

CODE OF BUSINESS STANDARDS

**A guide for employees of Post Office, Royal Mail
and Parcelforce Worldwide**

Revised Edition 2003

Introducing the Code

Why Trust is Good Business

Trust is fundamental to our business, and this Code is all about putting it into practice at work. But why is it so important?

When customers put their letters, packets or money in our hands, they expect us to provide them with a fast, reliable, safe and courteous service. They are putting their trust in us. If we expect to stay in business, we have to show them, every day, that we deserve that trust. We all know how let down customers feel if at any time we fail to live up to their expectations. And there are other firms they can go to if we let them down.

Winning and keeping the trust of our customers and giving them great value for money is the way to turn our business around and make it great again. By rebuilding trust, we can draw on the best traditions of the postal service in past centuries.

Trust too is what can make ours a worthwhile company to work in - trust between colleagues, trust between managers and their teams. Working hard as a team towards common goals, with common standards of behaviour, will be the key to our future efficiency and survival. It also makes for a happier and better way of working for everyone.

Just words? Not if all of us show that we are serious about putting this Code into practice. Let's give changing things for the better a try.

Royal Mail Group plc
CODE OF BUSINESS STANDARDS

A Guide for Employees

2003

Contents	<i>Page</i>
1. About this Code	
2. Who should read this Code?	
3. Observing this Code	
4. Service to customers	
5. Concern for the community and the environment	
6. Personal conduct	
7. Courtesy and personal appearance	
8. Behaviour towards colleagues	
9. Health and safety	
10. Equal opportunities	
11. Security and trust	
12. Misuse of computers or the Internet	
13. Political and pressure group activity	
14. Conflicts of interest	
15. Gifts	
16. Hospitality and entertainment	
17. Preventing and reporting crime	
18. Further help	

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A Guide for Employees

1. About this Code

This Code sets out the standards of behaviour which all of us should show in our dealings with our customers and colleagues. So it's important for all everyone to read the Code and to think about how we can put it into practice at work - even if that means changing our own behaviour and trying to change that of our colleagues.

This Code replaces the one published in 1998. The company may publish changes to it from time to time, or replace it with a new version, without having to notify you. It does not form part of your contract of employment.

2. Who should read this Code?

This Code is for everyone who works for the company, whether you are an employee, consultant or agent. Please keep your copy for future reference.

This is the short version of the Code, summarising what every employee needs to know. There is a full version, which contains some additional sections which are chiefly of interest to managers. The full version also contains references to more detailed policy documents, which are available on the Intranet. If you need to see these, please ask your manager.

3. Observing this Code

All employees and agents have a duty to uphold the standards set out in this Code, and managers have a responsibility to ensure that their teams know about it and observe it. It forms part of the company rules which you must follow as part of your employment. So you need to be aware that any breach of this Code may be dealt with under the Conduct Code, and that gross misconduct could result in your dismissal.

The Code is also meant as guidance when difficult situations arise. Of course, no set of rules can cover every possibility. We all, at some time in our working lives, confront dilemmas about whether an action is right. If you are faced with a dilemma:

- read this Code;
- ask yourself whether you could justify your action to your manager, your workmates, people outside, and your own conscience; and
- think through the likely results of your action for yourself and others.

If you are still unsure what is the right thing to do, talk to your manager.

If you discover that the company's standards and reputation are being put at risk by unethical or even criminal behaviour, you should report the facts to a manager. Ignoring bad behaviour is wrong and will damage the reputation not only of the company but of everyone else who works for it. If you feel that you can't talk to your own manager, you should talk to a senior manager, or your personnel manager.

If you think that you may suffer intimidation at work because you have made a report, you have a right to ask your Personnel Manager to take steps to ensure that you can work without harassment or intimidation of any kind.

(See also section 8 about bullying and harassment and the helpline number).

4. Service to customers

Our customers are our first priority. We exist to serve their needs by giving them:

- value for money services and products;
- timely, reliable and secure performance of services nation-wide;
- accurate and accessible information about all our services and products;
- helpful and courteous service at all times; and
- prompt and ready redress if things go wrong.

