

# 2011

## Communication on Progress



**UKMail**  
express parcels & mail



## The Ten Principles of the United Nations Global Compact



### HUMAN RIGHTS

- Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2** Make sure that they are not complicit In Human rights abuses

### LABOUR

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** The elimination of all forms of forced and compulsory labour;
- Principle 5** the effective abolition of child labour; and
- Principle 6** the elimination of discrimination in respect of employment and occupation.

### ENVIRONMENT

- Principle 7** Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8** undertake initiatives to promote greater environmental responsibility; and
- Principle 9** encourage the development and diffusion of environmentally friendly technologies

### ANTI-CORRUPTION

- Principle 10** Businesses should support and respect the protection of internationally proclaimed human rights.

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## About UK Mail

Originating in 1971 as a London-based taxi firm, UK Mail then quickly evolved into a national carrier and hugely successful, dominant market player. Today, we offer not only mail, packet and parcel delivery services around the UK and Worldwide, but are also transforming the face of the traditional mail market with imail, an innovative desktop to doormat solution that combines the ease of electronic communication with the impact of physical mail.

### Parcel

Choosing the right delivery solution is of paramount importance when sending a parcel. That's why we offer an assorted and flexible range of economy and premium parcel services to cater for every conceivable delivery requirement. In addition to our nationwide service, we also deliver by road to Europe and Worldwide by air.

### Mail

We offer a versatile range of service options suitable for any company sending bulk mail of 250 items plus. Mail is collected, sorted, consolidated and tracked as it moves through our network until the point of handover to the local postman for final mile delivery - with both a Business Class, two day definite delivery service available alongside an Economy three day definite delivery option.

### imail

Our unique solution for creating, printing and posting mail online enables users to enhance direct mail response rates, cut postal costs, enjoy increased ease of use and simultaneously slash carbon emissions – and not surprisingly is taking the mail market by storm.

### Courier & Logistics

We offer cost-effective, tailored and time-critical solutions for urgent same day distribution 24 hours a day, 365 days a year.

### Pallets

The palletised distribution division of the UK Mail Group, UK Pallets operates a comprehensive UK and pan-European network comprised of over 80 independent logistics specialists to ensure the seamless and swift collection and delivery of palletised goods.



## Statement of continued support

**For the past 40 years, UK Mail has consistently been run in accordance with a set of guiding principles that have allowed us to become the UK's leading independent integrated postal services operator, with an up to 17% share of the UK's mail market.** The principles that have guided us replicate those 10 principles that form the basis of the United Nations Global Compact - a network of global businesses that adhere to the common principles of respect for and support of fundamental human and labour rights - something we were both proud and privileged to join at the end of 2007. In support of the 10 principles of the UN Global Compact we have implemented an overarching Human Rights policy that integrates our existing policies combating discrimination, corruption and wastage with those promoting equal opportunities, investment in employees and an employee voice in the direction of our business, as well as the opportunity to contribute to the ethical framework that influences our business decisions. These guiding principles still inform and influence our business decisions today and as a result we are continuing to grow and expand. Our principles have allowed us to steer a steady course through recent and turbulent times. We are confident that the 10 principles of the UN Global Compact will continue to prove invaluable and we are therefore proud to unequivocally state our continuing support of the UN Global Compact and its noble ideals.

Guy Buswell



Chief Executive

UK Mail

## Human Rights

# HUMAN RIGHTS

### Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

### Principle 2

Make sure that they are not complicit in Human rights abuses.

## Human Rights



### Our Current Systems

UK Mail's commitment to equality and fairness in all aspects of business and employment is not new and prior to signing the Compact, we already had in place a number of policies that reflected the principles enshrined in the Global Compact. To safeguard supporting and respecting the protection of internationally proclaimed human rights, we have a number of firmly entrenched policies to promote equality of opportunity regardless of race, colour, gender, religion or creed. To ensure we are not complicit in human rights abuses, we have in existence a robust disciplinary procedure which seeks in the first instance to resolve potentially disciplinary issues and upon the need for formal escalation, ensures that this process is conducted in a manner that is entirely fair, appropriate and proportionate.

