



TNT Express Services UK & Ireland
Corporate Responsibility Report 2010

Contents

Introduction

1. **TNT & Corporate Responsibility**
2. **Corporate Responsibility Governance**
3. **TNT Employees**
 - 3.1 Health & Safety
 - 3.2 Investors In People
 - 3.3 Employee Engagement
4. **TNT and the Environment**
 - 4.1 Environmental Impact
 - 4.2 ISO 14001 Certification
 - 4.3 Carbon Management
 - 4.4 Planet Me Environmental Objectives
 - 4.5 Care for our Customers
 - 4.6 Environmental Results
5. **Voluntary Contributions to Society**
 - 5.1 Wooden Spoon
 - 5.2 World Food Programme
 - 5.3 Other Charitable Initiatives

Summary



Zero emissions – one of TNT's ground-breaking fleet of non-polluting electric vehicles

Introduction

TNT is committed to managing its business in a socially responsible manner – one that seeks to make a positive contribution to the communities in which it works and yet has a minimum impact on the environment in which it operates.

This report summarises the progress TNT has made in the four key strands of its CR activity.



Care for employees



Care for the environment



Care for our customers



Care for the society in which we all live and work – nationally and globally

The positive, can-do attitude that underpins the way TNT approaches its work is reflected in its CR activity.

The company resolutely believes that it can make a difference.

This report supports that belief, demonstrating how the company and its employees bring its CR strategy to life.

TNT & Corporate Responsibility

TNT believes the management of corporate responsibility (CR) is not only the right thing to do, it also makes good business sense. TNT aims to achieve standards of responsible care across a number of key areas including: customers, health and safety, the environment, employees and the community in which we operate.

As a company we care for our employees by creating a workplace where a diverse set of people are engaged, rewarded competitively, work in a safe place, are treated equally, can speak freely and are responsible and accountable for their own actions.

TNT's CR strategy is founded on five internationally recognised management standards for workplace safety (OHSAS 18001), social responsibility (SA 8000), personal growth of employees (Investors in People), environmental management (ISO 14001), and operational excellence (ISO 9001).

CR Strategy

TNT's four pillars of CR Strategy are: employees, the environment, other stakeholders such as customers and subcontractors as well as voluntary contributions to society.

"TNT comprises a diverse set of people who are united in the provision of a first class service that exceeds customers' expectations, and yet is sympathetic of the environment in which we operate."

Malcolm Pickup, Head of People Development



2. Corporate Responsibility Governance



“To maintain our position as the leader of the Industrial Products and Services super sector in the Dow Jones Sustainability Index is an outstanding achievement. It reflects well on our people, our policies and our overall approach in all that we do.”

Alistair Cochrane, Managing Director

Corporate responsibility is an integral part of TNT’s strategy and daily operations. Alistair Cochrane, Managing Director, TNT Express Services UK & Ireland is responsible for implementing TNT’s corporate responsibility policies and the CR performance of the UK & Ireland business unit.

TNT’s CR governance structure is built upon a solid foundation of five internationally-recognised standards that have been implemented through TNT policies and procedures. This framework is established primarily around employees, the environment, voluntary contributions to society and supported by internal communications, CR reporting, HR and integrity.

The five standards which underpin our CR strategy are:

ISO 9001 Quality	OHSAS 18001 Occupational Health & Safety
ISO 14001 Environment	SA8000 Social Accountability
Investors in People Employee Training & Development	



Alistair Cochrane
Managing Director,
TNT Express Services UK & Ireland

TNT continues to integrate these standards into its supply chain and benchmark the company’s responsibility practices. For the past two years TNT has led the Industrial Products and Services super sector in the Dow Jones Sustainability Index (DJSI) with the highest score of any organisation.

The DJSI tracks the financial performance of the leading 2500 sustainability-driven companies worldwide in terms of economic, environmental and social criteria. Companies must demonstrate that they combine business success with an ethical and responsible approach.

TNT’s performance in the DJSI is illustrated here.

FIGURE 1
TNT Dow Jones Sustainability Index Score

	2008	2009	2010
Total (%)	92	95	92
Economic (%)	98	98	94
Environmental (%)	89	92	96
Social (%)	90	96	88

Alistair Cochrane said: “To once again maintain our position as the leader of the Industrial Products and Services super sector in the Dow Jones Sustainability Index is an outstanding achievement. It reflects well on our people, our policies and our overall approach in all that we do.”

