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Code of Business Principles & Corporate Social Responsibility



On the road, Puerto Rico

TPG Code of Business Principles

The text of our Code of Business Principles is reproduced in full below. We require that all employees understand and comply with our values and policies. Our people therefore share the TPG way of working.

STANDARDS OF CONDUCT - UN GLOBAL COMPACT

We conduct our business with fairness, honesty, integrity and respect for the interests of our stakeholders in a wide variety of social, political and economic environments.

TPG supports the ten principles of the UN Global Compact (www.unglobalcompact.org) with respect to human rights, labour rights and the protection of the environment.

HUMAN RESOURCES

Our mission is to become a recognised world leader by providing excellent service to customers. This can only be achieved by continuously strengthening our outstanding team of committed people. We are committed to the Investor in People standard (www.iipuk.co.uk), which is a recognised training and people management system that delivers proven performance improvements in business.

We employ competent, capable and enthusiastic people. We provide our employees with the necessary resources, training and recognition to maximise their own potential and individual contributions to the business. We aim to create equal opportunities for all our employees, without discrimination under equal circumstances on grounds of sex, race, religion, marital status and age.

CONFLICTS OF INTEREST

We expect our employees to avoid any improper personal benefits for themselves or their family members that result from the employee's position at TPG or personal, family, financial and other interests or actions that could conflict with the commitment to perform their jobs objectively and effectively. Employees must report to TPG management any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest and will be given appropriate guidance upon request. TPG employees also may not take business opportunities for themselves that properly belong to TPG, use TPG assets for personal gain or compete with TPG.

SAFETY

TPG must comply with all applicable international and national safety regulations. Safety policies that systematically identify and eliminate hazards are deployed throughout the organisation. Safety representatives and improvement groups exist at every location where we operate. We strive to adopt best practice approaches that under optimal circumstances may exceed the requirements imposed by safety legislation, and we constantly measure our performance in this vital part of our business.

SUSTAINABLE DEVELOPMENT

Our daily activities impact on communities around the globe, and we are committed to policies and practices that promote sustainable development. We are an environmentally responsible organisation and know that the quality of our environmental

footprint will be a determining factor in whether we will be allowed to operate in the long-term.

ENVIRONMENTAL PROTECTION

We are committed to reducing the impact of our operations on the environment, and we invest in programmes that achieve high standards of environmental care. Where conditions are optimal, we will go beyond the current economic and regulatory frameworks of regional and national governments to minimise potential adverse ecological impacts caused by our operations.

PUBLIC ACTIVITIES

TPG neither supports political parties nor contributes to the funds of groups whose activities promote political interests. TPG companies are encouraged to promote and defend their legitimate business interests. Moreover, TPG expects its companies to positively respond to requests from governments and other public agencies for information, observations or opinions appropriate to our business and the community. Any response to such requests will be governed by respect for the privacy of individuals and employees.

SERVICE ASSURANCE

We are committed to providing excellent services for customers in terms of value and quality. We consistently strive to achieve best-in-class performance and to be the most value-creating company in the mail, express and logistics industries.

COMPETITION

We believe that open and fair competition should exist in all markets where we conduct business. We support the liberalisation of markets and the introduction or application of appropriate competition laws.

RELIABILITY OF PUBLIC REPORTING

Our accounting statements, public reporting documents and other public communications provide full, fair, accurate, timely and understandable disclosure of the position of the company in accordance with accounting principles generally accepted in the Netherlands and legal requirements applicable to the company. We comply with all local accounting rules and the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code as well as requirements of relevant securities exchanges.

BUSINESS INTEGRITY

We neither pay nor accept bribes to gain or render orders, services or financial benefits. TPG employees are instructed to turn down any attempt of bribery immediately. Violation of business integrity can lead to disciplinary measures, dismissal and civil or criminal prosecution. TPG does not tolerate fraud, theft, loss through recklessness, waste or use of TPG's business assets for private use. Therefore, TPG adheres to a strict policy in order to protect the company's assets.