### What's Next

Our purchasing policy has been developed in conjunction with our beliefs in how business should be conducted. This is in line with the 10 principles of the UN Global Compact. In particular:

- UK Mail will have an open and honest approach to potential and existing suppliers, ensuring equality of treatment.
- UK Mail will seek to develop trading relationships based on mutual trust.
- UK Mail will not source from suppliers and/or manufacturers who either use or are aware of the use of child labour or forced labour in their supply chain.

At UK Mail, our working practices embody and reflect the values of equality and fairness. We have zero tolerance for prejudice, harassment or discrimination on the basis of race, religion, gender, colour, creed, age, disability, sexual orientation, socio-economic background or status as a parent. Our equal opportunities policy is closely monitored and statistics compiled to ensure that any negative trends in terms of discriminating against a particular group of people can be identified quickly and remedial action taken.

# Labour LABOUR

## Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

## Principle 4

The elimination of all forms of forced and compulsory labour.

## Principle 5

the effective abolition of child labour.

## Principle 6

the elimination of discrimination in respect of employment and occupation.



## Labour



At UK Mail we feel that our people are our most valuable asset and we have constantly striven to invest in and protect our employees. We are firmly opposed to any form of discrimination and support its elimination in all aspects of business life. UK Mail recognises and upholds the freedom of its employees to associate and bargain collectively if they choose to. As a UK-based business, we rigidly adhere to the requirements of the EU Working Time Directive and do not coerce our employees into working above and beyond its stipulations. If employees actively wish to work longer hours they are asked to sign a declaration stating that it is their desire to do so. We do not support child labour in any form, not just from a legal obligation but from a firm ethical belief that such labour is immoral and exploitative. Such labour has no place anywhere within our business.

## OUR POLICIES

We have implemented a number of formal policies to ensure that we consistently conduct ourselves in line with our commitments.

### Human Rights Policy

We at UK Mail are opposed to any kind of harassment or discriminatory behaviour and firmly believe that all our employees have a right to work in a safe environment free from either of the above. Our policy defines harassment as intimidating or offensive behaviours, including language and does not need to be intended in order to be present; they may be indirect but still harmful to our employees. Under UK Mail policy guidelines employers and managers alike are able to identify incidents under the disciplinary procedure.

### Grievance Procedure

UKMail operates a procedure that allows any employee in complete confidence to raise a grievance safe in the knowledge that it will be both thoroughly and impartially investigated and resolved discreetly.

### Equal Opportunities Policy

Our equal opportunities policy does not permit any form of discrimination in relation to recruitment or personal development. Both equality and inclusion are central to UK Mail's vision, values and long-term business goals. We believe that inclusion is about ensuring everyone has an equal opportunity to access UK Mail as an employer, including those who may be, or feel, disadvantaged in the workplace. We aim to provide the opportunity for everyone to gain meaningful work and treat every member of our diverse workforce exactly the same. Catering for all our employees' needs includes providing a range of flexible working practices for those caring for children or other dependants as well as the enlistment of on-site interpreters to deal with any communication or language issues that may arise amongst our non-English speaking workforce. Our commitment to diversity means that we acknowledge people's differences whether they are visible or non-visible and attempt to promote the differences in a positive way. It means that our policies and practices are fair, flexible, engaged and responsive to cultural, physical or social difference.

## Labour



In fact we are proud of our personnel retention rate and actively encourage our employees to maximise their potential. We consistently promote from within with many of our senior employees and managers originally starting from the ground up.

### Maternity and Paternity benefits

At UK Mail we respect the fundamental right of people to a private and family life and recognise the importance of a work-life balance to benefit both our employees and the business in terms of loyalty and retention. In view of this, UK Mail is committed to developing work practices and human resource policies that support this with the provision of alternative working patterns that enable our employees to strike a balance between paid work and personal life. We offer a comprehensive range of both maternity and paternity benefits for those employees who already have, or about to start, a family including financial assistance with childcare costs and flexible working arrangements, such as working from home or another flexible location, to help with childcare provisions.