3. TNT Employees

3.1 Health and Safety

TNT employees are its most important asset and the company invests great effort to ensure a safe working environment. As such employee health and safety is one of the top priorities in TNT's CR strategy.

TNT UK & Ireland operates almost 3310 vehicles from 90 main locations and delivers more than 150 million items a year. TNT's safety programme focuses on both workplace and road safety. This is supported by a comprehensive management system which sets company standards for all aspects of our operations and includes the TNT Road Safety Charter, the company's commitment to minimising road traffic accidents. TNT drivers through the TNT Drivers Road Safety Charter are also encouraged to "sign up" and commit to driving safely in their day to day work.

TNT drivers are fantastic ambassadors for the company and make more than 21 million collection and delivery stops every year sometimes in very difficult circumstances. TNT's new recognition scheme is designed to praise their safe driving skills.

In addition the company has introduced a variety of initiatives throughout the last five years to ensure that;

- TNT managers, drivers and all other employees have the skills and knowledge to operate safely.
- Best practice vehicle specification and maintenance is adopted.
- TNT employees are engaged in the creation of a positive safety culture throughout the business.
- Safety is actively promoted within the communities in which TNT operates.



First impressions – TNT drivers are the company's frontline ambassadors making millions of collections and deliveries to customers throughout the year

3. TNT Employees

“Feedback from our people is vital and we have structures in place so everyone can have their suggestions heard and considered in our plans for improvement.”



Sue Barnes, HR Director

TNT has received a number of accolades following independent external verification of the company’s health and safety performance:

2002 to 2004	TNT became the first express delivery company to receive and maintain the British Safety Council 5 Star Accreditation.
TNT awarded 16 British Safety Council Swords of Honour in recognition of world class safety performance.	2003 to 2004
2005 to 2010	TNT awarded and maintained certification to the OHSAS 18001 (Health & Safety) Standard.
TNT receives the Motor Transport Safety In Operation Award – the industry Oscar.	2007

TNT UK & Ireland’s key safety performance measures are illustrated in figures 2 and 3 below;

FIGURE 2
TNT Lost Time Accident Rate per 100 Employees

	2008	2009	2010
Target	4.15	4.11	4.11
Actual	3.97	4.18	4.09

FIGURE 3
TNT Avoidable Collision Rate per 100,000 km

	2008	2009	2010
Target	1.30	1.20	1.10
Actual	1.27	1.16	1.04

3.2 Investors in People

Investors in People (IIP) sets minimum standards for continuous operational performance through management and employee development. Living up to the IIP standard ensures TNT employees receive the necessary development opportunities they need to be successful and thus create value for the business. This manifests itself through improved and effective communication, teamwork and individual coaching. TNT people attend supplementary and directed development and training which allows them to improve existing skill gaps as well as expanding their potential and professional horizons. Each year performance reviews are held with all employees and an annual review of people’s potential is conducted as part of the talent and succession process. This provides focus on their personal development and contribution to the continued success of the business.

TNT UK & Ireland was first awarded the IIP standard in 1994 retaining this recognition ever since and has also been an IIP Champion since 2004. The company’s other external training accolades include:

- 10 National Training Awards
- 6 Motor Transport Training Awards
- 2 IFW Freighting Industry Training Awards
- 2008 – Institute of Leadership & Management “Employer of the Year”

3.3 Employee Engagement



The UK & Ireland participated in the global VOICE Engagement Survey of all TNT employees around the world.

An 86% response rate was very encouraging and as a result of the findings, action plans are now well advanced on a national and local or site specific level.

A team of VOICE champions – individuals who are in tune with the issues highlighted in the survey – are being supported by People Development Advisors to facilitate and collate the thoughts and ideas of colleagues. They act as a conduit in a two-way communication process with supervisors, line managers and senior management.

Quarterly regional workshops for the VOICE champions – scheduled throughout 2011 – will provide an arena for pooling knowledge and ideas, sharing experiences and developing and establishing best practice.

4. TNT and the Environment

4.1 Environmental Impact

The impact of TNT's operational activities on the environment is one of the key drivers for its corporate responsibility strategy. TNT recognises that the transport industry generates nearly one fifth of the world's carbon dioxide (CO₂) emissions. TNT inevitably contributes to that output and therefore the company is committed to reducing its carbon footprint.

TNT earned fresh recognition for its progressive carbon footprint reduction programme when it was awarded the Carbon Trust Standard.



