

## Non-financial Performance Indicators

### Employees

#### Workforce remains strong

People are the driving force behind logistics. Our company has qualified and dedicated employees around the world working towards its success. As at 31 December 2008, the Group employed 451,515 people (full-time equivalents). Although the total number of employees remained nearly the same as the previous year, the number of civil servants dropped further to 51,304. Staff costs increased by 4.8% year-on-year, from €17,169 million to €17,990 million.

In the MAIL Division, the number of employees fell by 1.9% to 142,674. The number of full-time equivalents declined primarily in Germany after we increased productivity there. Staff reductions also resulted from the further reorganisation of the retail outlet network.

Measured against the previous year, the number of people employed in the EXPRESS Division fell by 3.9% to 108,275. This can be primarily attributed to restructuring our US business. By contrast, the number of full-time equivalents in the GLOBAL FORWARDING/FREIGHT segment rose by 5.9% to 41,499, precipitated by acquisitions and organic growth. The increase in the SUPPLY CHAIN/CIS Division of 2.2% to 143,786 is also a result of organic growth.

The number of employees in the Corporate Center/Other unit fell by 1.7% as a result of streamlining efforts in the service departments such as IT, Accounting and Real Estate. The staff level there was 15,281 at the end of the year under review.

→ Note 14

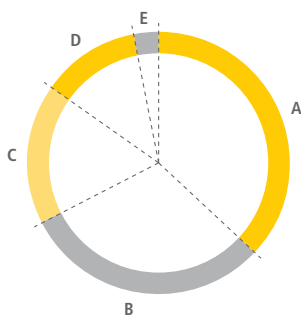
#### Number of employees

	2007	2008	+/-%
<b>Continuing operations</b>			
<b>At year-end</b>			
Headcount <sup>1)</sup>	512,147	512,536	0.1
Full-time equivalents <sup>2)</sup>	453,626	451,515	-0.5
<b>By segment</b>			
MAIL	145,458 <sup>3)</sup>	142,674	-1.9
EXPRESS	112,727	108,275	-3.9
GLOBAL FORWARDING/FREIGHT	39,200 <sup>3)</sup>	41,499	5.9
SUPPLY CHAIN/CIS	140,694 <sup>3)</sup>	143,786	2.2
Corporate Center/Other	15,547 <sup>3)</sup>	15,281	-1.7
<b>By region</b>			
Germany	170,258	167,816	-1.4
Europe (excluding Germany)	133,137	136,649	2.6
North, Central and South America	87,185	78,212	-10.3
Asia Pacific	51,852	55,182	6.4
Other	11,194	13,656	22.0
<b>Average for the year</b>			
Headcount	500,252	511,292	2.2
Hourly workers and salaried employees	443,584	456,149	2.8
Civil servants	52,809	51,304	-2.9
Trainees	3,859	3,839	-0.5
<b>Full-time equivalents</b>	<b>447,626</b>	<b>456,716</b>	<b>2.0</b>
<b>Discontinued operations</b>	21,474 <sup>3)</sup>	21,127	-1.6

1) Including trainees. 2) Excluding trainees. 3) Restated.

**Employees by regional split<sup>1), 2)</sup>**

A	37.2%	Germany
B	30.3%	Europe (excluding Germany)
C	17.3%	North, Central and South America
D	12.2%	Asia Pacific
E	3.0%	Other



1) Full-time equivalents as at 31 December 2008.  
2) Continuing operations.

We employ people in more than 220 countries and territories across the globe. Their regional distribution is illustrated by the adjacent diagram. Germany remains the country with the largest number of employees, although the workforce there is diminishing. In the rest of Europe, in Asia and the other regions, the number of employees has risen dramatically in some cases; in America, however, the number has fallen due to restructuring of the express business.