### The Redundancy Policy

UK Mail's philosophy on equality and the elimination of discrimination is all-encompassing. This means it forms a major aspect of our redundancy policy in which selections are shaped purely by business reasons without reference to any discriminatory factors such as race, gender, religion, colour or creed.

### The Employee Consultative Group

UK Mail established the Employee Consultative Group (ECG) in 2004 to act as a representative body for the UK Mail workforce and an outlet for the articulation of employees' voices. The committee of the ECG is drawn from the ranks of UK Mail staff by popular election and frequently meets with the directors in order to discuss the direction of the business and any prevailing issues at that time. These will have been passed on by ECG representatives, also elected by their peers, who are tasked with taking note of any concerns so that they can be passed onto the committee. This ensures that not only are the concerns of the workforce given the highest level of attention but also from a director's perspective the ECG is able to provide all-important feedback on proposals from UK Mail's most valuable asset - its people.

## Environment

# ENVIRONMENT

### Principle 7

Businesses are asked to support a precautionary approach to environmental challenges.

### Principle 8

undertake initiatives to promote greater environmental responsibility.

### Principle 9

encourage the development and diffusion of environmentally friendly technologies.

## Environmental Policy



UK Mail has a systematic set of environmental policies in place aimed at minimising the impact of our business on the environment and protecting the wellbeing of the communities in which we operate. We are committed to adhering to working practices that are both environmentally friendly and ethical and actively encourage minimising waste consumption, recycling and reducing energy requirements.

### CR Steering Group

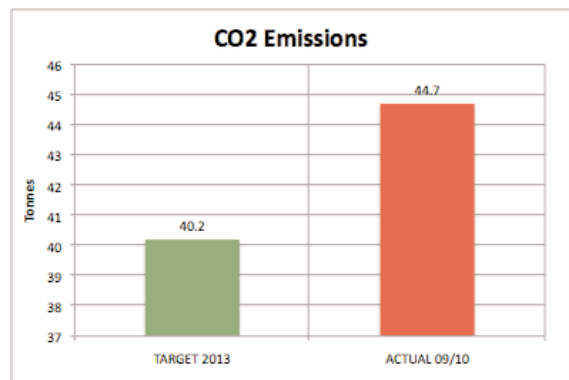
UK Mail ascribes huge importance to the welfare of the planet and as such has formed the CR Steering group, formed of representatives from Fleet Engineering to Marketing, in order to address the environmental activities of all aspects of the company. The CR Steering Group is chaired by the

Procurement Manager, and sponsored by the PLC board. Its meetings take place quarterly with progress and activity updates being shared with the PLC and Ops board, as well as, being communicated to all employees via quarterly team briefings.

### Fuel

A total of one million kilometres has been taken off the road via a number of initiatives including;

- Automation of Birmingham site and loose loads
- Route reviews
- Site closure and mergers
- Improved utilisation of vehicles
- Trial of teardrop trailer – improvement of 8.5%
- Closer monitoring of MPG on all commercial vehicles and cars



The monitoring of tyre pressures also optimises fuel efficiency as this helps to minimise fuel consumption. There has also been a change in the frequency of vehicle inspections from eight week to twelve week periods meaning our vehicles travel less often for inspections with CO2 emissions as a result being reduced by 13 tonnes per annum. A total of 54% of fork Lift Trucks are now electric, saving 700 tonnes of CO2 per annum. We have also introduced a cap on company cars at 160grams, and have removed all retail fuel cards. Overall, as a company we have managed to reduce 10% of our CO2 emissions, and intend to improve on this continuously. Our work in carbon emission reduction initiatives earned UK Mail a nomination for a Low Carbon Champion Award by Millbrook, part of the prestigious Low Carbon Vehicle Partnership. Our carbon-cutting initiatives also became the subject of a case study in the official Logistics Best Practice Guide compiled by the European Association of Freight Forwarding Organisations.

