

# The DPD system

## How a logistics group flouts the rules unchallenged



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# Foreword

We see them all the time now, in all quarters of the country. DPD delivery vans, driven by chauffeurs in DPD overalls, the scanner always at hand. They park in a hurry, almost at a run, they take parcels out of the van and bring them to the door.

The customer signs for the parcel. There is no time for a word. They belong to the heroes of the pandemic. Few other workers expose themselves to a greater risk of infection and at the same time make a greater contribution to people in isolation. We would expect them to be rewarded accordingly with appreciation and good working conditions. But far from it. Although DPD is owned by the French state, the logistics company has set up a system of subcontractors, unprecedented in Switzerland, which exploits mainly migrant workers. Laws seem to apply to nothing. It is one of the scandals of the Corona year 2020, because the drivers have done the huge extra work in the exploding parcel business for free!

Hundreds of drivers, office and depot workers have spoken to their Unia secretaries in recent months. The meetings were often harrowing, and their well-documented stories could fill a book and exemplify the exploitation of precarious people in 21st century Switzerland. This report provides an initial overview of the numerous grievances. From this we derive the urgent demand that DPD and its 80 (!) subcontractors sit down at the table with the drivers and their union, come to terms with the past and make agreements for the future that make dignified work possible.

The DPD system also raises wider legal and political questions. There has been a widespread failure of the control authorities in the cantons and in the postal market. The fight against wage dumping has also not worked in the industry. Measures are urgently needed here. And then there is the core of the DPD system: the dream of a profit machine without 'the risk' of its own employees. DPD is taking irresponsibility to the extreme, in that at the same time the core business (collection, sorting and delivery of parcels) is centrally controlled to the centimetre with hundreds of drivers in a corporate look, while on the other hand not a single one of the drivers is employed by DPD. The big losers are of course the employees. But the whole industry is also being put under pressure. This dumping model must not be allowed to continue, the DPD-isation of the working world must be stopped.

Our solidarity goes out to the countless drivers who have joined forces to bring the shocking conditions to light and to improve their working situation. We will stand by their side. The drivers want to be paid for their hours and to be able to live with their families in dignity from their work! No more, but also no less, is what the affected colleagues are demanding together with their trade union Unia.

Vania Alleva, President of Unia

Roman Künzler, Unia Logistics and Transport Officer

# Part 1:

## DPD in Switzerland or the cut-throat nature behind parcel deliveries

### 1.1. Audacity with system

“Every morning I'm at the DPD depot at 5:30am. I load parcels for 2-3 hours and then deliver them, over 150 stops a day. Then I still pick up parcels from the companies. Often I'm still at work at 6pm, dead tired, because I couldn't take a break all day. Only the first 8.5 hours are paid to me by my subcontractor, everything else I have to do for free. I work the whole afternoon for free. DPD rules my life through its scanner, it's a rush, at night I dream about it. Nobody can stand it for long. The atmosphere is bad. When the union wants to inform us, we are told that we are not allowed to talk to Unia. We are all migrants. We never thought that such exploitation existed in Switzerland.”

This statement by a driver is an example of how the working life of drivers is experienced. The "DPD system" is designed in such a way that the parcel multinational shifts a large part of its operational risk to subcontractors and ultimately the drivers perform unpaid and unhealthy work. Driven by the specifications of the DPD algorithm, these men and women deliver parcels every minute. There is no time for breaks. The wages are low. In the DPD universe, every step is recorded, except for the drivers' working hours. Mistakes often lead to deductions from their wages.

Without any aids, they have to deliver parcels weighing more than 50kg alone, although only half of that would be allowed by law. Even more inhumane are the months before Christmas and during the Covid 19 pandemic. 12- to 14-hour days without a break pile up. And of course, only 8 to 9 hours continue to be paid. The wage theft is at the expense of the drivers and the social services.

After more than 200 talks with drivers from around 40 subcontractors as well as depot and office employees, the matter is clear to Unia: there is a system of disregard for labour law. What does this "DPD system" look like? DPD (Schweiz) AG controls the distribution of parcels within Switzerland from its headquarters in Buchs, without DPD owning a delivery van or employing a single driver. Across Switzerland, eleven logistics centres are operated directly by DPD, but apart from the managers, most of the logistics staff are employed by temporary companies. For parcel delivery, DPD has set up a contractual relationship with about 80 subcontractors, who in turn employ about 800 drivers on trucks or vans.

Typically, these subcontractors have fewer than 15 employees. They employ frequently changing male and migrant drivers and do not record working hours.

**“The drivers' wages are scandalously low. In addition, according to our calculations, they are being deprived of 6-12 million francs in wages owed to them every year. These are new dimensions of wage dumping in logistics. As a result, the social security system also misses out on millions of euros in contributions every year. The drivers are entitled to this money.”**

**Roman Künzler,  
Unia trade unionist**

If you visit their offices, you will see that most of them consist of a letterbox in a private home. The appearance, vehicle and working clothes are contractually prescribed for the subcontractors and drivers by DPD. Most of the subcontractors have to buy their overalls from DPD. Furthermore, the DPD algorithm specifies the tours to be driven to the minute. DPD also determines what the subcontractors earn per stop and parcel. The drivers and most

of the subcontractors work exclusively for DPD. Most subcontractors were probably set up in the first place to deliver for DPD. The dispatchers in DPD's distribution centres (depots) are authorised to give instructions to the drivers and regularly contact them via the scanner during their daily delivery routine. It seems that the subcontractors are not there for much more than to transfer the wages.