**New collective pay agreements settled**

On 30 April 2008, Deutsche Post AG and the trade union Verdi reached an agreement in their collective-bargaining negotiations for the around 130,000 Deutsche Post AG employees. The employment pact for employees covered by the collective-bargaining agreement, which rules out layoffs, was extended to 30 June 2011. In addition, these employees received a one-time payment of €200 for the months of May to October 2008 and a 4% wage increase effective 1 November 2008. Beginning in December 2009, wages will rise another 3.0%. Employees subject to collective-bargaining agreements will continue to work a 38.5 hour work week. In return, paid breaks have been reduced by 48 minutes per week. The collective agreement will end on 30 June 2010. New collective agreements were also concluded for the around 5,500 staff members in subsidiaries.

**Exemplary health management**

We look after the health and well-being of our workforce – if nothing else to help maintain their performance on the job. To do this, we developed a Group-wide programme based on the Corporate Health Policy we adopted in the previous year. The programme comprises, for example, the Health Promotion Award, with which we recognise exemplary health initiatives each year. At 6.6%, the illness rate at Deutsche Post AG in Germany remains once again at a low level (previous year: 6.3%). In December 2008 we were awarded the German Corporate Health Award for our corporate health management. The award was granted by the EU Commission and the *BKK Bundesverband* (German federal association of company health insurance funds) as part of the Move Europe campaign. The certification of our occupational health and safety organisation's quality management system was renewed.

**Safety at the wheel – traffic safety campaign sees worldwide success**

We successfully continued the road safety campaign we started last year. The Global Road Safety Initiative showcased information on safe and considerate driving practices and helped keep the annual accident rate at a consistently low level. The initiative also supported our climate protection programme. The initiative received special recognition in the form of the 2008 DuPont Safety Awards, which it won for the category “most innovative approach”. We will continue the campaign until at least the end of 2009.

**Job offers for all eligible trainees**

We view the training of young people as an investment in the future and an important contribution to our socio-political commitment. In 2008, we hired around 1,600 trainees in Germany. The spectrum of 17 traineeships ranges from courier, express and mail services to studies at *Berufsakademien* (German universities of co-operative education). We were able to offer employment to all eligible trainees in the 2008 class, clearly surpassing the 30% target for trainees in classes 2007 to 2009 set forth in the training pact made with Verdi.

**Customised training programme**

We foster our particularly capable trainees in our top trainee programme, which is intended for the top 5% of our around 3,800 trainees and *Berufsakademie* students in Germany. We guarantee permanent employment to participants who successfully complete the training programme, creating an additional incentive for performance and commitment.

*Perspektive Gelb* is our programme to help youths who are finding it difficult to obtain apprenticeships to broaden their horizons with a traineeship at Deutsche Post. As in previous years, the programme provided 300 trainee positions. In the year under review, we hired just under 90% of the 263 participants in the 2007 class.

**Innovative human resources marketing**

The new initiative Discover Logistics aims to present logistics as an exciting industry of the future and showcase DHL as an attractive employer. In the year under review, 8,500 users from 122 countries signed up for [dhl-discoverlogistics.com](http://dhl-discoverlogistics.com), an online platform.

Our online [career portal](http://dpwn.com/career) has once again proven to be a fitting recruiting tool in the age of the internet. Each year, we advertise more than 16,000 jobs online and our database already includes over half a million candidates. As in 2007, the Swedish market research institute Potentialpark Communication ranked our career portal as number one in Germany and Europe in their Top Employer Web Benchmark 2008 ranking.

**Online training offers expanded**

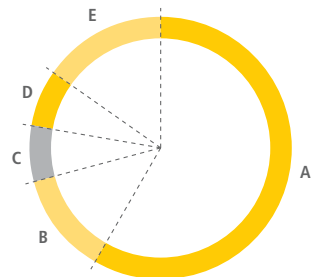
We continued to expand the courses offered on the internet and intranet in the area of continued professional development. Currently, around 50,000 employees are taking advantage of the over 1,000 courses which range from general management skills to specific Group initiatives and our Code of Conduct. The online training platform [mylearningworld.net](http://mylearningworld.net) is an important component of our education concept. That is why we will expand the courses offered and we anticipate a considerable rise in demand. Our executive development website is geared towards top managers and executives.

