



UN Global Compact
Communication on Progress (COP) 2008



Deutsche Post  World Net
MAIL EXPRESS LOGISTICS FINANCE

Message from Our Chairman



Dear Readers,

Deutsche Post World Net is the world's market leader in logistics. With our workforce of more than 500,000 employees, we are engaged in just about every country in the world.

In our efforts to become the best in our industry, economic factors are far from being the only critical concerns. We must also live up to our responsibility toward employees, society and the environment. The principles of sustainability and social responsibility are of special importance here.

Our partnership with the United Nations is one example of Deutsche Post World Net's social engagement: we work closely with the United Nations Development Programme (UNDP) and the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) in the area of disaster management. Furthermore, we have a global partnership with the United Nations Children's Fund (UNICEF) in order to reduce child mortality.

In July 2006, Deutsche Post World Net joined the United Nations Global Compact. In our first Communication on Progress covering sustainability at our Group we are pleased to share with you the steps we took between 2006 and 2008. Additionally, we present you future steps we take to meet the principles of the Global Compact. These include Codes of Conduct for our own company and for our suppliers as well as environmental guidelines.

As we explore new approaches to employees, society and the environment, we build on proven practices and constantly renew our commitment to the principles of the UN Global Compact. We practice our Corporate Values, and our Code of Conduct represents an ongoing duty for each individual every single day.

I invite you to find out more about our commitment to the UN Global Compact in this report, which is complemented by our 2008 'Changing Ways' sustainability report.

Sincerely,

A handwritten signature in black ink, appearing to be 'F. Appel'.

Frank Appel
Chairman of the Board of Management

Sustainability at Deutsche Post World Net

Deutsche Post World Net is the global market leader in logistics. Our Deutsche Post, DHL and Postbank brands stand for a wide range of integrated services and customized solutions for the management and transport of letters, goods, information and payments. We provide superior logistics services to help our customers be even more successful in their markets.

Our goal is not just to maintain and improve our position as the market leader in logistics. We are making changes our stakeholders and employees expect, while uniting our organization behind the goal of becoming the world's leading sustainable logistics business. At Deutsche Post World Net, we see sustainability as everyone's responsibility. All of us are answerable to our Board of Management for fulfilling the spirit of our Corporate Values, our Code of Conduct and our First Choice strategic program, which focuses on continuous improvement.

During 2007, we made progress in bringing local managers together in two formal networks: one for the environment and another to coordinate our volunteering and community investment initiatives. In addition, our first global summits of environmental and CSR managers in 2007 helped improve consistency in environmental management and community involvement across our operations.

We are committed to the principles of the UN Global Compact and support UN goals through partnerships.

Society: Working Together for Change and Strategic Partnership with the United Nations

One of our major interests is to help people in need by drawing on our closely-knit logistics network, our core areas of expertise and the volunteer work of our employees.

As a result of our long-term involvement in relief efforts, we initiated and launched a global humanitarian partnership in the field of disaster management with the United Nations Development Programme (UNDP) and the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) in 2005.

By the end of 2007, we had established a global network of three DHL Disaster Response Teams (or 'DRTs'): DRT Middle East and Africa, DRT Asia Pacific and DRT Americas. DRTs are made up of expert employee volunteers and respond to formal requests from UN OCHA and national governments to help ensure that essential relief supplies reach people af-

ected by major natural disasters. DRTs comprise nearly 200 volunteers and are able to respond in all locations that are at high risk of experiencing a major natural disaster. DRTs have been deployed three times since 2005 and improved the ease of handling humanitarian aid at airports and offer warehouse management to help avoid bottlenecks.

In 2006, we launched a global partnership with the United Nations Children's Fund (UNICEF). We want to find ways to support UNICEF's efforts by facilitating access to health services in developing countries. In a three-year pilot program in Kenya, we distributed around 3.5 million mosquito nets that have helped cut Kenyan child malaria deaths by 44%. We plan to expand this to other African countries as well as those in Asia and in South and Central America.

Besides the United Nations' partnership our employees contribute to hundreds of local community-based projects.

Environment: Changing our Impact

As the worldwide leader in logistics, we feel we have a particular obligation to help tackle the causes of climate change. That's why we launched our global climate protection program, GoGreen, in April 2008. We are the first major logistics company to set a measurable goal of improving our CO₂ efficiency.