Of course, customer acquisition and customer care is carried out exclusively by DPD itself. If you are looking for a job as a DPD driver, you will not find any advertisements and can only apply via the DPD (Schweiz) AG website. The subcontractors who operate the routes in the regions are not even mentioned. The negotiating power of the subcontractors is small to non-existent. Even when fuel costs rise, the prices paid per stop are not adjusted. The subcontractors report several waves in recent years where DPD has cut their fees per parcel. The tours cannot possibly be completed in a normal working day and within the contracted working hours. In the morning, parcels are sorted and loaded (2-3 hours), then a full van delivers parcels (150 stops on average, 6-10 hours), after which collections often have to be made from business customers until 5 pm and then taken to the depot. Practically no one takes breaks in the "DPD system". It is

hardly possible for the subcontractors to employ workers under "normal" conditions. Some of them have left the contract with DPD and have given up. New ones have taken their place.

This subcontractor structure makes it possible for DPD to have around 800 drivers driving for them under scandalous working conditions and at the same time to deny responsibility for this, as no driver is directly employed by DPD. DPD lives the dream of a highly profitable company with hardly any employees. With this system DPD saves an estimated one third of the labour costs compared to its main competitor, the Swiss Post. The subcontractors serve the purpose of allowing DPD to shake up the postal market without taking responsibility for those who deliver the parcels from the online retailers to the customers' homes. This is a popular method of circumventing Swiss labour law, postal legislation and regulations against unfair competition.

DPD not only controls and operates the triangular system of customer, subcontractor and drivers, but also exercises de facto control over the drivers directly. DPD monitors them at every turn and sanctions their actions. The mostly migrant drivers are exploited by the subcontractors, as it is more difficult for them to defend themselves against the precarious working conditions

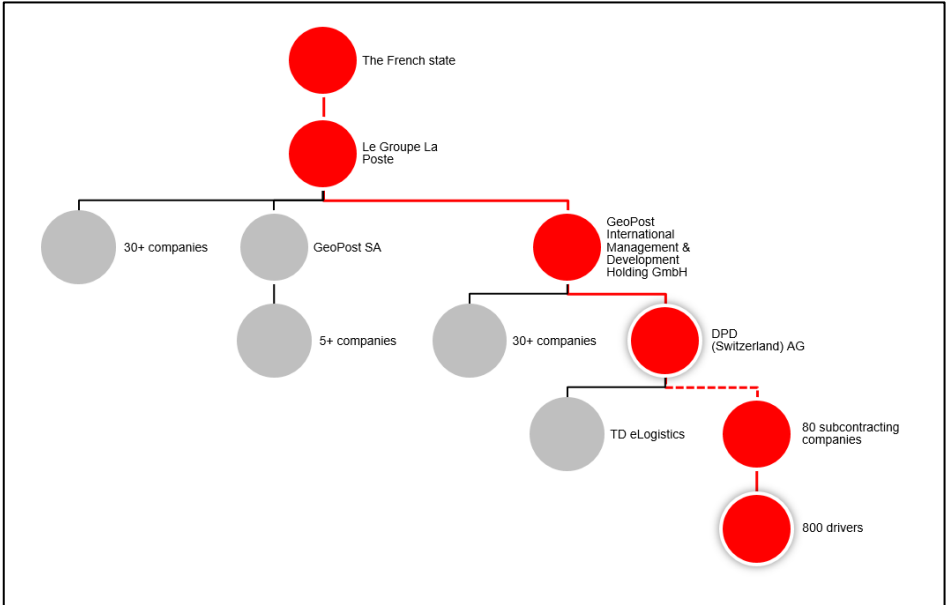
for various reasons (language skills, residence status, etc.). The atmosphere at the workplace is often repressive. The drivers regularly report that they have been dismissed quickly, even without notice, or that they have been threatened with dismissal. The Corona crisis has exacerbated the situation even further. DPD is of course aware of the working conditions at the subcontractors, because they actually work like one company and under the same roofs of the eleven depots. DPD creates the conditions for these working conditions and it gives the impression that those responsible systematically look the other way when the law is violated. But DPD and the subcontractors have gone too far with this. Many workers took courage and turned to Unia for support. They decided to finally fight back.



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In this context it is almost unbelievable: DPD (Schweiz) AG belongs to the French taxpayers. A state-owned company from France, which in Switzerland is making an entire industry precarious at the expense of mostly foreign employees - among them many French people! - and with miserable working conditions for an entire industry. If one follows the convoluted ownership structure, the trail leads to the French Le Groupe La Poste, which is 100% owned by the French state. 34% of the group belongs directly to the French state, the remaining 66% is owned by the CDC (Caisse des Dépôts et Consignations), which in turn is controlled by the French parliament. DPD (Schweiz) AG is wholly owned by the German intermediate holding company "GeoPost International Management Holding GmbH", which is wholly owned by Le Groupe La Poste. Throughout Europe the DPD Group is the number two in the postal market, just behind DHL. (Graphic also in info box).

