30 April 2018

Setting up Mailmark participants and Supply Chain IDs correctly

Dear customer,

Since June 2017, we have been discussing with you how best to resolve non-compliant supply chains that were set up pre-June 2017. We have listened and considered all customer comments and concerns to guide us in developing solutions that make it easier to use Mailmark.

Following discussions with customers, I write to confirm the circumstances when the mail originator participant does not need to be specifically identified as one of the four participants in a supply chain. There are 4 exceptions: exception for mail originators posting less than 200,000 items per annum; exception for certain consolidation mailings; an interim exception for Business Mail postings to avoid low container fills; and the exception we announced last June for mail producers postings less than 3 million items per annum. We wish to remind customers using SCIDs under an exception policy that such postings will not be eligible for Royal Mail incentives.

Having the correct mail originator is important
Mailmark enables us to transform the way we manage incentives enabling you and your customers to take advantage of the many incentives we introduced. It enables us to process applications and apply your customers' credits accurately, quickly and much more efficiently. We can approve applications in hours rather than days and industry suppliers need not spend time chasing data. We can only do this if the company for whom mail is being prepared is correctly set-up as the Mail Originator. The incentive programme is increasingly popular: since April 2016, we have accepted 310 applications with more requests coming in regularly.

Mailmark also enables transparency of postings to each participant in the supply chain and provides valuable insight into your supply chain's performance. If set up correctly, it makes for efficient reporting for all participants: from the Mailmark report, adjustments to a posting can be allocated by you precisely and accurately to the appropriate participant.

If Mailmark is used correctly it can transform the way mail originators ("end customers") view mail as it starts to provide the same transparency that other media channels offer. End customers can: see where mail is and when it's going out for delivery; flex resource in the contact teams based on when the mail will land; see the status of their mail and the quality of their address data. This adds value to mail and thus may encourage end customers to continue to use mail, benefitting us all.

For the avoidance of doubt Royal Mail does not store names and addresses of individuals and is totally compliant with the Data Protection Act.

Creating a SCID

This is a supply chain that has been created by you (or on your behalf) in line with the Mailmark participant structure as defined in the Mailmark Schedule and the Mailmark Participant T & Cs in which you have entered whereby:

- **Mail Originator –** is the participant for whom the mail is being produced and delivered;
- **Mail Producer –** is the participant responsible for producing (including printing and enclosing) the Mailmark barcoded mailing items within a bulk mail consignment;
- **Carrier –** is the participant that provides the transportation of consignments to Royal Mail;
- **Bill Payer –** is the participant that pays Royal Mail for the consignment against which an eManifest has been uploaded.

Exception policies for SCID set up

Mailmark should be readily accessible to all and whilst the majority of Mailmark postings we receive are made using correctly set-up SCIDs, we have learnt from talking to you that it is not practical for all Mailmark postings to adhere to the standard supply chain structure. Frankly, without us applying some degree of pragmatism, some customers simply would not use the service. We will therefore accept certain Mailmark postings using SCIDs that have been set-up by exception in the following circumstances:
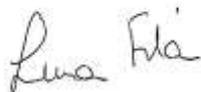
- exception for mail originators posting less than 200,000 items per annum;
- exception for mail producers postings less than 3 million items per annum;
- exception for <u>certain</u> consolidation mailings; and
- an interim exception for Business Mail postings to avoid low container fills.

For more detail on these exceptions, please find attached a Mailmark guidelines document on creating supply chains that we trust you will find helpful and make it easier for you to use the Mailmark service. A copy of this document is now published on our website.

Next steps

If you are a customer using SCIDs that were set up pre-June 2017, we ask you to please check the attached SCID guidelines document to see if they are now eligible under the SCID exception policy. If they are not eligible for an exception, we ask you to contact us to change them to correct SCIDs as soon as possible. We will, in any case, put an end date of **30 July 2018** for all incorrectly set up SCIDs and customers will no longer be able to post using incorrect SCIDs from this date.

Yours sincerely,

Luisa Fulci
Regulated Products Director
Consumer and Network Access

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