The Trust recognises organisations for real carbon reduction. Based on a rigorous, independent assessment, it certifies that organisations have measured, managed and reduced their carbon emissions across their own operations, and are committed to reducing them year on year.

Harry Morrison, General Manager of the Carbon Trust Standard Company, said: "We congratulate TNT in the UK and Ireland on their achievement of the Carbon Trust Standard.

"It allows TNT to talk with integrity about the serious and credible steps it has taken to reduce its carbon emissions. It also provides the company with audited emissions data they need to build the appropriate carbon reduction strategies and deliver on their ongoing carbon commitment."

Neil Griffiths, Director of Health Safety and Environmental for TNT Express Services UK & Ireland, said: "We are delighted to receive certification with the Carbon Trust Standard, which further confirms our green credentials.

"The Carbon Trust Standard validates and recognises our work to reduce TNT's environmental impact, and the financial and carbon savings made by operations in the UK and Ireland. It also proves to our stakeholders that we have a long-term commitment to continue to cut our carbon footprint."

Greening up – Neil Griffiths, TNT Director of Health Safety and Environmental (left) and Harry Morrison General Manager of the Carbon Trust put a symbolic covering of green paint on one of TNT's zero-emission vehicles.



"Achieving 40% improvement in our CO₂ efficiency between 2007-2020 lies at the heart of our strategic environmental goal... and we're on track to do it."

Neil Griffiths, Director of Health Safety & Environmental

4.2 ISO 14001 Certification

TNT's environmental impacts are monitored closely through its Environmental Management System which is the basis for managing the company's environmental performance. TNT has adopted the international standard ISO 14001 for this purpose. The standard provides a framework for identifying and managing environmental risks and their impact and provides a process for continuously improving environmental performance.

Within TNT UK & Ireland the environmental management system is externally assessed every year by Lloyds Register Quality Assurance (LRQA). TNT locations up and down the country are involved in the critical examination process, with assessors conducting checks on the company's environmental management activities. These include waste reduction and recycling, fuel efficiency, environmental training, pollution control and energy reduction.

TNT UK & Ireland gained certification against the ISO 14001 Standard at the first attempt in 2007 and has retained it ever since.

TNT is the first express and logistics operator to achieve this certification on a company-wide basis, and the first to hold both ISO 14001 and OHSAS 18001 (Health & Safety) standards at the same time.

4. TNT and the Environment

4.3 Carbon Management

TNT acknowledges its influence on climate change and the improvement of its CO₂ efficiency is therefore an important focal point of TNT's environment pillar. Moreover, the transition to a low carbon economy is inevitable and gaining momentum. This reality leads to new demands on TNT from various stakeholders, including governments, customers, investors and employees, with stricter regulations and higher expectations.

Customers are actively reducing CO₂ in their supply chain, which implies that CO₂ increasingly influences their purchase decisions. Transport suppliers that operate carbon efficiently are expected to gain market share. Key stakeholders of TNT are increasingly focused on climate change risk management. By managing CO₂ performance TNT is well positioned to meet key stakeholders' expectations.

Managing CO₂ has become more important and is required if TNT is to stay ahead of tightening regulations in the future and reduce dependency on increasingly expensive fossil fuels. Carbon efficiency clearly goes beyond ensuring the licence to operate. It is increasingly becoming a differentiator, a key success factor for TNT that creates opportunities for the organisation. Such benefits have already proved successful by the provision of preferred access for electric vehicles to inner-city areas.

4. TNT and the Environment

4.4 Planet Me Environmental Objectives

TNT has developed a specific programme to raise awareness of climate change and to act as the framework within which TNT's operations seek to reduce CO₂ emissions. This initiative is called Planet Me and was launched in 2007. Its primary objective is to reduce the environmental impact of TNT's operations and to boost the financial performance of TNT by improving fuel efficiency. It is TNT's aim to go beyond compliance with government regulations and customer expectations. It requires a responsible approach to risk taking to continuously seek new, innovative solutions and technologies that will ensure TNT creates value for the stakeholders and a sustainable future.

Planet Me is comprised of three areas:

• Count carbon

Count carbon is about getting the facts and figures right. Using a comprehensive system to continuously measure and monitor CO₂ performance in the core operational areas allows TNT to manage its own footprint and support customers in managing theirs. TNT reports not just on its own CO₂ footprint, but also on the estimated subcontractor CO₂ footprint. CO₂ data is used to set an objective on CO₂ efficiency and track progress towards achieving this objective.