**Finding and fostering talent**

Finding and fostering qualified and dedicated future leaders within our own ranks is absolutely vital to our company. This is why we developed Group-wide talent programmes to systematically cultivate our top potentials. One of the programmes, for example, gives select candidates the opportunity to complete an executive MBA degree at an external business school. Our international mentoring programme helps junior staff members, in particular our female employees, with professional development.

**Traineeships<sup>1), 2)</sup>**

A	58.4%	Courier, express and postal services specialists
C	12.6%	Forwarding and logistics services specialists
D	6.8%	<i>Berufsakademie</i> students
E	7.1%	Warehouse logistics specialists
F	15.1%	Other traineeships



1) Number of trainees, annual average: 3,839.  
2) Continuing operations.

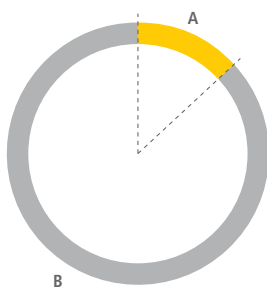


The International Business Leadership Programme is specially designed for managers. In 2008, 135 top staff members met to establish networks, learn about business strategies and further develop their leadership skills.

Our internal talent broker – a position we created last year – assisted in over 150 upper management placement processes, raising the internal placement rate to 86.9% from 83.9% in the previous year. Our goal of filling 90% of all positions in upper management from our own ranks was thereby nearly achieved.

#### Proportion of women in management<sup>1), 2)</sup>

A 13.5% Women  
B 86.5% Men



1) Total of 1,042 first and second-level managers as at 31 December 2008.

2) Continuing operations.

#### A culture of diversity and equal opportunity

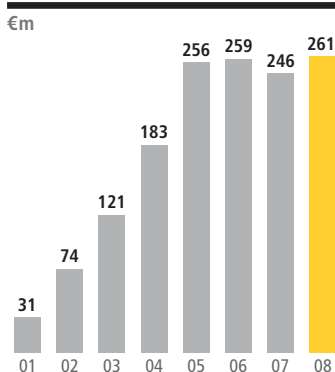
The purpose of Diversity Management is to encourage diversity in our workforce, a principle rooted in our seven Corporate Values and the Code of Conduct. We are developing special programmes and other initiatives to ensure equal opportunities for all employees. In this spirit we held, for example, a contest in 2008 on making workplaces accessible for people with a disability, which resulted in a host of examples of successful integration of our disabled co-workers. Furthermore, we have expanded our training programme in order to continue to anchor the idea of diversity in our Group's day-to-day activities.

#### Seeking out and utilising dialogue

We cultivate an open dialogue. It is critical to our success on the road to becoming our customers', employees' and shareholders' first choice. In September 2008, we conducted the second Group-wide employee opinion survey. The response rate was 76% – an 11% increase over 2006. Participants responded to questions concerning customer orientation, employee dedication and active leadership, pointing to existing strengths and potential for improvements. The results will be evaluated at the team level, where they will be discussed and followed up on.

Our “360-degree feedback” also relies on open dialogue. This anonymous process allows managers to learn how supervisors, colleagues and employees assess their leadership skills. In 2008, around 1,300 managers took advantage of this tool for self-reflection and personal development. The target groups will be expanded in 2009.

#### Savings due to employee ideas<sup>1)</sup>



1) Continuing operations.

#### Employee ideas with value creation potential

In the reporting period, employees of Deutsche Post AG submitted 214,442 suggestions for making workflows more efficient, reducing repair and energy costs, and improving environmental protection. The benefit to the company totalled €261 million (previous year: €246 million). The focus was on environmental protection. Staff members in the MAIL Division alone developed more than 11,200 ideas on how fuel, electricity, water and gas can be saved. The Group benefited by over €0.6 million from these environmental ideas. In 2009, our goal is to entrench Idea Management even more firmly into the Group around the world.