Everybody in the organisation has an important part to play in living up to these standards. Our customers now have more opportunity than ever to go elsewhere.

Our external regulator, Postcomm, can impose penalties or even withdraw our licence to operate if we fail to deliver on our obligations. We also have an active consumer watchdog, Postwatch, which monitors the service we give to customers. Mistakes and service failures not only damage our reputation, they cost us money and customers, and we can no longer afford that.

5. Concern for the community and the environment

We do an important job in the community and have the opportunity to be a force for good in it. The company encourages employees to become involved. Of course, any charitable activity in work time or in uniform must always be approved first by your line manager and must be in line with company policy.

Showing concern and giving help to customers when it is needed is all part of our job, particularly for elderly people for whom we are often an important point of contact with the outside world.

We can all play an important part in protecting the environment by not wasting resources such as fuel, electricity and paper.

We can also make sure that we keep our premises clean and tidy and dispose of waste properly.

We must show respect for our customers' property when we enter their premises and ensure that we do not damage the countryside when we work in it.

6. Personal conduct

High standards of personal conduct at work are expected of everybody who works for the company. We should all show:

- efficiency and reliability
- integrity
- punctuality and good attendance.

Conduct which damages service to customers or the reputation or efficiency of the company is unacceptable, including for example lateness, poor attendance, dishonesty, drunkenness, use of illegal substances, and violent or disorderly behaviour. Please remember that gambling is not permitted on duty or on company premises, and that staff clubs can exist only if they comply with company rules. If still in doubt about the standards required of you after reading this Code, consult your line manager or your personnel department.

7. Courtesy and personal appearance

As a courtesy to our customers and colleagues, everyone who works for the company is expected to show high standards of behaviour and to present a smart and clean appearance. If you are issued with work clothing, please wear it in a way that presents a creditable image to the public, in line with business dress codes. Please never, by act or appearance, bring the company or any of its brands into disrepute.

It follows that any marks, badges, ribbons, tattoos or ornaments (including items used in body-piercing) that are either

- offensive;
- indecent;
- a health and safety risk; or
- otherwise incompatible with the standards in this Code

should not be displayed on duty or on company premises or property. Managers have the right to require badges, ribbons or other items to be removed if the cause in question or the manner of display of the items might embarrass the company.*

*Membership badges of recognised trade unions are authorised.

8. Behaviour towards colleagues

High standards must apply to our behaviour towards each other, as well as to the way we do business. We can all help to create an atmosphere at work in which every individual is enabled to give his or her best. Dealings with all colleagues should be based on mutual respect, and everyone must uphold company policies relating to equal opportunities and health and safety. To put these values into action it is important that we show good manners in everything we say, do and write. Therefore:

- we should always be open, honest and courteous with each other;
- we must not abuse others in speech or writing;
- we must not behave in any way that suggests prejudice or favouritism;
- we must not engage in, encourage or condone bullying, intimidation, harassment, unlawful discrimination, or abuse of any kind;
- we must challenge any instances we encounter of bullying, intimidation, harassment, unfair discrimination or abuse in the workplace, and show that such behaviour is not acceptable in our organisation.

The company is determined to act against bullying and harassment and the misery they cause to the victim. Anyone experiencing bullying or harassment at work can call the helpline number: 0800 58 74 777

9. Health and safety

Everybody has the right to work in a safe and healthy way. All of us can help in protecting ourselves and our colleagues from accidents by:

- always working safely, so that we don't endanger ourselves or others by thoughtless action;
- taking the initiative personally to remove or report promptly any hazards;
- challenging unsafe practices;
- being familiar with the rules that apply in our workplace for health and safety and fire safety; and
- taking steps to ensure the safety of customers who use our premises.