FACILITATING PAYMENTS

As an internationally operating company TPG observes high standards to avoid any corrupt practices. We prohibit the making, directly or indirectly, of facilitating payments, unless such facilitating payments are approved in advance by our Ethics Committee on behalf of the Board of Management. Facilitating

payments must be limited to the payment of small cash sums or the provision of small gifts, when customary and necessary to expedite or secure the performance of routine governmental action. All facilitating payments must be fairly and accurately recorded and accounted for, to allow for the monitoring of these payments by our Ethics Committee.

OBEYING THE LAW

TPG companies are required to be good corporate citizens, and this involves complying with the laws, rules and regulations of the countries in which we conduct operations.

APPLICATION

Our code of business principles applies to all TPG companies throughout the world. Implementation of the code influences our decisions as to whether TPG or its subsidiaries should participate in alliances or enter joint ventures. Any change to our code or waiver any of its provisions will be made only by the TPG Supervisory Board or a TPG Supervisory Board committee and will be promptly disclosed.

WHISTLE BLOWING

We encourage TPG employees to report to management promptly any breach or suspected breach of this code or other company guidelines. If an employee has any concerns regarding questionable accounting or auditing matters, he or she may also notify a member of the audit committee. Any reports or complaints by employees under this code shall be dealt with strictly confidential and investigated promptly by management or the audit committee, as the case may be. TPG will not retaliate or undertake action against any employee for filing a report or complaint under this code of business principles or for assisting thereto. The TPG business principles require from both management and employee that any reports or complaints under this code shall be dealt with according to principles of fairness, honesty and integrity. In that respect TPG employees shall avoid any form of external or internal publicity concerning any breach or suspected breach they might want to report, unless management or audit committee have refused to investigate the matter and all alternatives for internal consultation have been exhausted.

COMPLIANCE

The TPG Board of Management is responsible for communication, understanding and observation of these business principles. Our internal audit and security functions support the TPG Management Board in monitoring compliance with the code. Any loss of business resulting from adherence to these principles is not criticised nor does any employee suffer any negative consequence for pointing out a breach or suspected breach of the code to TPG management or for taking any other lawful action with regard to a breach or suspected breach. Failure to adhere to this code will be considered a breach of business integrity and will lead to appropriate consequences, which may be severe.

TPG's Corporate Sustainability Policy

The corporate sustainability policy sets forth our aspirations for environmental care and community involvement. The text of this policy is reproduced in full below.

Our aspirations

TPG is a global business that strives to improve its social and environmental impact on communities around the world. We aspire to help people realise their potential and meet the needs of the current generation without producing a poorer world for our children by compromising the ability of future generations to meet their own needs. To meet these aspirations towards our stakeholders, we subscribe to the United Nations Global Compact that embraces, supports and enacts a range of values in the areas of human rights, labour standards and the environment that we can influence.

The quality of our footprint on local, regional, national and global societies is a key factor when communities decide whether to extend their consent to our operations in the long-term. TPG is developing and maintaining policies and practices that promote a positive and sustainable environmental and social contribution to every community in which we operate. The TPG Code of Business Principles underpins this commitment to legal compliance, continuous improvement and sustainability. The principles are based on the OECD guidelines and the ILO standards, which demonstrates our support for the OECD and ILO standards.

Our communications

We are committed to communicating and building a dialogue with internal and external stakeholders about our challenges and accomplishments in achieving our sustainable development and environmental management goals.

Our internal award

We hold an annual competition to celebrate the best internal initiatives and results in the field of sustainable development and environmental management.

Public reporting

We will reflect our progress and future plans in our reporting to enable all our stakeholders to understand and monitor our performance and future plans.

PROGRESS IN 2004

We have set forth our corporate sustainability ambition on three consecutive levels. In 2004 we took steps in the following areas:

- global standards at the base,
- industry-related initiatives in the middle, and
- our unique approach at the top.

Global standards

Our ambition is to certify all our fully-owned operations. The following systems for measuring actions are implemented across many of our business units. By 2007, we will roll these systems out across all business units.

- ISO 9001 to ensure operational excellence,
- OHSAS 18001 to ensure a safe workplaces,
- ISO 14001 to ensure responsible treatment of the environment,
- Investors in People to enable our employees to continuously develop,
- SA 8000 to demonstrate sustainability, particularly in non-OECD countries, and
- Global Reporting Initiative guidelines to report corporate sustainability performance.