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Ownership structure of DPD

## 1.2. Resistance rises

Meanwhile, more and more drivers are exercising their rights and organising themselves in the trade union Unia in order to improve their situation. They have formed a DPD national committee and mandated their union to negotiate with DPD and demand the obvious: DPD must find solutions with them and their union to ensure that in the future the rules are respected, the drivers are compensated for past injustices and they can build a union representation that ensures that today's conditions are not repeated in the future.

The trade union Unia tried several times to enter into talks with the DPD management before the publication of this report. Either no reply was received to these enquiries, or the replies were very curt.

We have also written to DPD asking them to comment on the abuses described in this report. In an e-mail dated 17 February 2021, DPD argued that the drivers were not DPD drivers, but drivers from subcontractors, and that it was not possible to comment on what DPD considered to be sweeping allegations. DPD only declared its willingness to mediate between Unia and the subcontractors concerned in specific individual cases in order to identify problems.

DPD is thus obviously not prepared to cooperate in improving the working conditions in the "DPD system". The drivers and their union therefore have no choice but to make the grievances public and to continue to call on DPD to find solutions to the obvious problems at the negotiating table in a spirit of social partnership.



Post cards signed by DPD drivers, February 2021

### **1.3. A series of scandalous abuses**

The grievances known to Unia within the "DPD system" concern areas as diverse as wage theft, excessive working hours, violations of the law for night work, lack of compulsory meal allowances, unauthorised real-time monitoring, abusive wage deductions, stress that causes illness, lack of toilets, vehicles in insufficient condition, unknown Covid protection concepts and the violation of trade union rights. Not all violations occur everywhere, but all of them are clustered and characterise the drivers' miserable working conditions.

#### **1.3.1. (Unpaid) working time and wage theft**

Working days from 5:30 a.m. to 5:00 p.m. without breaks are the rule in the "DPD system" at the moment. When the volume of orders increases, working hours of up to 14 hours per day are normal. Despite hundreds of conversations with employees of dozens of subcontractors, Unia does not know of any driver who receives an hourly invoice from them at the end of the month! The working hours are simply not recorded by the companies. Who would believe that 80 subcontractors alone have come up with the idea of not paying attention to one of the pillars of labour law, time recording?

The cynical point is that every morning most DPD chauffeurs log on to DPD's "Predict" IT system at the depot. The core of "Predict" is a scanner that enables the parcels and drivers to be recorded to the minute and to the metre. DPD knows via the scanner exactly when which parcel is delivered where and how long it takes to deliver it. Some employment contracts stipulate the number of delivery stops to be completed and at the same time exclude overtime pay. Some contracts between subcontractors and drivers specify real loading and delivery times. As an example, for 100 stops per day, three hours of loading time and five hours of delivery time are calculated. Most contracts provide for a weekly working time of between 42 and 44 hours (including loading times and delivery). However, the reality is different: Especially during the Christmas season, but also during the Covid 19 pandemic, drivers often work 70 hours per week with up to 200 stops per day at peak times. And this at the same wage and without compensation for the overtime worked.

The tours are not even feasible during paid working hours. This also applies to the loading of the vehicles: although many employment contracts explicitly list the loading of the vehicles, the first two to three hours of the day are free work. The obligatory compensation for night work (work

before 6 a.m.) is not granted. The drivers also have to clean and maintain the cars themselves - of course in their free time and often at their own expense. Washing their own uniforms is also not compensated as required.

**“The boss told me: You are new. It costs me a lot of money. While you are getting to know your tours, you don't get paid. At least for a month. What was I supposed to do? I needed the job.”**

**DPD driver**

There are also reports of drivers who received no pay at all or only 50% of their wages during the training period. Not surprisingly, there are also increasing reports of undeclared work, with drivers logging into the "Predict" system with imaginary names, which is only conceivable with the connivance of the DPD group.

Systematic non-disclosure of working hours and systematic wage theft are at the core of wage dumping in the "DPD system". Due to the close cooperation between DPD people, the subcontractors and the drivers, DPD must know about the

extent of these illegal practices. Although breaks are sometimes entered into the "Predict" system, it must be clear to DPD from the location and time monitoring that no breaks are taken.

### **1.3.2. Dumping wages and unpaid expenses**

The gross wage of most drivers ranges between 3,600 and 3,800 francs. The lowest wage that Unia is aware of is 2,800 Swiss francs, the highest 4,250 Swiss francs. Only a few drivers at DPD headquarters report higher wages and generally better working conditions. Unia has not yet received any evidence of this. There is no 13th month's wage. These rock-bottom wages are unworthy and completely unsustainable, even compared to the salaries paid in the low-wage "delivery" industry in a country like Switzerland with its exceptionally high costs of living. If the actual working hours are calculated, sample calculations show that the drivers often work for an hourly wage of 12-15 francs! No or only partial payment is made for mobile phone expenses, which are necessary for the work, for vehicle maintenance and for meals away from home (lunches taken away from home).

Even 100 stops per day are an extreme amount, although they represent the minimum. By way of comparison, the two protagonists in a promotional video produced by DPD and Mercedes together achieve 16 stops by midday and describe this "success" as stressful and exhausting. The few long-standing drivers of the subcontractors report that they started with 80 stops per day a few years ago, but now they are being asked to do twice as much - for the same pay.

