DUE DILIGENCE ON SUB-CONTRACTORS
FROM A LEGAL AND COMPLIANCE PERSPECTIVE

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Zurich, March 2019
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