## Sustainability

### The largest logistics company with quantifiable climate protection target


The Group's GoGreen programme was developed to establish a systematic approach to achieving our climate protection target. We aim to reduce our carbon footprint for every letter posted, every container shipped and every square metre of warehouse space used by 30% below 2007 levels by the year 2020. As the largest global logistics company, this target makes us the first major company in our industry to set a quantifiable target that includes emissions from outsourced transport services. As an interim target, we are striving to improve our carbon efficiency by 10% by the year 2012.

We determine and calculate our greenhouse gas emissions using a carbon dioxide (CO<sub>2</sub>) monitoring process based on the internationally recognised standard Greenhouse Gas (GhG) Protocol. For 2007, CO<sub>2</sub> emissions resulting directly from our own sources and indirectly from purchased energy amounted to some eight million tonnes (previous year: 7.4 million tonnes). CO<sub>2</sub> emissions from outsourced transport services were calculated for the first time and were estimated to be around 23 million tonnes.

### GoGreen programme's four measures

How are we to achieve the climate protection target?

- **By using energy-efficient processes and technologies.** Our fleet is regularly renewed and replaced by modern, fuel-efficient vehicles and aircraft. Where possible, transport and loads are bundled, routes planned and networks optimised. We are increasingly using power from renewable sources.
- **With employees who are environmentally conscious.** Employees receive more information and are better trained to lead environmentally friendly lives both at work and at home.
- **With climate-neutral products.** GoGreen items are climate-neutral because the emissions caused by their transport are offset by climate protection measures, such as solar or hydroelectric plants. Indeed these products have found success in the marketplace; in July 2008, Allianz Deutschland AG switched more than 140 million letters a year to GoGreen.
- **By using standardised systems.** We will set up a carbon accounting system as a fundamental basis for measuring the progress of our sustainability strategy. This system will consolidate CO<sub>2</sub>-relevant information, such as energy and fuel consumption, and the related performance data of the business units, such as shipment volumes and transport services, and present them in a Carbon Efficiency Index. Furthermore, around 40% (previous year: 35%) of our employees now work with environmental management systems audited in accordance with ISO 14001. We developed the underlying concept ourselves in a six-stage plan.

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### Our company's performance as reflected by external assessments

Our performance in terms of sustainability was once again monitored by rating agencies in 2008. Sustainable Asset Management gave us a rating of 65/100 (previous year: 74/100). This drop is primarily due to a change in the rating method. The average score for transport and logistics companies was 50 points. The FTSE4Good Index confirmed our company's membership. We also remain in the Advanced Sustainability Performance Index Eurozone maintained by the French rating agency Vigeo and in the KLD Global Climate 100 Index. The Carbon Disclosure Project gave us – the only logistics company included in its Leadership Index of the foremost 67 companies – a rating of 66/100 (previous year: 60/100).

### Sustainability Report meets international guidelines

Supplementary sustainability information on initiatives and key performance indicators, which are not part of the Group Management Report, are described in our second Sustainability Report, which was published in June 2008. It was prepared for the first time on the basis of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, with the additional GRI Sector Supplement for the Logistics and Transport Sector. Based on our own assessment, it achieved the GRI level B+. The next report to be published in the second quarter of 2009 will include key performance indicators for 2008.



[dpwn.com/sustainability](http://dpwn.com/sustainability)

### Humanitarian aid in the event of crises and as a preventative measure

Our partnership with the United Nations Development Programme (UNDP) and the United Nations Office for the Co-ordination of Humanitarian Affairs (OCHA) still forms one of the cornerstones of our socio-political commitment. We have extended this partnership until 31 December 2010. Our disaster relief organisation comprises three well-trained teams in Singapore, Panama and Dubai, covering the Asia Pacific region, the Americas, the Middle East and Africa, and thus the areas of the world most frequently visited by catastrophe. These disaster response teams co-ordinate logistics for incoming aid at local airports in order to help avoid supply bottlenecks. In 2008, we once again demonstrated our logistical capabilities in a crisis during a three-week operation in Myanmar. Together with the UNDP, we launched the GARD (Get Airports Ready for Disasters) programme in Indonesia in 2008. This training programme prepares airport managers and employees for emergencies.