We set ourselves a target of a 30% improvement in our global CO₂ efficiency by 2020 – covering CO₂ emissions from our own operations and from our subcontracted transportation services. To help us track our progress toward achieving this goal, we have set ourselves a 10% CO₂ efficiency improvement target by 2012 for our own operations. Both of these targets will be measured against our efficiency in 2007. We are also enhancing our systems to monitor our efforts.

We are addressing our contribution to climate change, air and noise pollution and our use of natural resources – particularly paper for printing and packaging.

Employees: Developing Employees, Protecting Lives

Another pillar of the Group's sustainability strategy is to become the employer of choice for its more than 500,000 employees. A 'Corporate Health Policy' has governed Group-wide work and health protection around the world since 2007, and a binding 'Road Safety Code' has been developed.

The 10 Principles: Our Progress

PRINCIPLES	COMMITMENT	SYSTEMS	ACTIONS	PERFORMANCE
Human Rights				
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>We respect human rights within our area of influence and operate our businesses in such a way as to make us an exemplary employer (SR, p. 41).</p> <p>We support a working environment conducive to good health, and we try to raise our employees' consciousness of how to maintain healthy lifestyles (SR, p. 12).</p>	<p>Code of Conduct (SR, p. 8)</p> <p>Supplier Code of Conduct (SR, p. 27)</p> <p>Global Road Safety Initiative (SR, p. 12)</p> <p>Corporate Health Policy (SR, p. 36)</p>	<p>Launched Code of Conduct (SR, p. 8)</p> <p>Implemented diverse communication activities for Code of Conduct using internal media, workshops and training. In particular, Web-based training for reaching a broader community of employees has been implemented.</p> <p>Rolled out Supplier Code of Conduct (SR, p. 27)</p> <p>Ran broad-based campaign in support of Corporate Health Policy and introduced measurement system (SR, p. 12)</p> <p>Instituted a health guideline for early detection and prevention of health risks (SR, p. 29)</p> <p>Signed the European Commission's European Road Safety Charter (SR, pp. 12, 37)</p>	<p>Distributed more than 1.5 million flyers, brochures and posters about road safety (SR, p. 38)</p> <p>Informed some 76,000 employees in Germany and Austria about road safety (SR, p. 38)</p> <p>Our health management in Germany is ISO 9001:2000 certified (SR, p. 37).</p>
Labour Standards				
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.</p> <p>Principle 5: Businesses should support the effective abolition of child labour.</p> <p>Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.</p>	<p>We respect the basic principles of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, in accordance with national laws and practices (SR, p. 41).</p> <p>Skills, performance and ethical conduct shall be our only indicators for employee qualification. We will not discriminate or tolerate discrimination with respect to gender, race, religion, age, disability, sexual orientation, national origin or any other protected characteristic.</p>	<p>Code of Conduct (SR, p. 8)</p> <p>Supplier Code of Conduct (SR, p. 27)</p> <p>German Corporate Governance Code (SR, p. 8)</p> <p>Employee representative forums (SR, p. 41)</p>	<p>Implemented MIDEAL program to promote nondiscriminatory behavior (SR, p. 33)</p> <p>Continued work in Deutsche Post World Net Forum (SR, p. 41)</p> <p>Implemented the commitments continuously in daily work</p>	<p>Continuous monitoring</p> <p>Regular screening as to number of employees having participated in Web-based training</p>
Environment				
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. All departments in the company have a role to play in minimizing our impact on the environment (SR, p. 10).</p> <p>Responding to climate change is our number one environmental priority (SR, p. 18).</p>	<p>Climate protection strategy (SR, p. 18)</p> <p>Six-step approach to environmental management (SR, p. 18)</p> <p>Emissions targets (SR, p. 19)</p> <p>GOGREEN products and services (SR, p. 24)</p>	<p>Set interim goal of improving our carbon efficiency by 10 % by 2012 (SR, p. 19)</p> <p>Increased the number of ISO 14001 certified sites (SR, p. 18)</p> <p>Launched GoGreen program in April 2008 (SR, p. 18)</p> <p>Launched new GOGREEN products and services, and expanded program to new markets (SR, p. 24)</p> <p>Held global summit of environmental and CSR managers in 2007 (SR, p. 10)</p>	<p>As of the end of 2007, 40% of employees work under ISO 14001 audited systems – up from 35% in 2006 (SR, p. 18).</p> <p>Additional GOGREEN products and services offered (SR, p. 24)</p> <p>DHL Innovation Center performs research on fuel-saving strategies.</p>
Anti-Corruption				
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>We are committed to compliance with international anti-bribery standards as stated in the Global Compact, as well as compliance with local anti-corruption and bribery laws.</p>	<p>Code of Conduct (SR, p. 8)</p> <p>Supplier Code of Conduct (SR, p. 27)</p> <p>Global Values Office with Clearing Committee and an Integrity Board (SR, p. 8)</p>	<p>Prohibited bribery and extortion in Supplier Code of Conduct (SR, p. 27)</p> <p>Prohibited suppliers via Supplier Code of Conduct from giving gifts to DPWN employees to affect conduct of business (SR, p. 27)</p> <p>Set up network of 12 regional Values Officers (SR, p. 8)</p> <p>Set up hotline and Web-based reporting service (SR, p. 8)</p>	<p>In 2007, our Global Values Office, working closely with the business units involved, investigated reports and brought them to conclusion (SR, p. 8).</p>

