

DUE DILIGENCE ON SUB-CONTRACTORS

FROM A LEGAL AND COMPLIANCE PERSPECTIVE

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Business Partner Screening as Part of the DPDHL-COMPLIANCE PROGRAM

Business Partner Screening

The Group is highly selective in selecting qualified and ethical business partners:

- **Anti-Corruption & Business Ethics Policy** also contains criteria for due diligence on sub-contractors, joint venture partners, representatives, agents and consultants who provide important elements of our services
- **Supplier Code of Conduct** ensures our suppliers and vendors understand what we expect of companies acting on our behalf
- **Online Due Diligence Questionnaire** is used to pre-screen suppliers to ensure they meet the Group's high standards



Due Diligence Process - Possible Criteria

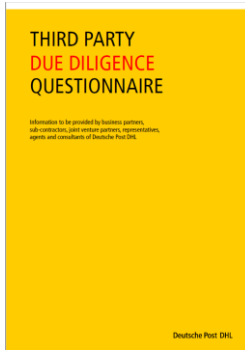
Annual revenue: above a certain (to be defined) annual turnover transacted or expected.

CPI: The relationship will be established and/ or the services will be provided in a country with a *Transparency International Corruption Perceptions Index* below a certain threshold;

Brand Use: Third Party will be licensed to use any logo of Contracting Party.

Particularly Sensitive: services which require interaction with Public Officials; third party acts as an intermediary towards others; relationship is a Joint Venture.

Due Diligence Process – Questionnaire



Online DPDHL Due Diligence Questionnaire (DDQ)

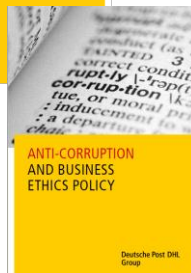
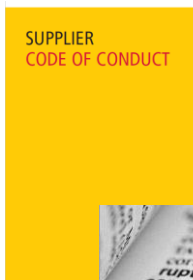
Standard DDQ of DPDHL focused on:

1. *General Business Information*
2. *Ownership and Management*
3. *Proposed Business Relationship*
4. *Compliance and Anti-Corruption*



DPDHL Supplier Code of Conduct

Attached when submitting DDQ to third party



DPDHL Anti-Corruption & Business Ethics Policy

Attached when submitting DDQ to third party (to confirm adherence in case third party has not an approved and implemented own anti-corruption policy)

Due Diligence Process – Possible Red Flags

Examples

- Financial difficulties (e.g. previous bankruptcy, negative reference, reported net loss or qualified auditor's statement)
- Subcontractor has expired or is missing business licenses
- Credible rumors of media reports of corrupt behaviour
- A history of involvement in legal proceedings investigating allegations of fraud, bribery or corruption

Contracts with Carriers – Minimum Conditions

Back to back with conditions of Customer Contract

- Obligations on service performance
- Liability
- Demurrage
- Liens and retention rights
- Quality Agreement (QA) / SOP

General confirmation

- Termination right in case of compliance breach
- Insurance
- Permissions / Licenses
- Confidentiality
- Supplier Code of Conduct

THANK YOU