• Code orange

The cornerstone of Planet Me, Code orange consists of mandatory programmes to improve the CO₂ efficiency of the key emission sources being operational vehicles, aircraft and buildings. Code orange uses best practices to continuously improve the CO₂ efficiency and drives innovative transport solutions.

• Choose orange

TNT knows that educating and engaging employees to environmentally aware behaviour at work and home will exponentially expand a positive impact on the environment. A number of group-led and local initiatives were set up to inspire and involve employees in Planet Me.

Choose orange engages TNT people, families and friends to reduce their personal carbon footprint at home through our initiative Energy Savings by Me.

Over 2,100 employees have committed to saving 5,520 tonnes of CO₂ each year through simple, easy to implement actions in their home life.

The impact of TNT's operational activities on the environment is one of the key drivers for its corporate responsibility strategy.

TNT seeks to limit its impact with respect to the following:

- *The use of natural resources by operational activities*
- *Climate change by greenhouse gas emissions*
- *Human health by exposure to noise and air pollution*

Carbon management has been identified by stakeholders as TNT's most significant environmental obligation. Besides its own CO₂ footprint, TNT also acknowledges responsibility for the emissions from transport activities that are contracted out and reports on the estimated CO₂ emissions from these subcontracted operations. Air quality improvement is recognised by stakeholders as an important area of attention. In particular, inner city activities have to deal with the emissions of NO_x and Particulate Matter (PM10) which can result in human health issues.

Code orange – A mandatory programme that touches every aspect of TNT's business ensuring compliance with all relevant legislation and application of best practice environmental policies.

Code orange focuses on:



Operational vehicles



Aviation



Buildings



Procurement



Green investment



Business travel



Company cars

4. TNT and the Environment

A first for the UK – TNT's first 7.5-tonne electric vehicle, launched in London in December 2006



“As a driver of an electric truck, I know full well the commitment TNT makes to the environment. I wasn't sure what to expect at first but now I wouldn't swap it for any other vehicle.

It's so simple to drive, so quiet and pollution free. My customers think it's great and can't understand why other companies don't invest in them...TNT I, Competition 0!”

Lee Morgan, PUD driver, TNT Milton

4.5 Care for our Customers

2010 saw the launch of TNT's Customer Promise – a series of pledges by the company to its customers that help differentiate TNT from its competitors.

Managing Director, Alistair Cochrane, said: “The Customer Promise is our commitment to our customers that we're doing all we can to exceed their expectations at all times.”

Recognising the importance of the company's environmental performance, TNT has a 'promise' dedicated to further enhancing its 'green' credentials – ‘We promise to know what planet we're on.’

The undertaking to customers states: ‘We're a transport company. We recognise that we are part of the problem of carbon emissions and climate change, so we must be part of the solution. Our target is to become the world's first carbon neutral transport company, and that's why we invest so much time, money and effort in alternative fuels, electric vehicles, green offices and depots and, generally working cleaner.’



4.6 Environmental Results

TNT UK & Ireland's environmental performance is illustrated in Figures 4 to 6 below;

FIGURE 4

TNT CO₂ Emissions (ktonnes)

	2008	2009	2010
Target	90.0	87.0	84.5
Actual	88.6	85.8	79.31

FIGURE 5

TNT Electricity Consumption from Sustainable Sources

	2008	2009	2010
Target	30%	50%	85%
Actual	43%	53%	88%

FIGURE 6

TNT Waste Recycled (tonnes)

	2008	2009	2010
Target	5,500	6,000	5,500
Actual	6,519	5,640	5,348

Note: TNT reports carbon emissions in accordance with the accounting and reporting standards defined by the Green House Gas Protocol (GHG Protocol) and is externally verified by TNT's auditors PricewaterhouseCoopers.

Keeping a promise – TNT's Customer Promise charter addresses the need for the company to minimise its impact on the environment

5. Voluntary Contributions to Society

“Despite the economic downturn we have generated our biggest ever single donation to Wooden Spoon – a remarkable achievement – and one that takes us ever nearer to our £3 million target.”

Tim Robb, Divisional Director, TNT Business Solutions

5.1 Wooden Spoon

TNT is the biggest single benefactor of the children's charity, Wooden Spoon. Generous of thought and deed, the company's employees have generated in excess of £2.8m since 1997 and had a profoundly positive impact on the lives of tens of thousands of youngsters.

Spoon is TNT's principal charity with 98% of all funds going directly to frontline projects to benefit the children. A volunteer-based charity with its origins entrenched in the sport of rugby, Spoon provides great networking and business development opportunities for TNT.