Since 2006, we have been supporting the United Nations Children's Fund (UNICEF) in the global struggle against infant mortality by providing financial aid and logistical support as well as through our employees' personal commitment. In three focal countries – India, Peru and Kenya – we are helping UNICEF to improve healthcare for children and mothers living in rural areas. In India, we sponsor a programme to combat malnutrition and infant mortality. In Peru, we are helping to set up primary healthcare for pregnant women and children in the indigenous population. In Kenya, we are involved in educating the population about health risks and prevention. A volunteer programme is also run in Kenya. For the third year in a row, we invited 13 company employees to volunteer to spend two weeks there, gathering information and providing assistance. They also support our partnership as UNICEF ambassadors on their return home.

Our social responsibility finds expression in several hundred regional and local initiatives. Following natural disasters in Asia and South America, we transported and distributed aid supplies. Our employees help to educate schoolchildren or join in beach clean-up efforts. We also use Fair Trade products as giveaways and we sponsor school and cultural projects in Bonn, the home of our corporate headquarters.

**Education for Germany**

We are planning to expand our involvement in education policy. As a founding partner of Teach First Deutschland, an initiative originating from the USA and the UK, we aim to help children and young people to realise their academic potential and strengthen their feeling of self-worth. As a basis for our future partnership, we made an agreement in November 2008. We see this as a contribution towards improving equality of opportunity and quality in the German education system and as a means of securing the next generation of professionals.

**Procurement**

**Lower procurement volume**

In 2008, the Group centrally purchased goods and services with a total value of €9.0 billion (previous year: €10.3 billion). Currency effects – largely in relation to the US dollar and pound sterling – reduced the purchasing volume as expressed in euros. We also pooled volumes and as a result achieved better terms. The individual units generally continue to procure their own transport services, although Procurement has a greater involvement than previously.

The following examples show how we selectively pooled expenses and thereby achieved better terms and conditions. The acquisition of personal computers was put out to tender globally. As a result, prices fell substantially and, at the same time, performance improved. We entered into a €350 million European co-operation agreement with Telefónica for telecommunications services outside Germany. Thanks to optimised telecommunications, we anticipate savings of more than €150 million over the next five years.

We fitted some 100 warehouses in North America with more efficient lighting. This reduced electricity costs by more than US\$6 million and improved the lighting and hence the working conditions.

**Procurement capabilities expanded**

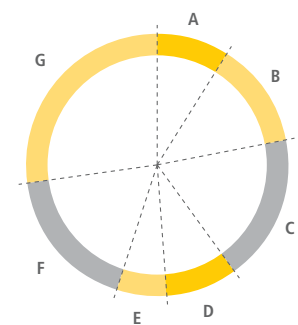
Procurement is a centralised function in the Group. The heads of Global Sourcing and their sixteen product group managers work closely with regional procurement managers and report to the head of Corporate Procurement. This allows us to pool our needs worldwide whilst satisfying the service and quality requirements of internal customers.

In 2007, we began to reorganise Procurement’s regional structure. Strategic procurement and operational order processing are increasingly carried out by regional competence centres.

**Procurement expenses, 2008**

Volume: €9.0 billion

A	9%	Air fleet
B	14%	Ground fleet
C	18%	IT and communication
D	9%	Network supplies
E	6%	Production systems
F	17%	Real estate
G	27%	Services



Our success depends on the skills and calibre of our employees. For this reason, we extended our Fit4 Procurement programme in the year under review and conducted subject-specific training courses focusing primarily on how to manage virtual global teams.

