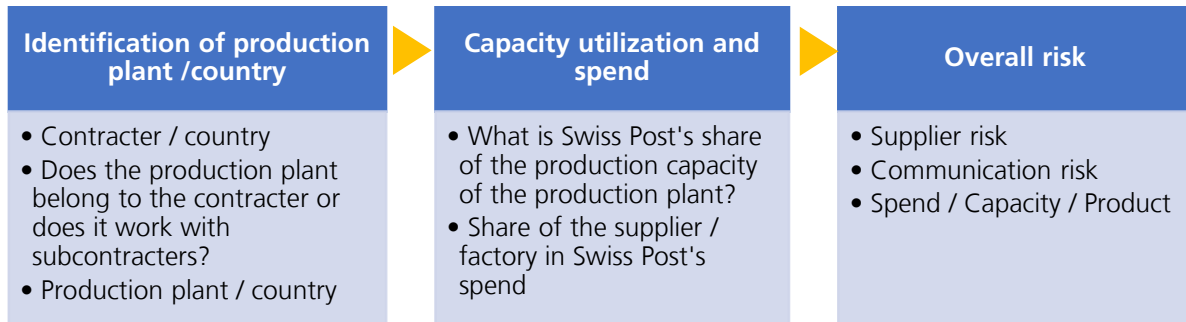


Figure 3: Analysis of the sourcing model

3. PREVENTION AND MITIGATION OF RISKS

BEFORE SIGNING A CONTRACT

The following aspects are checked during on-site assessments in the production plant before the contract is signed. In this way, potential risks are identified in advance and necessary corrective measures can be initiated.

What is verified?	On-site assessments: FWF, Swiss Post, external	Sources used and confirmed
No child labour	X	UNICEF, EcoVadis
Respectful treatment of employees	X	Interview of management and employees
Prohibition of discrimination	X	Interview of management and employees
Prohibition of forced labour	X	Interview of management and employees
Health and Safety	X	ISO 45001/ILO STAT and approval of certificates
Working hours	X	EU social reports / FWF and approval of documents of working hours
Wages and benefits	X	Approval of internal wage documents based on data from ILO Eurostat and WageIndicator
Employment contracts	X	Approval of contracts
Environment CO ₂ data	X	Collecting available data



The apparel and footwear sector are inherently risky, regardless of where the goods are manufactured. In practice, the risks are determined during on-site assessments. All suppliers are analyzed annually based on the model shown below (Figure 4).

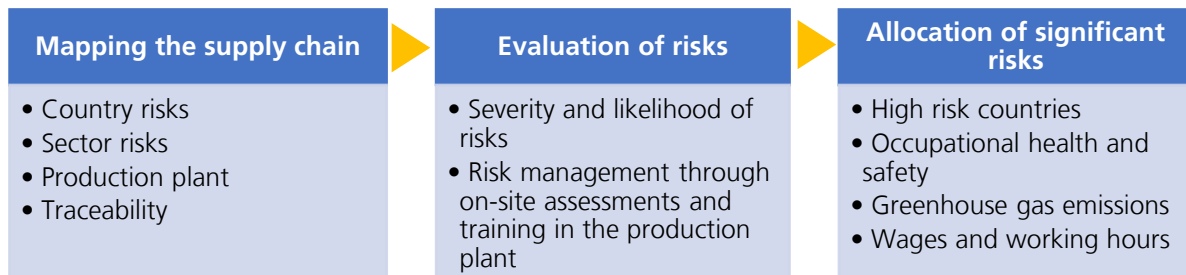


Figure 4: Assessment and allocation of the supplier risks

Swiss Post takes the following measures to prevent risks in its supply chain:

- Prevent risks through responsible purchasing practices and collaboration
- Internal controls through on-site assessments, training, and improvement measures
- Support of suppliers through dialogue and surveys
- Responsible exit strategy in case our requirements could not be met

REGULAR RISK ASSESSMENTS FOR EXISTING SUPPLIERS

Swiss Post is dedicated to fostering fair and long-term relationships with suppliers, emphasizing the early planning of production cycles. We regularly carry out on-site assessments, both independent third-party evaluations and those conducted by our own team, and provide training at the factories where our workwear is produced to ensure compliance with our standards.

To guarantee fair wages, we annually verify wage data using the WageIndicator database and review overtime records. Additionally, we ensure prompt payment of invoices to support our suppliers' financial stability.

Our procurement team monitors the implementation and effectiveness of our due diligence activities. We systematically review the efficacy of the measures taken and communicate the lessons learned internally to enhance our processes continually.

When necessary, we initiate improvements collaboratively with our suppliers. The sustainability team oversees the corrective action plans for all suppliers, ensuring that these plans are effectively implemented within one year.



4. TRACKING OF IMPLEMENTATION AND RESULTS

The implementation and effectiveness of activities related to ensuring due diligence are monitored by procurement. The due diligence process and results are reviewed for conformity through Fair Wear Foundation during the Brand Performance Check.

- **Verification:** Confirmation that requirements have been fulfilled.
- **Monitoring:** provides a more comprehensive picture of the situation at the site-level than a one-time assessment.
- **Validation:** Determination of whether the actions taken to prevent potential harms are indeed effective.

The effectiveness of the measures taken is reviewed annually. The findings from the follow-ups are communicated internally to improve processes in the future.

5. COMMUNICATION

Swiss Post reports annually on its supply chain of uniforms and footwear in the Social Report of Fair Wear Foundation. The social report is published on Swiss Post's official website and contains information to production countries, procurement volumes of each country, on-site assessment findings, corrective action plans with suppliers and grievances raised against Swiss Post.

6. REMEDIATION PROCESS

Employees at the production-sites can report complaints related to human rights and can submit these reports both to Swiss Post and the FWF claim tool. If a negative effect occurs, the measures are monitored according to figure 5. Swiss Post provides solutions and seeks for remediation when appropriate. If the complaint is justified, Swiss Post will determine the necessary steps, considering national laws and international guidelines.

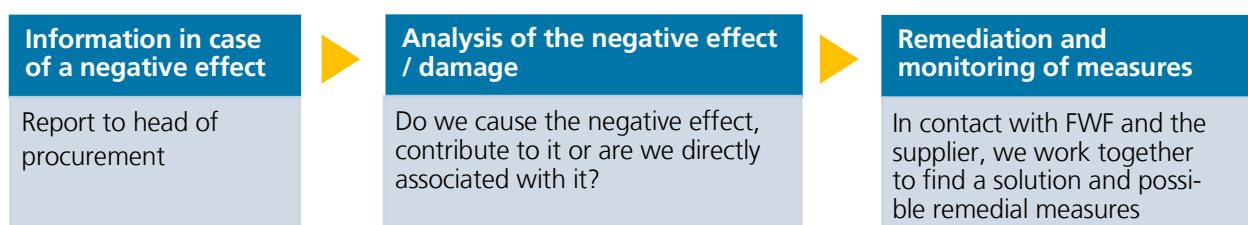


Figure 5: Elimination, avoidance, and minimization of damage

If all attempts to find a solution through dialog fail, the business relationship will be terminated, considering the responsible exit strategy of Fair Wear Foundation.