10. Equal opportunities

Equality is about treating other people the way we want to be treated ourselves. The company is committed to maintaining its equal opportunities policy and to being a just and caring employer. This means that:

- we don't discriminate on grounds of race, colour, nationality, ethnic or national origin, religion, creed, sex, sexual orientation, marital status or disability;
- we provide equal facilities for disabled customers and staff, in line with our policy;
- we respect the legal rights of individuals to be members of recognised trades unions.

Everybody in the organisation is expected to share in and support these principles at work, and failure to do so may open the organisation and individuals to legal action. Managers are expected to set an example in the workplace.

11. Security and trust

In doing business every day we handle millions of items entrusted to us by our customers. We handle large volumes of cash and valuable items. We gain information in the course of our business that is confidential.

It follows that we must win and keep the absolute trust of our customers and others we come in contact with. The strength of the company rests on the integrity of individual employees, and maintaining our standards means:

- honesty in handling all items, cash and valuables entrusted to us;
- correct accounting in all financial transactions and claims, and observance of established business control procedures;
- safeguarding of company property and assets, ensuring that they are not stolen, abused, damaged, or appropriated for personal use;
- making economic use of resources, avoiding waste and extravagance;
- ensuring that company funds and property are never used for private purposes;
- ensuring that company premises and facilities are not abused for unauthorised commercial transactions; and
- safeguarding confidential information against abuse or unauthorised disclosure, and complying with laws protecting personal data.

We each have a duty to ensure that these standards are maintained in our work. This includes being watchful against abuse in matters like claiming expenses and proper use of official stationery and telephones.

Remember that:

- to claim money from the company for hours you did not work, a journey you did not make, or an expense you did not legitimately incur is a criminal offence and could lead to prosecution and/or dismissal;
- using pre-paid envelopes or other official stationery for private purposes is a disciplinary offence which could result in your dismissal. It is also theft and will be treated as a criminal offence;
- making personal phone calls in work time is a privilege, not a right, and is one that must not be abused. Because unnecessary, frequent or prolonged personal phone calls waste time and money they are not acceptable and may be treated as gross misconduct;
- unauthorised use of fax machines is not permitted;

You should be clear that departure from established standards of integrity may expose you to action under the conduct code, which in cases of gross misconduct could result in your dismissal, and in serious cases may also amount to a criminal offence. If theft or fraud is involved, the company will normally prosecute.

Please remember that as an employee you have a duty to declare any criminal conviction, and you must inform your manager if you are arrested and charged with any criminal offence.

12. Misuse of computer equipment or the Internet

The company provides computers as work tools for many employees. Whilst company policy allows some limited and reasonable personal use of them in your own time, it does not permit:

- use of unauthorised software;
- unauthorised modification of computer components;
- access to pornography or other indecent, illegal or offensive material;
- sending colleagues or others pornographic, indecent, illegal, offensive, threatening or insulting material, or chain or “spam” e-mails;
- import or onward transmission of documents or e-mails that breach security rules concerning protection from computer viruses;
- an unreasonable amount of working time spent sending personal emails;
- removal of a computer from company premises without permission.

All the above are unacceptable and may be treated as gross misconduct, which could result in your dismissal.

13. Political and pressure group activity

The interests of the company, and those of its customers, must not be compromised by any party political interest or activity. Electoral material, which we are obliged by law to deliver must be treated correctly and with the same respect as other mail entrusted to us by customers. It must not be delayed, defaced or destroyed.

If you are involved in political activities in your own time, you must ensure that they are kept completely separate from your work. There are a few simple rules to remember and keep to:

- Political activity by employees is not permitted at work. This includes any active support of parties, pressure groups, religious sects or other causes.
- Badges, slogans or notices advertising parties or causes must not be displayed while on duty or in uniform, or on company premises, notice boards or vehicles.
- You must not distribute or deliver unauthorised material while you are on duty or in uniform, or allow anyone else to use business services free of charge.
- Take care not to make any statement or comment to the media on behalf of the company unless you are authorised to do so and have cleared the statement first with your area communications manager. This applies whether or not party political issues are involved.