As well as fundraising, TNT employees are encouraged to witness how the money they raise is put to good use via the 'Seeing is Believing' (SiB) programme – an initiative where they take time out of their working day to visit children at Spoon-supported projects.

Launched in 2003, a total of 2,400 employees had experienced a SiB visit by the end of 2010, forging a stronger bond with the charity and 'making it personal'.

Record-breaking roadshow – two TNT specially decorated linehaul vehicles undertook a nationwide tour, through the wintry conditions, to celebrate the company's biggest ever donation to Wooden Spoon

The remarkable generosity of TNT employees was reflected in a record-breaking donation of £305,137 during 2010, despite the economic downturn and challenges within the business.

The sum – the largest ever received by Spoon – edged TNT ever closer to its target of £3 million. It was celebrated courtesy of two 44ft linehaul vehicles, emblazoned with a transfer of a giant cheque, which visited TNT depots, hubs, offices and other locations the length and breadth of Britain.

The year also marked the most audacious fundraising bid ever undertaken by TNT when a seven-strong team attempted to swim the English Channel. A valiant effort saw the swimmers cover 29 miles – more than the distance between Dover and Calais – and yet still fail to land on French soil. Atrocious weather saw the 16-hour attempt called off just four miles shy of France, but Spoon still benefited by £17,000.

TNT's charitable prowess received Royal recognition when Tom Bell, recently retired Regional Managing Director was awarded the OBE in the Queen's New Year Honours List for his – and by definition – TNT's services to charity.



5. Voluntary Contributions to Society

“TNT in the UK & Ireland has a specific twinning relationship with Tanzania where for just 7p a day a malnourished child can be fed and educated under the auspices of the WFP School Feeding Programme.”

David Walker, Head of Communications

5.2 World Food Programme

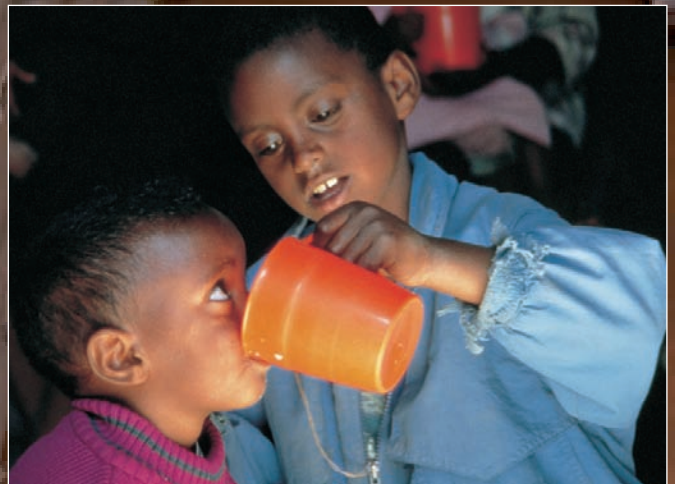
TNT's groundbreaking partnership with the United Nations' World Food Programme (WFP) was initiated by Peter Bakker, ex-CEO of TNT NV, when he heard the staggering and highly disturbing statistic that a child dies every five seconds from hunger or hunger-related diseases.

The partnership began in 2002 and adopted the title of 'Moving the World' – a very apt description given that TNT committed knowledge, skills and resources to helping finance the work of the WFP and also to the physical delivery of food and supplies to disaster areas around the globe.

As the largest humanitarian aid agency on the planet, the WFP provides food aid to an average of 90 million people in over 80 countries. TNT, as a global service provider, immediately recognised the synergies with WFP and saw the rich potential of exploiting skills to help the worldwide community in which we operate.

TNT's expertise and resources, aligned to the requirements of the WFP make it a perfect partnership, enabling the company to engage with its people in a programme that ultimately facilitates and encourages developing nations to become more self-sustaining. As well as practical support, TNT also work in tandem with the WFP raising awareness of global hunger bringing it to the attention of Governments, leaders of industry and the public at large.

TNT's annual fundraising focuses on a specifically themed 'Fight Hunger Week' – an initiative that encourages employees to participate, raise tens of thousands of pounds for the WFP and boost awareness and understanding via media opportunities.



Making a difference – TNT's partnership with the World Food Programme helps feed and educate thousands of malnourished children in Tanzania

5. Voluntary Contributions to Society

“We have a strong corporate responsibility ethos and our support for the WFP is a key element in what we do. Our employees never cease to amaze me with their generosity and willingness to help those most in need in society.”