#### **Procurement with greater focus on the environment**

The principal procurement initiatives during the year attached a high priority to environmental aspects of our business. For instance, we purchased computers that are certified as environmentally friendly and energy-efficient. In Germany, we switched most of our electricity supply to renewable energies; 100% of the electricity consumed by our corporate headquarters and more than 60% of the electricity consumed by our branches now comes from eco-friendly sources. In addition to the percentages of renewable energy that make up the power supply in Germany, this is realised indirectly by purchasing certificates from the Renewable Energy Certificate System (RECS).

Since 2008, our Green Team – made up of procurement managers from various regions and product groups – takes care of the environmental aspects of procurement. They have drawn up a Green Procurement Policy that requires all our major suppliers to provide information about any activities that impact the environment and to specify their carbon footprint. Furthermore, the team works together with suppliers to develop energy-saving solutions.

#### **Work more closely with customers and suppliers**

We have stepped up our co-operation with our internal business partners and increased the First Choice activities. For example, we improved both our internal workflows and the interfaces with internal partners and suppliers. An example is the assignment of temporary staff at the DHL facility in Brussels where we are now able to locate the right specialist more quickly when needed, resulting in lower recruitment costs.

Together with its business partners, Procurement regularly reviews the service quality of our key suppliers in order to identify and eliminate potential weaknesses at an early stage. We rely primarily on strategic partnerships to optimise costs and ensure high quality and flexibility in the supply chain. In the reporting year, nine suppliers were the best at meeting these requirements. We recognised them at our first Global Supplier Day for exceptional, substantially improved and innovative services.

Since 2008, all standard contracts have included our Code of Conduct for suppliers. In this way, we ensure that all the major companies we work with meet our ethical and environmental standards.

## **Research and development**

As a service provider, the Group does not engage in research and development activities in the strict sense, and therefore has no significant expenses to report in this connection.



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## Quality

### Mail business remains the technology leader

We use all available technical and operational tools to ensure high-quality and efficient mail processing. In Germany, we maintain a nationwide transport and delivery network consisting of 82 mail centres that process an average of some 70 million items per working day and 33 parcel centres with a handling volume of more than 2.5 million parcels per working day. We have kept the high level of automation in our mail business at over 90%.

Market research and processed complaints tell us that our customers expect us to achieve the highest possible quality standards. Customers evaluate the quality of our services based on whether posted items reach their destinations quickly, reliably and undamaged. To satisfy these requirements, we manage quality on the basis of a system audited by the Technischer Überwachungsverein Nord (TÜV Nord – technical inspection association for northern Germany) and certified for compliance with ISO every year. We also undergo voluntary performance evaluations from Quotas, a quality research institute.

As in the previous year, in 2008 we again attained excellent results in letter transit times within Germany. More than 95% of the letters posted during our daily opening hours or before final post box collection reached their recipients the very next day.

In addition, as Germany's first parcel service provider, we sought review and certification of our internal delivery measurement system for parcel delivery from TÜV Rheinland. The review determined that nearly 90% of the deliveries we pick up from business customers reach their destination on the next day.

For international letters, transit times are specified by the Universal Postal Union. According to European Union (EU) specifications, 85% of all cross-border items posted within the EU must be delivered within three days of posting. Once again, we significantly exceeded this figure, reaching a level of 96% as in previous years.

Our service network is the largest in Germany. The heart of this network is made up of our around 14,000 retail outlets. We also offer our customers some 2,200 points of sale for letter and parcel postage and around 6,200 machines such as Packstations, Paketboxes and stamp dispensers. Thanks to our co-operation with retailers, we have extended our average weekly opening times by one hour to 43 hours compared with the previous year. This figure was only 18 hours per week before we began working with partner outlets. For years, retail outlet customers have been giving us consistently high marks via *Kundenmonitor Deutschland* (customer monitor for Germany), the largest study of retail customer satisfaction in Germany. Our partner-operated locations in particular have received ratings approaching the high ratings of the retail sector. Ninety percent of all customers are served within three minutes, as confirmed by test customers from TNS Infratest, which we hire to conduct anonymous tests of the retail outlets around 30,000 times per year.