14. Conflicts of interest

Open behaviour and frankness can often avoid difficult situations in this area. The essential principles of conduct are:

- you must not do anything which conflicts with your duty as an employee or agent of the company, or use your official position for private advantage;
- you must declare any outside employment, directorship or material shareholding and these must not be contrary to the company's commercial interests or bring it into disrepute;
- your actions as an employee or agent must not be improperly influenced by any relationship (e.g. by blood, marriage, partnership or membership of any social, religious or political association) or by any personal or financial consideration;
- you must not make any statement to the media that brings the company into disrepute;
- if you receive a fee from an outside source for performing a service which forms part of your official duties or takes place in business time (e.g. giving an interview or lecture) you must report it to your manager. You will normally be expected to

pay the money to the company or to a charity connected with it. If the service arises from your work but is not directly connected with it and is given in your own time, you must still report it to your manager.

Make sure you inform your line manager and personnel manager of any circumstances which create a conflict of interest with your duties as an employee or agent, and seek their advice if you are unsure.

15. Gifts

You must not accept any gift, payment, bribe, favour or inducement that might influence (or appear to influence) your action as an employee. Nor must you offer any bribe or inducement to anyone else. If any such offer is made to you, you must report it to your manager.

You must also report to your manager any gifts (except low value promotional items) that are sent or given to you. If in doubt about whether it is proper to accept a “gift” offered to you, discuss the matter with your manager first.

Private arrangements for gifts, discounts or concessions must not be solicited or accepted in connection with any contract for goods or services to which the company is a party.

You must not ask for or accept sporting or charitable sponsorship from an organisation that has (or is seeking) a contract to supply the company, or is in competition with it. You must declare any plan to accept sponsorship to your manager and ask if there is any conflict with company interests.

16. Hospitality and entertainment

- Hospitality, given or received, must be moderate, not lavish or excessive. It must have a legitimate connection with a business purpose and be no more than is appropriate to that purpose;
- tell your manager about offers of hospitality made to you;
- acceptance of hospitality or entertainment must not prejudice the commercial interests of the company or lead to disregard of proper tendering or purchasing procedures;
- do not provide or accept hospitality or entertainment which, because of its expense or nature, may cause the company embarrassment or bring it into disrepute;
- modest hospitality to other company employees on business occasions is sometimes justifiable, but extravagance must be avoided;
- alcoholic drinks are not permitted at business meetings or on company premises except for authorised social functions out of the working hours of those present.

Always follow the rules that apply in your business. Use judgement and restraint, and consult your manager if in doubt.

17. Preventing and reporting crime

We all have a duty to guard against crime, and to take care that we do not expose colleagues or company property to criminal activity by relaxing proper procedures. We also have a duty to take action to prevent crime against the company, whether by terrorists, computer hackers, outsiders or by employees, and to report it whenever necessary. Nobody, however, should risk death or injury in circumstances of extreme danger such as a criminal attack or hostage situation.

If you are asked by an unauthorised person to disclose confidential information or to do something that you know to be against business rules, you must report the facts to your manager.

If you become the victim of threats or intimidation and are asked to take part in, or to keep quiet about, any criminal activity against the company or its employees, your duty and best course is to report the facts as soon as possible so that action can be taken to prevent the crime and to give you support and protection. Be familiar with your business' policy on hostage situations.

If you see any crime being committed against the company, or become aware of criminal activity being planned against it either by a member of the public or by employees, please telephone the Corporate Security Helpdesk.

You can contact the helpdesk between the hours of 0800 and 1800 Mondays to Fridays on

Postline 5409 9876 (020 8681 9876),
and outside those hours on
07860 847948.

18. Further help

If you have any queries arising from this Code please discuss them with your line manager or your personnel manager. See also sections 2, 3 and 8.

To get more copies

This item may be re-ordered using your normal procurement procedure quoting item code POL1001 (Rev.03). For copies of the full version of the Code, quote item code POL1000 (Rev.03).

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