Simon Harper, Director of Operations, TNT Express UK



Carefully targeted annual Fight Hunger Week campaigns are now the well established and highly successful way that TNT Express Services supports TNT's global partnership with the WFP.

With the focus on fundraising, but also seeking to raise awareness levels of the need to combat global hunger, the seven-day initiatives never fail to raise tens of thousands of pounds and are always accompanied by lots of regional and trade media attention.

It costs just 7p-per-day to feed and educate a child in Tanzania – that's just £25-a-year to keep a malnourished youngster alive and receptive to new learning.

In 2010 generous TNT employees delivered an aid package in excess of £40,000 – enough to provide more than half-a-million meals for 1,600 impoverished schoolchildren in East Africa.

A taste of Africa was high on the fundraising menu as TNT employees re-created a meal of maize and water given to the children in Tanzania – the one meal a day that gives them the vital nutrition to survive and prosper. Portions of the very basic foodstuff were sold to help raise money and give people a real insight into how the youngsters live.



On yer bike – Saddlesore TNT riders raised funds to help impoverished Tanzanian youngsters during the annual Fight Hunger Week initiative

Other fundraising activities included a 'virtual' bike ride spanning the length of Britain, charity pool tournaments, netball competitions, pyjama days, quizzes, mega raffles, a weight-lifting challenge, head and chest shaving, leg waxing, car washing, throwing wet sponges at the boss, swear boxes and sponsored hikes.

“We have a strong corporate responsibility ethos and our support for the WFP is a key element in what we do. Our employees never cease to amaze me with their generosity and willingness to help those most in need in society. To raise more than £40,000 in just a week is a remarkable achievement,” remarked Simon Harper, Director of Operations.

“Having witnessed, first hand the WFP work on the frontline in Tanzania, I know how vital these funds can be and I am enormously proud that our people continue to show their never ending support for such a worthy cause.” he added.



Out of Africa – TNT employees recreated a typically nutritious meal given to Tanzanian children and served it up in black tie and cocktail dress finery

5. Voluntary Contributions to Society

“My father is a night shift supervisor at our Swansea depot and has worked for TNT for the past 30 years. His job has given me and my brothers a good life so I felt it right to help out with a very worthy charity.”

Stuart Turner, Traffic Supervisor from TNT Llantrisant, who made a round-trip of more than 250 miles to take Children In Need telephone pledges



5.3 Other Charitable Initiatives

In addition to the World Food Programme and the Wooden Spoon, TNT supports various selected charities.

In 2010 TNT stepped up to deliver another two record-breaking donations apart from the Wooden Spoon. The company traded its corporate orange for a flush of pink to raise £18,000 in just a day for the Breast Cancer Campaign, Wear it Pink Day and then, within a matter of weeks, £15,000 for the BBC Children In Need appeal.

In just five ‘Wear it Pink’ days since 2006, employees have generated in excess of £75,000, whereas the company’s second year as a designated contact centre for Children In Need saw donation pledges top £70,000.

The year also saw a first foray into the world of support for animal charities following an approach to support the 20th anniversary of the UK-based Orangutan Foundation. With the obvious ‘orange connection’ TNT swung its support behind the one-off ‘Orange for Orangutan’ Day to raise awareness of the plight of the endangered species.



Arresting sight – TNT’s Wear it Pink policewomen helped boost fundraising for the Breast Cancer Campaign



Engaging employees – TNT staff travelled from all over the UK to man phone lines for Children In Need at the company’s Atherstone Contact Centre in Warwickshire

Summary

Corporate Responsibility is an integral part of the TNT way of life – the company sees its approach as a key differentiator, something that sets it apart from its competitors both here in the UK and on a global scale. The 2010 Corporate Responsibility Report addresses the important CR issues of the day here in Britain and Ireland and facilitates appropriate management behaviour which underpins the company's wider business strategy.

TNT's objective is to continually improve its management of social, environmental and economic issues that affect or influence its business and supply network. It believes the management of CR is not only the right thing to do – it also makes economic and environmental sense. It sees CR as a core business consideration which is fundamental in delivering strategic and reputational benefits.

CR is an imperative in the modern business world – even more so in these economically challenging times – when customers and other stakeholders are seeking more and more from a service provider. CR is a key factor when it comes to winning hearts and minds and building that most important of commercial platforms – trust. A conscientious and diligent approach to CR enhances the trust levels placed in TNT by its various stakeholders.