### 1.3.3. Violation of data protection laws

DPD has created a system called "PRE-DICT" which uses the data transmitted by the parcel scanners to monitor the parcels and the drivers themselves with precision down to seconds and metres. According to our current knowledge, the data goes directly to DPD, the subcontractors have no access to it. Since DPD is able to point out "mistakes" made by individual drivers to the subcontractors and demand that they be punished, personal data is obviously collected.

The drivers were never asked whether they agreed to the tracking. They were never informed about what was happening

with the data, they only noticed when wage deductions were made.

**“The scanner is an electronic whip. They see to the centimetre where I put a parcel, monitor every move and prescribe wage deductions if we make a wrong move.”**

**DPD driver**

They were also never informed about the right to access this data. It is not clear why an almost complete tracking of the drivers should be necessary for operational reasons. In Unia's opinion, this data processing violates data protection. "PRE-DICT" enables customers to track where their parcel is in real time. Since parcels can obviously be assigned to individual drivers, they are also monitored in real time. This advertising gimmick for customers does not justify the monitoring of workers. It is therefore inadmissible.

For the drivers, the scanner is the new boss. The scanner specifies the time period (usually one hour) in which a parcel must be delivered. The time limits for the tours are calculated so unrealistically that the drivers often enter breaks into the

scanner in order to catch up during the break time. There is practically never time for a real break. The scanner is a boss who is always there and with whom one cannot argue. At the end of the month, it depends on his evaluation whether one remains employed, gets a fine or is rewarded with a bonus. If there are delays during the trips due to traffic or because the delivery windows are too tight, a DPD employee calls and reminds the drivers to stick to the PREDICT time guidelines.

**“In Unia's legal opinion, DPD clearly violates Swiss data protection legislation and the ban on behavioural monitoring through the PREDICT system. This must be urgently stopped by the authorities.”**

**Regula Dick, interim. Head of Legal Department of Unia**

### **1.3.4. Illegal penalties and wage deductions**

During the Corona crisis, drivers often worked 12 hours or more per day. Apparently, more mistakes were made, which is why DPD introduced a fine of 50 francs per penalty point in Bern in May 2020 (!). A similar system of fines existed before, but it is now interpreted more strictly. The subcontractor then deducts the fine from the driver's salary. A grid specifies for which mistakes during the work how many penalty points are imposed. Sometimes the drivers are also held liable for the packages themselves. If they receive too many penalty points, they are threatened with dismissal.

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## RE: PREDICT 05.2020

Hallo zusammen,

Leider stelle ich fest, dass sich viele Fahrer nicht an den PREDICTs halten und unsere Ergebnisse immer schlecht sind. Da dies die einzige Lösung ist, werden ab heute alle Fahrer, die sich nicht an die PREDICTs halten, eine Abmahnung (1 Punkt = 50 Franken.).

Ich danke Ihnen für Ihre Unterstützung.

Freundliche Grüsse / Meilleures salutations / Distinti saluti

.....  
.....  
Senior Depot Manager  
DPD (Schweiz) AG

” Hello all,

Unfortunately, I notice that many drivers do not follow PREDICT and our results are worse and worse. As this is the only solution, from today we will give all drivers who do not comply with PREDICT a warning (1 point = 50 francs).

Thank you for your support.  
Kind regards”.

Message of a DPD-Manager, Mai 2020

The penalties are in themselves unlawful. The employer would have to prove that real damage was caused. And even then, the driver would have to have caused the damage intentionally or negligently in order to justify a penalty. That is not the case here. The same problem applies to accidents at work and damage to cars. Here,

too, the drivers are regularly asked to pay illegally by the subcontractors.

**“I have had over 500 francs deducted from my wages several times because a parcel was stolen from the customer. But the customer had left a power of attorney with DPD to deposit the parcel. And I had simply done my job as instructed!”**

**DPD driver**

### 1.3.5. Work that is harmful to health

DPD generates profit by all means via the "DPD system". This includes accepting parcels over 33 kilograms, which are often refused by other service providers. The drivers have to carry these parcels to the door in the same time window as a small parcel. They often do not receive the prescribed tools for this. These practices clearly and systematically violate the Labour Code.



**“Sometimes the parcels pile up high on my passenger seat. When I drive off, my van is overloaded by several hundred kilos. That is dangerous. I'm very afraid of losing my driving licence if I get caught.”**

**DPD driver**

To be able to take all the parcels, the drivers often have to overload their vans. They bear the risk of being fined or having their driving licence revoked if they are caught by the police. There are no vehicle scales in most of the DPD depots to check the weight of the vans. The drivers report that they have often turned to the subcontractors for help because they are afraid of the penalties for overloading, but no measures have ever been taken. When DPD's order volume increases, the drivers have no choice but to overload.

The work in the "DPD system" is dangerous to health. The Unia secretaries are shocked by the state of health and exhaustion of the mostly young workers after meeting with them. Many show symptoms of great exhaustion and pain and problems with the musculoskeletal system.

Difficulties to switch off from work often lead to sleep problems. Almost all of them report that their physical and mental condition has deteriorated considerably since they started working for the subcontractor in the DPD system. There is little energy left for friends and families in the evening. It is systematically reported that young people break off friendships, stop doing sports and generally feel less desire to pursue pleasurable activities. Individuals are so exhausted after work that they can no longer mobilise energy even for their children, which leads to family tensions. The working day is marked by stress without breaks. Many run with packages in hand to avoid wasting time and get home earlier.