## Environmental Policy



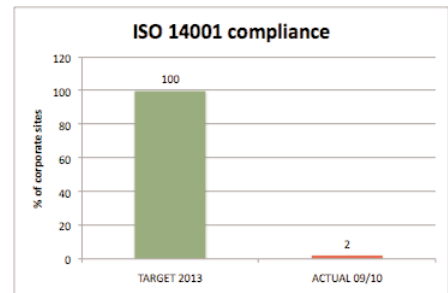
### Energy

Our efforts to reduce the amount of energy currently being used by UK Mail were focused on heavily in 2010 and this trend has continued into 2011. The established efforts currently in place consist of; 24 additional smart meters being installed to add to the existing 10 which are managed by UESL and increased visibility of spend via monthly reports and updates. UESL are managing our billing for water, gas and electricity leading to improved usage data. There have been a series of energy audits undertaken across a number of sites – Leicester, Preston, Lincoln, and Manchester – from which the findings were fed back with valuable recommendations. Meanwhile, at our Leeds site 15 energy saving lights have been installed in the warehouse.

We were shortlisted by one of our key customers, EON, for three Energy Supplier Awards in the Sustainable Business and Innovation categories in 2010.

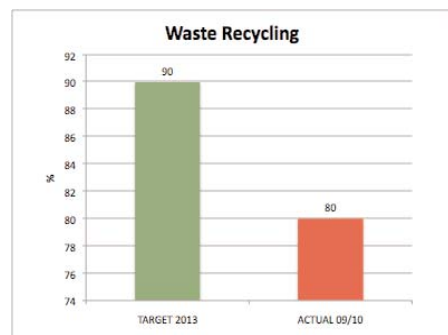
### ISO 14001 Compliance

We hope to achieve full ISO 14001 compliance nationwide for UKMail having already it achieved it at our Birmingham and Slough sites in May 2010.



### Waste

UK Mail's recycling performance displays a very definite trend towards improvement with figures rocketing from 5% of total waste in December 2008 to 88% in May 2010. We achieved this through the introduction of office recycling stations at all sites and the elimination of individual waste bins alongside a series of concerted company-wide campaigns promoting various waste reduction initiatives. Linking in with this we're currently in the process of trialling the regional bailing of waste in Preston to help improve the efficiency of recycling.



### Printing

A new fleet of printer/ copiers were installed in May 2009 which reduced overall printer numbers from 400 to 140. In conjunction with this the number of fax machines has been reduced from 140 to 22. The quarterly report of volume issued to all stakeholders challenging usage, illustrated that UK Mail has reduced its printing from 24 million in 2007 to 13million in 2009/10 – a trend we are committed to continuing. Along with this, all the paper the company now uses is 80% recycled.

### Packaging

Our Bagits have been redesigned to use 10% less polymer during manufacturing. All labels that UK Mail uses have been reengineered, and we are currently trialling pre-stretched Shrink Wrap which will reduce the usage by 50%.

## Anti-Corruption

# ANTI-CORRUPTION

## Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

## Anti-Corruption



UK Mail is firmly committed to fair dealings with both its customers and suppliers just as much as it is committed to being fair in its dealings with its employees. UK Mail has put many policies in place to reflect this since joining the UN Global Compact which are used to help combat corruption. Every policy supports another; this is a great benefit as it helps to avoid any loopholes. Before any policy is put in place it is rigorously checked, beginning at the ops board, then onto the risk committee.

Once accepted by the risk committee the policy will go to the board of directors and if established will then be reviewed annually to check that it still remains current and relevant. We firmly adhere to the belief that by abiding and committing to the principles of good corporate governance, we can ensure that our business is run and conducted along ethical lines in a manner entirely consistent with the 10 principles of the Global Compact.

## OUR POLICIES

### Ethics Policy

UK Mail's ethics are always dictated by open and fair dealings based on mutual trust. Decisions made are for the good of the business and should be free of any material personal interest that could affect impartiality or judgement. These ethical considerations pervade every aspect of UK Mail's operations and have been incorporated into a coherent policy to guide the decisions of UK Mail.

### Whistle Blowing Policy

It is UK Mail's policy to support, protect and where possible preserve the anonymity of any of our employees that report apparently questionable activity, even if their fears subsequently prove to be unfounded.

### Periodic Fraud Audit

A formal PLC process that takes place every six months is carried out to deal with people that are exposed to the resources that may subsidise fraudulent activity.