SR = Pages refer to our Sustainability Report 2008

Commitment – a statement of specific commitments. **Systems** – a description of policies, programs and management systems used to address each principle. **Actions** – a description of practical actions taken during the reporting period. **Performance** – a description of the impact of systems and tangible outcomes of actions.

Human Rights

We respect human rights within our area of influence and operate our businesses in such a way as to make us an exemplary employer. In addition, as one of the 10 largest private employers in the world, we support a working environment conducive to good health.

Code of Conduct. In 2006, we launched a binding Code of Conduct that integrates our 7 Corporate Values:

- 1) To deliver excellent quality
- 2) To make our customers successful
- 3) To foster openness
- 4) To act according to clear priorities
- 5) To act in an entrepreneurial way
- 6) To act with integrity internally and externally
- 7) To accept social responsibilities

The Code of Conduct contains clear guidelines and rules for everyone working in any of our regions and business units. We are using our networks to roll out a voluntary e-learning program, launched in January 2008.

Supplier Code of Conduct. Our Supplier Code of Conduct helps us encourage suppliers to adhere to ethical and environmental standards. It covers areas such as child labor, forced labor, compensation, working hours, discrimination, health and safety, business continuity planning, improper payments / bribery and the environment.

The Supplier Code of Conduct rollout is underway and will be supported by seminars and an e-learning program for procurement staff, as well as with face-to-face seminars. It will form part of new procurement contracts and existing long-term agreements.

Global Road Safety Initiative. For a logistics corporation, traffic safety is of paramount importance. We were consequently one of the first large logistics companies to sign the European Commission's European Road Safety Charter in 2006.

In addition, we launched a Group-wide Global Road Safety Initiative in January 2007. The goal is to heighten the awareness of people on the road for Deutsche Post World Net of

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the dangers associated with driving. The initiative is international in scope, extends over several years and includes an information campaign about defensive driving. At its core is our Road Safety Code, which applies throughout the Group. The Code has seven fundamental rules which are designed to make driving safer. We distributed more than 1.5 million flyers, brochures and posters about the subject in Germany and Austria alone. Additionally, we provided information to 76,000 employees in Germany in support of road safety.

Corporate Health Policy. At Deutsche Post World Net, we base our Group-wide health management on our Corporate Health Policy, which is in turn based on international standards and treaties. These include the Global Strategy on Occupational Health for All, the Declaration on Workers Health of the World Health Organization, the Ottawa and Bangkok Charters for Health Promotion of the World Health Organization, the ILO conventions on health and safety at work and the Luxembourg Declaration on Workplace Health Promotion.

We actively manage health and safety risks, providing employees with regular information about occupational health and safety – i.e., avoiding accidents and illnesses and maintaining a healthy lifestyle. Our employees may be examined by our company doctors and receive consultations. For questions concerning safety and related issues, they can consult our occupational safety and dangerous goods specialists or access information on our Intranet.

Introducing our Corporate Health Policy in November 2007 enabled us to further develop our global health management. We also introduced Group-wide definitions of key performance indicators (KPIs) such as accident and sickness figures. The KPIs facilitate more precise and systematic recording and analysis of all sickness-related absences and accident rates for all the regions in which we operate.