**“DPD is the rubbish truck of the courier services. It also swallows what is too heavy for the other courier services.”**

**DPD driver**

Most drink too little and eat only while driving - if at all. Toilet trips are minimised. Speed limits are often pushed, which also increases the risk of accidents. The constant search for parking spaces for the stops is also exhausting. Vehicles are often parked in non-permitted places because there is no time.



For many years, the drivers at the Bern depot have had to load their parcels in a tent designed as a temporary solution. The inside of the tent is unheated and the temperatures are the same as outside. Both the tent and the adjacent hall are heated with mushroom heaters, which are prohibited for private use. In the morning, around 100 workers are working at the Bern depot and share two toilets!

from the same country". There are increasing reports that drivers have been dismissed after three days of illness, sometimes without notice. Unia is even aware of dismissals after serious accidents at work that were not the worker's fault.

**“In one year, I lost 14 kilograms, I never had time to eat. Even at home you only think about work. At night you dream about it. The weekend is not enough to recharge the batteries.”**

**DPD driver**

Sickness cover is also poor. With some subcontractors, the first three days of sickness or sickness caused by an accident are unpaid, which is not legally permissible. Not only the coverage in case of illness is miserable, but also the treatment of the sick. Many employers reserve the right to call in their own doctor to check up on them, who, according to various employment contracts, "if possible, does not come

### 1.3.6. Anti-unionism

The corporate parent of DPDgroup, GeoPost International, has concluded a "Global Framework Agreement" with the international trade union umbrella organisation UNI Global Union, which is intended to safeguard trade union rights - which are also constitutionally protected in Switzerland. For example, in Article 4, "in order to ensure that workers can exercise their freedom of association - and specifically the right of all workers to form a trade union of their choice and to bargain collectively, [t]he management of GeoPost [...] undertakes to create a free and open environment concerning the exercise of freedom of association, and to ensure that managers always demonstrate a positive attitude and do not oppose the joining of a trade union or the exercise of rights as a trade union member".

The trade union Unia is a member of UNI Global Union and therefore a party to the agreement. Despite this, DPD Switzerland systematically tries to prevent its drivers' right to organised representation of their interests. Many drivers express their fear that they will be dismissed if they contact Unia and show a text message from the subcontractors (who seem to act directly on instructions from DPD) with instructions not to talk to the union.



Good morning everybody  
Many drivers stop by with the unia people in front of depot. Don't give any information

Extract from one of the team chats of a major subcontractor

DPD systematically reacts in an anti-union way in all depots where Unia union secretaries informed workers about their rights. Unia Organisers were often met with an aggressive atmosphere when distributing leaflets; they were mobbed by supervisors outside the gates and photographed in an intrusive manner.

**“Zurich [meaning the head office] has informed everyone that they will be fired if you talk to Unia.”**

**DPD driver**

After a leaflet distribution in front of a depot, Unia was even sent a completely inappropriate Switzerland-wide house ban (Schweiz) AG by DPD lawyers.

Anti-unionism has a system at DPD. In the summer of 2020, Unia represented some drivers in Geneva with their concerns. DPD refused to talk to them. Only after a public action and the intervention of the arbitration court of the canton of Geneva could serious talks be held, which were later, however, unilaterally broken off again by DPD. And this with the claim that all problems had been solved. Unia then tried to establish talks with the national DPD management. However, several written enquiries and attempted phone calls to the CEO Tilmann Schultze came to nothing. The offers of talks were either not responded to at all or with terse refusals.

On 9 February, Unia formally submitted the demands of the drivers to the management and demanded talks within two weeks. DPD replied in writing, categorically refused any talks and responded with threats of legal action against Unia and its workers. It is untenable and also contradicts the common practice of social partnership in Switzerland that the DPD employees and drivers and their union are not even worthy of a phone call to the DPD bosses.

## **Brief chronicle of trade union relations with DPD**

### **2004:**

Company collective agreement between DPD Schweiz GmbH, transfair and the trade union for the communication sector (now Syndicom). Subcontractors are included in the scope of application.

### **2016:**

The non-generally binding KEP+Mail CBA with the contractual partners KEP+Mail (employers' association) and Syndicom and transfair comes into force. DPD is also subject to this industry agreement. Subcontractors are no longer subject to it and there are no control mechanisms.

### **2017:**

GeoPost, owner of DPD (Schweiz) AG, and UNI Global Union reach an agreement on human and labour rights which apply to the entire DPD Group. It is agreed that subcontractors will also comply with the same standards: "Geo-Post(...) will not consider doing business with partners who do not comply with these standards. (Art. 5)".

### **2017:**

DPD complains about a SRF "Kassensturz" telecast ("Kurier-Fahrer klagen an: Miese Löhne und enormer Zeitdruck " of 7 February 2017). The telecast shows the DPD system from the point of view of a subcontractor and publicises it throughout Switzerland. The complaint is described as "embarrassing" by SRG ombudsman Roger Blum and rejected. Neither the control authority PostCom nor the cantonal authorities take measures that would make DPD ensure that the laws for the protection of drivers are observed. Drivers still describe it as a shock that no one intervened after this report.

### **Oktober 2019:**

Syndicom terminates the KEP+Mail CBA. Significant improvements and re-negotiations with all representative trade unions at the table are demanded.