Industry-related initiatives

The second tier of our ambition with respect to corporate sustainability calls for us to help enhance the reputation of our entire sector. We aim to do that via the World Economic Forum's logistics and transportation corporate citizenship initiative, which comprises companies from across the industry, from sea freighters to our company's key global competitors. We have been actively involved in this group since mid-2003.

Chairmanship of the group is awarded annually to a participating company, and in 2004 TPG CEO Peter Bakker led the effort. In January, CEOs of participating companies signed the Logistics and Transportation Corporate Citizenship Principles and called on their peers to place corporate citizenship at the core of their business strategies.

The principles include conducting an open dialogue with key sector stakeholders. The dialogue was begun in 2004, when the group asked 182 organisations to provide input on those corporate citizenship issues they believe the sector should focus on. The dialogue continued with a discussion with customers, which will be followed in 2005 by one with employees. Based on this input, involved companies are selecting Global Reporting Initiative key performance indicators (KPIs) relevant for the sector and encouraging an industry-wide ambition to comply with those KPIs.

Our unique approach: Industry leadership

The third tier of our corporate sustainability ambition aims to distinguish our company from its peers. Here, we have defined three specific areas where we want to put our company at the front of the industry:

- **Delivering Clean:** Supporting the reduction of carbon dioxide emissions.
- **Driving Safety:** Developing a plan to enhance road safety and reduce the number of road accidents we are involved in.
- **Moving the World and Moving our City:** Helping the World Food Programme fight hunger; developing a neighbourhood survey in order to make focussed contributions to worthy causes in our own communities.

Our rating in the Dow-Jones Sustainability Index

In 2004, our company's economic, environmental and social dimensions were reviewed and rated by the Dow-Jones Sustainability Index. The results gave our company a total sustainability score of 46 out of a possible 100 points. The best-ranked company in our industry group achieved a total score of 69.

Partnership with United Nations World Food Programme (WFP)

The United Nations World Food Programme and TPG launched a groundbreaking partnership in December 2002 aimed at a single common goal: fighting world hunger. The World Food Programme is the world's largest humanitarian aid agency. In 2003, it fed over 104 million people in 81 countries, including most of the world's refugees and internally displaced people. As the United Nations logistics arm for humanitarian aid, it coordinates with other United Nations agencies, governments and non-governmental organisations to deliver food to the right place, at the right time. Our company is committed to sharing its resources and know-how with the United Nations World Food Programme in order to make a lifesaving difference.

The partnership with the World Food Programme forms the cornerstone of our commitment to the community on a global scale. The dedication and enthusiasm of our employees is helping the World Food Programme take on one of the greatest logistical challenges of all: helping to feed the world.

Our partnership with World Food Programme consists of three levels of support and resulted in the following achievements in 2004:

- **Knowledge transfer** – applying our (logistics) knowledge to enhance, for example, the World Food Programme's supply chain management capabilities, increase its fleet management systems and provide air operations training for its officials.
- **Hands-on support** – providing organisational expertise and logistical assistance in order to respond to emergencies more effectively. In 2004, 32 of our employees each volunteered to spend three months building kitchens, latrines and classrooms, among other projects, as part of the World Food Programme's Global School Feeding Campaign. In addition, in 2004 we donated €1.5 million in in-kind support to the World Food Programme's disaster relief efforts in the region. The funds fall under the Emergency Response initiative of the Moving the World programme and will be used to cover the costs of transport, warehousing and any TNT personnel deployed in direct support of the World Food Programme in the region. In January 2005 our employees donated €0.8 million with respect to which we made a matching grant of €0.8 million in cash.
- **Funding & Awareness** – helping raise funds and awareness for the World Food Programme. In 2004, our employees raised almost € 1.8 million in cash donations for the agency's school feeding projects, with respect to which we made an additional grant of €1 million. We are also helping the World Food Programme to attract new corporate partners and to increase awareness in both the public and private sectors.

In 2004, we invested a total of €8.7 million in the partnership with the World Food Programme of which €7.2 million came in the form of in-kind services and knowledge transfer projects and €1.5 million as a cash donation.