We have established concrete, division-wide pandemic preparedness plans which we systematically refine and update. Our cross-divisional Pandemic Steering Team developed informational and educational documents for employees. In these documents, we provide counsel as to how the risk of infection can be recognized and objectively evaluated, as well as how to protect employees, customers and the general public from further infection in the event of an infectious outbreak.

Our health management in Germany is certified in line with ISO 9001:2000, and we have received numerous awards for it.

Occupational health and safety (Deutsche Post AG)	2006	2007
Number of accidents with more than one day off, including accidents on the way to work ¹	12,824	11,555
Rate of accidents per 1,000 employees ⁴	70	63
Number of days off due to accidents during full calendar year	280,351	242,053
Average number of days off per accident ⁴	21.9	20.9
Number of work-related fatalities ²	2	3
Sickness rate in % ^{3, 4}	6.2	6.4

¹The decline in accident figures between 2006 and 2007 is related to the introduction of our Global Road Safety Initiative in 2007. ²All fatal accidents occurred in traffic. ³In 2007, we changed our calculation of sickness rate by considering part-time employees as full-time employees and deducting weekends, holidays and vacations. This resulted in a higher sickness rate than that of the last report. ⁴Annual average.

Labour Standards

We respect the basic principles of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, in accordance with national laws and practices.

Skills, performance and ethical conduct shall be our only indicators for employee qualification. We will not discriminate or tolerate discrimination with respect to gender, race, religion, age, disability, sexual orientation, national origin or any other protected characteristic.

Code of Conduct. With our Code of Conduct, Deutsche Post World Net has accepted the basic principles of the United Nations' Global Compact and the International Labour Organization. We continuously monitor our progress in adhering to these principles.

We educate our apprentices about the importance of tolerance and openness in working together. 'MIDEAL,' a German acronym standing for 'Living together at work,' stresses the importance of nondiscrimination and nonviolence.

A multinational company like Deutsche Post World Net attracts people from all parts of the world and from all walks of life. Diversity management seeks to develop this potential in an effort to secure long-term success. In December 2007 we joined the 'Charta der Vielfalt' (Charter of Diversity).

Supplier Code of Conduct. The Deutsche Post World Net Supplier Code of Conduct explicitly forbids child labor, forced labor and discrimination, and it stresses the importance of core labor principles.

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

Businesses should support the elimination of all forms of forced and compulsory labour.

Principle 5:

Businesses should support the effective abolition of child labour.

Principle 6:

Businesses should support the elimination of discrimination in respect of employment and occupation.

German Corporate Governance Code. As a German stock market-listed company, we have a dual management and supervisory structure. The Supervisory Board is made up of ten shareholder representatives who are elected at the Annual General Meeting, and a further ten representatives who are elected by employees. The majority of the Supervisory Board members are independent, in compliance with the German Corporate Governance Code.

Employee Representative Forums. Respectful and constructive work with our elected employee representatives is important to us. That is why, based on conditions and practices particular to given countries, we work actively with trade unions and works councils.

We promote social dialogue within the European Economic Area. We have established our own forum of works councils – the Deutsche Post World Net Forum. In it, cross-border European matters are heard and discussed.

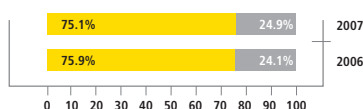
Apprentices and trainees	2006	2007
At Deutsche Post AG (as of December 31)	3,223	2,894
– women (%)	36.6	36.6
– men (%)	63.4	63.4
At Deutsche Post World Net (including Deutsche Post AG) ¹ (annual average)	4,878	4,469
– women (%)	35.1	36.1
– men (%)	64.9	63.9

¹These figures include apprentices and trainees working both in Germany and for the Group worldwide. (The data for apprentices and trainees according to gender were surveyed from Deutsche Post World Net companies in 2006 and 2007. Mapped are 99.7% [2006: 89.3%] of all employees [head count].)

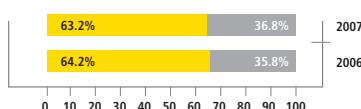
Employees by gender (2006–2007) annual average

Management¹

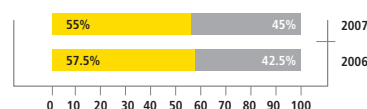
Men Women



Professional²



Non-management³



¹Management employees have formal responsibilities for such matters as discipline and performance management. ²Professionals typically perform analytical, conceptual or creative tasks.