### **January 2020:**

Workers at the DPD subcontractor Enesa Sarl in Geneva join Unia in addressing DPD and denouncing various grievances.

**February 2020:**

Both DPD Switzerland and the subcontractor Enesa Sarl refuse any talks and reject all allegations.

**March 2020:**

Unia organises a protest in front of the DPD depot in Geneva.

**May 2020:**

DPD bans Unia from its premises after Unia wanted to inform the drivers of their rights before they started work.

**May 2020:**

Unia tries several times to contact DPD CEO Tilmann Schultz by phone and in writing for an exchange. In the end, Schultz replies in a three-liner that he is not prepared to talk.

**May 2020:**

The Collective Conciliation Tribunal of the Canton of Geneva (CRCT) initiates proceedings at the request of Unia and summons DPD and the subcontractor to conciliation. It is agreed that negotiations will take place.

**June 2020:**

A DPD site manager sends an email to all subcontractors in his depot: "Inform all drivers that the trade union Unia wants to harm you and us. Anyone who contacts the union will be summarily dismissed."

**June 2020:**

Unia again addresses DPD CEO Schultze in a letter, referring to the obligations under the international agreement on trade union rights and proposing dates for an exchange. DPD does not reply.

**June 2020:**

DPD unilaterally breaks off negotiations with Unia in Geneva.

**Oktober 2020:**

Unia tries to address the grievances through social partnership via the KEP+Mail employers' association and applies to be involved in the upcoming contract negotiations as the association with the largest membership in the sector. Dates are proposed for initial preliminary talks. DPD plays the most important role in the employers' association alongside DHL.

**December 2020:**

The KEP+Mail association responds negatively to the offers of talks. From the reply letter: "There is no advantage for us but increased complexity if we extend the social partnership further."

Since then, Unia has systematically intensified its contacts in the sector and with DPD employees and drivers, spoken to around 200 of them and gathered information. The systematic and serious nature of the grievances is becoming increasingly clear. The attitude of the company and its industry association is unacceptable.

In the meantime, Unia has received a broad mandate from the drivers of DPD and also from employees in the depots to represent a list of 13 demands, which the union members have worked out themselves.

# Part 2:

## We drivers demand!

The "DPD system" is a driver of precariousness in the Swiss labour market. The labour law and the data protection law are systematically violated. DPD must correct this immediately and sit down at the table with its subcontractors and drivers and their trade union to negotiate how the wage theft of recent years can be recompensated. The control authorities - the national commission PostCom and the cantonal labour inspectorates - under whose eyes this system was able to establish itself, must do their part to ensure that the laws are again enforced at DPD and that the legal protection for the exploited workers is enforced.

### 2.1. The demands on DPD

1. All working time is recorded and paid. An overtime slip is handed out at the end of each month, which is checked and countersigned by the drivers.
2. All unpaid overtime for the last 10 years will be calculated and paid with 50% surcharge. Future overtime will be paid with the statutory surcharge of 25%.
3. All unauthorised deductions from wages for the last 10 years will be repaid.
4. For each tour, a maximum number of parcels is calculated which can be delivered during the contractually agreed working hours. This number is usually not exceeded, or the tours are adjusted accordingly.
5. The "PREDICT" monitoring system is abolished. The penalties system derived from it will be abolished without replacement.
6. A minimum wage of CHF 4250 is set; all employees and drivers also receive a 13th month's wage. The working hours are 42.5 hours per week for a full-time position.



7. Due to the special demands placed on the workforce in recent months and the sharp increase in DPD's 2020 revenue, a Corona bonus of half a month's salary will be paid to all employees..

8. Legal health and safety measures are strictly applied. A task force DPD / workers' representatives, Unia is founded. In particular, vehicle safety and Article 25, V3 ArG are regularly checked and strictly adhered to. Sanitary facilities and health protection are to be improved in many depots. Vehicle scales are installed in all depots. The Covid protection measures are presented to the employees and strictly adhered to.

9. DPD, like the other delivery companies, finds a customer solution that does not require a signature at the front door.

10. Joint and several liability will be introduced, whereby DPD will be liable for the misconduct of subcontractors, especially if they go bankrupt.

11. A limit is set on the number of workers employed through subcontractors and on temporary work. Temporary workers shall be permanently employed after 6 months at the latest.

12. These demands are negotiated with Unia and regulated in an agreement between the union and DPD. DPD is adapting all commercial contracts to implement this agreement at all levels of the supply chain. In addition, negotiations on a new collective labour agreement, to which the subcontractors are also subject, are needed quickly.

13. The trade union rights of the workers are respected, repression in the company stops immediately. Unia is accepted as a union mandated by a representative part of the workforce. Union members are provided with a notice board in all workplaces for union information and the possibility to call staff meetings. The international agreement between GeoPost International and UNI Global Union, as well as the Social Charter of the European Works Council GeoPost are applied.

The "DPD system" must be reformed so that DPD takes responsibility for working conditions.

One way to do this is to employ more workers directly. In addition, DPD must be held jointly liable if subcontractors do not comply with the rules. The subcontractors do not act independently because they are completely dependent on DPD.

Nevertheless, they are liable as entrepreneurs. Experience has shown that they do not (cannot) assume their responsibility. The subcontractors take refuge in bankruptcy as soon as the drivers demand their money back in court. The subcontractors, almost all of whom are registered as limited companies, have a limited liability of only 20,000 francs. In some cases, they already owe individual drivers sums in the high five-figure range.