We regard working practices that protect the environment as a key yardstick of quality. In Germany, we employ TÜV Nord-certified environmental management systems in both our mail and parcel businesses. As part of our GoGreen initiative, we offer private and business customers climate-neutral shipping options.

### MAIL in figures

- Households: 39 million
- Business customers: 3 million
- Retail outlet customers: 2 to 3 million per working day
- Domestic letters: 70 million per working day
- Domestic parcels: 2.5 million per working day
- International items: 7,457 million
- Production facilities: 162
- Retail outlets: 13,650
- Sales points: 2,200
- Packstations: 1,400
- Paketboxes: 1,000
- Postage stamp vending machines: 3,700
- Weekly opening times: 43 hours on average

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**EXPRESS in figures**

- Countries and territories: 220
- Main hubs: 6
- Servicepoints: 30,000
- Customers: 8.2 million
- Vehicles: 72,000

**Express services driven by customer satisfaction**

The overriding goal of our quality endeavours in the field of express delivery is to satisfy our customers. Our Group-wide First Choice initiative ensures that we meet customers' high demands for speed and reliability. We are focusing above all on operating performance and customer contact.

The ability to deliver on time is an important quality indicator in the express business. Our central quality measuring programmes allow us to determine the punctuality of deliveries, to analyse delays in individual process stages and to seek ways of accelerating delivery to customers. For this purpose, we have set up global, regional and national teams that work closely together.

For a global network operator, it is equally crucial to maintain a consistently high quality of service. We therefore regularly monitor compliance with our workflows in the quality control centres that we have established worldwide, and we have developed a quality shipment monitoring system that we use to measure and improve our service quality.

In 2008, we made the following quality advances:

- We increased transport capacity on trans-Pacific routes thanks to our stake in Polar Air Cargo, a US airline. This raised our on-time arrival performance to more than 96% for shipments within this network.
- Since our new European hub commenced operations, transit times have been reduced for more than 27,000 city pairs between Europe and EEMEA – for 1,300 routes by a full working day.
- The Global Trade Lane Programme was continued, further optimising performance in key trade lanes. For example, transit time – a key quality indicator – was reduced by one or more days along more than 180,000 origin to destination lanes. Especially from Western Europe to Asia we have seen document transit performance improvements by more than three percentage points.
- Further improvements were made in transit time: An average of 98.8% (previous year: 98.0%) of all shipments were delivered by the appointed time.
- In terms of customer service, DHL Express significantly improved performance indicators for orders, complaints and enquiries made by telephone by 5% over the previous year and compared with competitors.
- Standardised systems and workflows enabled our sales force to increase productivity by more than 30%. Customers were called and visited in person more frequently.

In terms of safety, we have long been at the fore in Europe, and now we are also leading in the implementation of safety-relevant processes and installations. The Transported Asset Protection Association (TAPA) has certified 42 of our locations, more than any other of our European competitors. Globally, over 170 of our locations have already been certified.

### Our freight forwarding business focuses on the customer

As freight forwarders, we measure the quality of our services above all in terms of how satisfied our customers are. In 2008, we surveyed more than 15,000 customers in more than 50 countries, both online and by telephone, as part of our First Choice initiative. The results of the survey were incorporated into some 400 specific improvement projects. On the whole, our customers have observed significant improvements in those areas in which they interface with us.

An average increase of 8% was measured in customer loyalty compared with the previous year.

Frequently, we work out specific improvements together with our customers. For instance, we succeeded in reducing processing times for certain brokered activities from eleven to two days for one customer, which led to substantial cost savings on both sides.

Once again, we received a number of awards in 2008. For example, we were named Freight Forwarder of the Year by Australian magazine Lloyd's List DCN for having improved our services through strict quality management and implementation of our First Choice methodology.