³Non-management employees typically perform administrative tasks or ones requiring physical exertion. The data on employees by gender were surveyed from Deutsche Post World Net companies in 2006 and 2007. For 2006, these data covered 65.2% of all employees (headcount) of Deutsche Post World Net (2007: 63.0%).

Environment

The environment is at the heart of our sustainability-based approach. As the Brundtland Commission stated in 1987, "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Responding to climate change is our number one environmental priority: we want to help preserve the environment for future generations.

Managing Our Environmental Challenges. To enable a structured, consistent and well-organized approach to continually improving our environmental performance at a local level, we introduced a six-step process for environmental management. This helps our global network of environmental managers roll out management systems compliant with the ISO 14001 standard. The process starts with basic, minimum standards, progressing to 'best in class' and ultimately toward achieving our vision of embedding the principle of sustainability in our day-to-day operations.

Each of our businesses is working to develop objectives and timelines for implementing the six-step process. Already, we have made significant progress in implementing ISO 14001 certified environmental management systems.

We are also enhancing systems to monitor our efforts. One way is by increasing the percentage of employees operating under ISO 14001 audited systems. During the reporting period, we introduced ISO 14001 audited systems in more operations locations. As of the end of 2007, 40% of our employees work under ISO 14001 audited systems – up from 35% in 2006.

GoGreen. In early 2008, we announced our most significant response to climate change and other environmental challenges to date – our new and comprehensive GoGreen program.

GoGreen is a key strategic priority for our business. It brings together all our efforts to manage our climate change impacts across all our divisions, regions and countries. It will also help us improve the way we manage environmental impacts under local regulations, such as air quality, noise emissions and our use of paper and other resources.

The aim of the GoGreen program is to change our ways and make the transport of goods more climate-friendly. All of our divisions are involved, and we have already expanded the program to new markets.

As the first major logistics player in the world, we have set ourselves a target of 30% improvement in our global CO₂ efficiency by 2020 – covering CO₂ emissions from our own operations and from our subcontracted transportation services.

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

To help us track our progress toward achieving this goal, we have set ourselves a 10% CO₂ efficiency improvement target by 2012 for our own operations. Both of these targets will be measured against our efficiency in 2007.

The initiatives and developments we have underway include the following:

- Upgrading our fleets of road vehicles and aircraft to improve emission standards and fuel efficiencies and to operate more alternative-fuel road vehicles
- Implementing more climate-friendly design and operational changes at our facilities, and increasing our use of energy from renewable sources
- Encouraging the personal commitment of our staff
- Offering customers solutions that help them make informed decisions on the cost and the carbon impact of their logistics and supply chains
- Offering customers the option of carbon-neutral shipping services

We are also working to cut emissions through the DHL Innovation Center, which performs research on how to optimize route planning or use vehicles with alternate fuels, among other areas.

We cannot meet our environmental targets alone. That's why we have specified environmental guidelines in our Supplier Code of Conduct. It says that the supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment.

GOGREEN – Environmentally Friendly Products. GOGREEN is also the brand name of our range of low-carbon and carbon-neutral shipping products and services – a world first.

The emissions incurred by a GOGREEN item are offset by internal and external climate protection projects. A GOGREEN parcel thus becomes a CO₂ neutral item. Any CO₂ emissions incurred in the course of transporting a GOGREEN item are first calculated and then offset. The DPWN Carbon Management makes this calculation in line with a certified procedure (ISO 14064).

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

We are committed to compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws.

Code of Conduct. We trust that the excellence of our services is the key to our business success. Therefore we will deal with all our customers, suppliers and government agencies in a straightforward manner and in compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws. This includes any transaction that might appear to be arranged for granting concessions or benefits.

Supplier Code of Conduct. Our Supplier Code of Conduct says, in particular, that the supplier may not offer services, gifts or benefits to DPWN employees in order to influence employee conduct in representing DPWN.

Global Values Office. In parallel to the launch of our Code of Conduct, we established a Global Values Office with the purpose of managing the roll-out of the Code and ongoing compliance management. Employees can report serious incidents relating to accounting and financial irregularities via the dedicated hotline and Web-based reporting service that we launched in the summer of 2006. A Clearing Committee and an Integrity Board were established in 2006 to support the Global Values Office.

It is completed by our network of 12 regional Values Officers. Values Officers coordinate and respond to employees' questions about our Code of Conduct. In 2007, our Global Values Office, working closely with the business units involved, investigated reports and brought them to conclusion.

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