The above-mentioned "Kassensturz" report of 7 February 2017 shows that subcontractors can also be victims of the "DPD system". This is also confirmed by Unia's talks with various contractors. Earning something without breaking the rules is hardly possible. In doing so, they endanger their company and themselves. If no wages are paid for thousands of working hours, it is also social security fraud. In the past, DPD itself was able to easily evade responsibility by shifting it to the subcontractors.

## Part 3:

# The social impact of the DPD system

The "DPD system" ruthlessly exploits those who work in it. But the system has even more far-reaching effects: DPD practices lead to dumping conditions in the logistics industry and beyond. It all looks like targeted action to win the price war against Swiss Post and other competitors - at the expense of workers and social services. It must be prevented that this business model prevails, and competitive advantages are achieved with questionable business practices. The DPD system is a model of social precarisation and an attack on the workers' movement, which has been fighting for human dignity at work for over 150 years.

As we have seen, the drivers are not contractually employed directly by DPD. The legal situation in this regard is at least controversial. One thing is certain: DPD, which is directly and indirectly controlled by the French state, is currently the prime pioneer of an indecent company model in Switzerland, which shifts a large part of the company's responsibility onto overstretched subcontractors and their employees. In terms of work organization, the drivers are completely integrated into the "DPD system", wear the DPD uniform, act as DPD representatives towards the customers and all drive the same vehicles with the DPD logo: as if they were employed by DPD.

When and how much the drivers work is indirectly determined by DPD. The subcontractors are obliged to cover their allocated routes, otherwise they face penalties that can drive them into bankruptcy, as newspapers in Germany have reported. For DPD this means being able to react very quickly to varying parcel volumes without incurring higher costs. When the flood of parcels increases, the drivers have no choice but to continue to do their tours and work countless hours of overtime. This gives DPD an advantage in the highly competitive postal market. DPD's system is carried out by subcontractors. They do not record the hours, do not comply with labour law, relieve the social insurances of millions. Not only DPD profits from this, the subcontractors can also make profits.

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**Winner of the crisis**

As DPD can settle with the subcontractors on a per-stop basis, costs can be kept low during periods of lower order volumes. While the increase in parcel shipments due to the Covid 19 pandemic in the spring led to delivery delays and quotas at Swiss Post, DPD was able to pass this pressure on to the subcontractors without any problems. According to DPD, parcel volumes in 2020 in Switzerland increased by 35% compared to the previous year. At the same time, the drivers tell us that the number of stops and thus the additional free work has increased massively in 2020. DPD is coping with the increasing order situation on the backs of the drivers.

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### **3.1. Is DPD acting unfairly?**

The "DPD system" is destroying the working conditions of an entire industry. Since wage costs make up a decisive part of the operating account in delivery, it is impossible for the competition to keep up with the rules when dumping providers like DPD save up to a third of wage costs with the practices described. Those who do not apply a similar system themselves come under pressure.

According to Unia's assessment, DPD is clearly violating the Unfair Competition Act (UWG). The company is at least instigating and perpetuating an anti-competitive situation, although according to our current knowledge this could be recognized and remedied. In Unia's view, DPD is required to report under the Postal Act and is thus obliged to "(ensure) compliance with the working conditions customary in the industry" (Art. 4 para. 3 lit. B Postal Act). In other words, DPD is obliged to monitor whether its subcontractors comply with the law and to intervene if violations are found. The opposite is the case. To the best of our knowledge, DPD stands idly by and encourages wage dumping, security dumping, wage theft and similar practices through its own business practices. This is matched by the fact that talks with trade unions, which are directly mandated by the

employees, are rejected. The SECO (ministry of economic affairs) and PostCom, the supervisory authority in the postal market, are called upon to act.

### 3.1.1. Work for DPD in the pandemic

The "DPD system" has led to untenable situations during the Covid 19 pandemic. Unia is often told that drivers are asked by the subcontractors to drive even if they have symptoms of illness. Several have even been asked to work despite a positive Covid test and not to tell their colleagues. This has led to a high risk of infection in the depots. When drivers with positive tests had to be quarantined, according to our information neither DPD nor the subcontractors were informed. Several drivers are sure that they have been infected at work. There are several reports that drivers with Corona had to take holidays during their absence or that their wages were withheld.



DPD Schweiz ist in Buchs ZH.  
15. Januar · 🌐

Wir sind weiterhin für dich da! 🙏 Trotz den erneut verschärften Massnahmen vom Bundesrat und dem bevorstehenden Lockdown ab dem 18.01.2021, sind wir weiterhin mit vollem Einsatz unterwegs. 🚚 Unsere Mitarbeitenden sind voller Energie und geben Vollgas, dass du dein Paket pünktlich erhältst. ✓ Bleib gesund!

AUCH WÄHREND DES LOCKDOWN WEITERHIN FÜR SIE DA.

» We are still here for you. Despite the government's renewed tightening measures and the upcoming lockdown from 18.01.2021, we are still on the road with full commitment. Our employees are full of energy and give full speed so that you receive your parcels on time. Stay healthy!»