In addition, the logistics magazine Supply Chain Asia named us Airfreight Forwarder of the Year 2008.

### Focus on customer satisfaction reaps rewards in contract logistics business

Our top goal in terms of quality is to have satisfied customers with which we maintain long-term, close business relationships.

The key to good performance is having dedicated and motivated employees. We intend to achieve this goal with a host of initiatives included in our First Choice programme. To this end, we emphasise active occupational safety programmes at our facilities, use a variety of measures to increase productivity levels, train our employees in process improvement and manage projects professionally.

As a result of these and other programmes, we have reduced the number of work-related accidents compared with the previous year. We held more than 600 process improvement workshops in the year under review in which employees and in some cases customers analysed and improved daily workflows. The overall employee satisfaction level as measured by our employee opinion survey achieved a higher score than in the previous year.

In the year under review, the Supply Chain Business Unit was able to renew over 90% of existing customer contracts.

We approach our customers regularly and systematically in order to ascertain their needs and their level of satisfaction. Our survey results show that in 2008, more than 70% of our customers named DHL as their first-choice provider.

### GLOBAL FORWARDING/FREIGHT in figures

#### Global Forwarding

- Countries and territories: >150
- Locations: >810
- Air freight volumes: 4.3 million tonnes
- Ocean freight volumes: 2.9 million TEU

#### Freight

- Terminals: >160
- Transport volume: >40 million tonnes
- Full truckloads: 2 million

## Brands

### Brands and business units

#### Deutsche Post

- Mail Communication
- Dialogue Marketing
- Press Services
- Retail Outlets
- Pension Service

#### DHL

- EXPRESS
- GLOBAL FORWARDING/FREIGHT
- SUPPLY CHAIN/CIS
- Global Mail
- Parcel Germany

### What our brands do

Well-established and well-managed brands are amongst the most valuable assets of any company, domestic or international, especially in the service sector. They also give us a competitive edge in the labour market. That is why the Group continues to invest in building and expanding its brands. Following the agreed sale of Postbank, we are conducting our core businesses under the Deutsche Post and DHL identities. In 2008, we focused on increasing our customers' awareness of these brands and their respective performance pledges. We also decided to stop using the Exel brand.

### Brand profiles more sharply defined

In recent years, we have enhanced our brands' visual appeal, reworked and realigned the corporate design and provided service employees with identifying corporate clothing. Creating independent images has been a priority.

Brand manuals describe how Deutsche Post and DHL are positioned and define the tone required for effective branding. We have developed in-house measures designed to help all employees become active ambassadors for their brand, employing a variety of internal media to raise their awareness and motivation. Furthermore, a multilingual internet platform was created for DHL employees, which uses a modern, interactive approach to encourage enthusiasm for the brand. Any time our customers come into contact with us and our services, they should experience a consistent and positive brand image.

### Well-established and valuable

Our businesses face tough competition both domestically and internationally. Clear positioning facilitates purchasing and investment decisions for potential and existing customers.

Guided by market research, we invested some €80 million in the year under review (previous year: €120 million) in further building our brands. In line with its global presence, around half of that was spent on the DHL brand, for which we launched an international campaign with television commercials and advertisements in business-related media. Additional communication channels included sponsoring, direct marketing, trade fair presentations, press relations and sales support.

Customer retention, customer loyalty and brand recognition are amongst the benchmarks for our success. Market studies confirm that Deutsche Post has for years enjoyed awareness of around 95% amongst private and business target groups in Germany. Awareness of DHL continues to rise and currently stands at about 93% amongst international express delivery and logistics target groups.

Brands are a vital factor in creating value. In 2008, the market research institute Semion Brand-Broker valued the Deutsche Post brand at €14,517 million, reconfirming our outstanding position amongst the top five best-known German companies. Factors analysed included financial value, brand protection, brand image and brand strength.