Screenshot of DPD Switzerland Facebook page, January 15<sup>th</sup>, 2021

## **Appearance and reality at DPD Switzerland**

DPD Switzerland does not like it when the "DPD system" is illuminated. DPD responds to both internal and external criticism with pressure and lawyers. DPD filed a complaint against a report by the telecast "Kassensturz" on 7 February 2017. This was not approved on any point. But it shows how DPD proceeds in such cases: critics are defamed with baseless arguments and threatened with legal action.

Within the company, the picture is the same. Negative comments in internal networks are deleted, only positive things may be posted.

It gets really abstruse when you look at DPD's statements in public. DPD claims that the company has trained all drivers in 2020 and that the newcomers in particular have undergone special training. In response to one driver's assessment "worst employer, zero humanity, overtime is not paid, when there was a death in the family I had to quit to get to the funeral." DPD's HR manager responds by saying that this cannot be because DPD is subject to a collective labour agreement and compensates overtime with 25% extra pay or holidays.

In advertisements and interviews DPD regularly refers to "our drivers" or "our employees" and gives the impression that they are directly employed by them. For the real drivers - not the models like those used for the new PR campaign - this is a slap in the face.

In an interview with the NZZ in August 2017, the CEO of DPD Schweiz AG stated that he was angry about injustice. If this were true, he should be furious with his own company.

### **3.2. Abuses are known, but everyone looks the other way**

If it is widely known that laws are being systematically violated, it could be expected that law enforcement agencies would intervene. In this case, there would be a number of responsible authorities. The cantons and their labour inspectorates are responsible for enforcing the Labour law code. DPD is present at eleven locations and in as many cantons. But nowhere have improvements been achieved in recent years.

In the postal market there is another supervisory body that was created in the course of postal market liberalisation, the Swiss Postal Commission (PostCom). Now the postal laws are formulated in such a way that the subcontractors of postal service providers are not subject to reporting requirements and are thus not subject to direct supervision by PostCom. Furthermore, the Postal Act only applies to parcels weighing up to 20 kilograms. These are two important loopholes in the law that must be remedied.

What PostCom can do is sanction DPD directly. After all, the French company is responsible for ensuring that social legislation and the working conditions customary in the industry are observed by the

companies that act on its behalf. This is difficult to understand: According to our information, DPD has never been sanctioned by PostCom because of the working conditions at its subcontractors.

It is also astonishing why the direct competitors have never taken DPD to court under the Unfair Competition Act (UWG). This would probably be a promising undertaking, because according to Unia's assessment, the behaviour is unfair.

The social partners could also make a contribution to settling the problems. But DPD is doing everything it can to avoid sitting down at the negotiating table with the union that the workers in DPD overalls have mandated and continues to act in an anti-union manner.

The KEP+Mail employers' association also seems little interested in concluding more than token collective agreements to meet the requirements of the Postal Act, which imposes a CLA bargaining obligation on employers. The last collective agreement of the association explicitly excluded subcontractors.

A collective agreement that excludes a large proportion of the workers concerned is of little value. Rather, it creates incentives to operate outside the CLA and to

outsource work. Unia and its members want to change this and call on the employers' association to negotiate a collective labour agreement to which DPD and the subcontractors are subject, and which addresses problems and does not turn a blind eye to them.



### 3.3. Better regulation of the transport sector

In addition to law-abiding employers and good controls, improved framework conditions adapted to the current situation are needed. Unia has three demands in this regard:

#### 1. Digital tachographs for the professional transport of goods with vehicles weighing 2.4 tonnes or more

The future of goods transport is smaller and more mobile. Politicians must take this into account and adapt the laws by lowering the weight limit for the tachograph obligation to 2.4 tonnes (today: from total weight over 3.5 tonnes). This step was decided by the European Union in 2020, and Switzerland must quickly follow suit in this regard. In addition to increased road safety, the tachographs must at the same time be used as an effective control instrument for the recording and observance of working hours.

#### 2. A postal law regulating parcels over 20 kilograms

A separate logistics channel must be created for heavy parcels. For parcels over 20kg, there is no statistical data and hardly any regulations. This has to change.

#### 3. Joint liability for the logistics and transport sector

Germany goes one step further and introduced a general contractor liability for the logistics and transport industry at the end of 2019. Social security contributions and outstanding wage payments can thus be claimed from the general contractor - the company that de facto provides the entire service, like DPD. A similar regulation has existed in the Swiss construction industry since 2013 and has proven its preventive and dissuasive effect against wage dumping and social benefit cheating. An effective joint liability for the entire sector is the only way to prevent new players from entering the market with a dumping strategy. Those who control the entire value chain should also bear the liability for it.

# Closing words

The Corona crisis is changing our way of life and inequality in the workplace. While parcels are increasingly ordered by people in home office and thus online trade is exploding, the delivery workers - with their little weight in the labour market - are being worn down in the competition between multinational companies and the Swiss Post in the delivery industry.

The struggle for dignified working conditions at DPD should inspire us to achieve long overdue regulated and dignified working conditions with an effective control system in online trade, delivery and generally in the logistics and transport sector. Perhaps one day we will look back and see this scandal of the 'DPD system' as the beginning of a positive long-term development. At least that is what we hope.

Until then, the 'DPD system' is an example of a systematic and intolerable exploitation of the weakly controlled laws in the Swiss labour market. And last but not least, it is emblematic of a privatisation of the postal market without effective accompanying measures, in which the worst fears for employees are realised.

