



Sure we can

Corporate responsibility report 2008



Sure we can

Corporate responsibility report 2008



Cautionary note with regard to “forward-looking statements”

Some statements in this corporate responsibility report are “forward-looking statements”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of TNT's control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about TNT corporate responsibility performance and TNT management's beliefs and assumptions about the future.

Scope of TNT's 2008 corporate responsibility reporting

For a full description of the scope of this report and the assurance obtained please refer to chapter II ‘Scope of the report’.

In summary this report covers the period from 1 January 2008 to 31 December 2008 with TNT obtaining its corporate responsibility (CR) data from internal measurement and from external sources (third parties).

The data is gathered using a questionnaire. All figures are based accordingly on the information provided by the Mail division, Express division, Innight (Other networks) and Group Head Office (GHO). Figures are presented in a relative way (using percentages and ratios) to make it possible for readers to monitor and measure progress year on year, unless the reporting protocol requires absolute figures to be disclosed. Figures related to CO₂ emissions are all extrapolated to reflect the whole organisation, unless stated otherwise. TNT defines coverage as the number of full time equivalents (FTEs) working in entities that report data divided by the total number of FTEs per division. The data clarification table in Annex 3 shows the coverage per indicator. TNT has taken all reasonable steps to ensure that the information in this report is accurate.

This report includes only data from entities that are fully-owned or majority-owned and from those joint ventures where TNT has a controlling interest with respect to corporate responsibility. For subcontractors, this report covers only road traffic fatal accidents, as well as absolute subcontractor CO₂ emissions, which are estimated.

Whenever the report refers to the ‘major acquisitions’, this relates to the acquisitions of ARC India Private Ltd (Speedage) in 2006, and Huayu Hengye Logistics Company Limited (Hoau) and Expresso Mercúrio S.A. (Mercúrio), both of which were acquired in 2007.

TNT has engaged PricewaterhouseCoopers Accountants N.V. (PwC) to provide reasonable assurance on certain metrics and limited assurance on other metrics. This assurance work is performed in accordance with the Assurance Standard 3410N “Assurance Engagements Relating to Sustainability Reports” as drawn up by the professional body of Dutch Accountants (Royal NIVRA) and in line with the 2003 AA1000 Assurance Standard (AA1000 AS) in so far as the AA1000 AS goes beyond the requirements of Assurance Standard 3410N.

Although the major acquisitions are included in the reporting scope of 2008, unless stated otherwise, the reported data from these major acquisitions are excluded from PwC's assurance scope. Owing to the recent acquisition dates, these entities are not yet sufficiently aligned to TNT's systems. Obtaining assurance at this stage would therefore be unrealistic.

Data marked with a triangle (▲) have been audited. Audit work focuses on obtaining reasonable assurance, substantiated by sufficient supporting evidence. Limited assurance (obtained through review work) does not require exhaustive gathering of evidence and therefore provides a lower level of assurance than audit work.

KEY PERFORMANCE INDICATORS

The key performance indicators for certificates, health and safety, environment, employees and customers relate to TNT excluding the major acquisitions. More information on TNT, including major acquisitions, is available in the relevant chapters of the report.

Certificates (based on FTEs)

	2006	2007	2008
OHSAS 18001	82%	86%	89%
Investors in People (based on headcount)	79%	82%	85%
SA 8000 (in non-OECD countries)	48%	95%	94%
ISO 9001	80%	90%	90%
ISO 14001	65%	86%	89%

Health and safety

	2006	2007	2008
Fatal accidents with a TNT employee involved			
Workplace fatal accidents	1	0	1
Blameworthy road traffic fatal accidents	1	1	3
Non-blameworthy road traffic fatal accidents	2	1	2
Fatal accidents with a subcontractor involved			
Subcontractor road traffic fatal accidents	11	9	14
Lost time accidents			
Lost time accidents per 100 FTEs	3.05	3.21	2.87

Environment

	2006	2007	2008
CO₂ emissions			
CO ₂ emissions absolute (ktonnes)	825.2 ¹	1,013.0 ¹	1,021.9
CO ₂ efficiency small trucks (g CO ₂ /km)	-	287	281
CO ₂ efficiency large trucks (g CO ₂ /km)	-	676	670
CO ₂ efficiency aviation (g CO ₂ /tonne•km)	-	1,132	1,107
CO ₂ efficiency buildings (kg CO ₂ /m ²)	-	48.3	38.6
Sustainable electricity			
Sustainable electricity (% of total electricity)	9.8%	11.0%	43.5%

1- Australian aviation fuel usage reclassified as subcontracted

Employees and customers

	2006	2007	2008
Employee engagement	68%	no data ¹	71%
Customer satisfaction Mail ²	90%	89%	89%
Customer satisfaction Express	89%	90%	92%

1 – No employee engagement survey was conducted for Mail Netherlands. The employee engagement for the remaining Mail entities was 74% in 2007

2 – Based on customer satisfaction survey of small and medium enterprises in Mail Netherlands

Financials¹

	2006	2007	2008
Net sales (€ million)	9,948	10,885	10,983
Other operating revenues (€ million)	112	132	169
Total revenues (€ million)	10,060	11,017	11,152
Operating income (€ million)	1,276	1,192	982
Operating margin (%)	12.7	10.8	8.8
Salaries, pensions and social security contributions (€ million)	3,384	3,608	3,617
Dividends and net interest paid (€ million)	528	489	442
Income tax paid (€ million)	282	492	225
Dividend per share (€ cents)	73	85	71
Shareholder return (%)	26.3	(11.2)	(49.4)

1 – All figures are based on TNT's published annual reports 2007 and 2008

Certificates

The table above shows TNT's performance in implementing and achieving certifications for standards. The data do not include the major acquisitions. Mercúrio and Speedage have plans in place to achieve certification to all the standards by 2011. For Hoau a phased plan has been agreed that focuses first on obtaining OHSAS 18001 and ISO 9001 certification by 2012 and on achieving the other standards by 2015.

Mail certified most of the defined entities as set by internal targets at the beginning of 2008. For EMN Italy, the main part of the organisation was certified according to OHSAS 18001 and ISO 14001, and for liP a minor part was certified in 2008. Spring Tanat Brussel did not obtain the planned ISO 9001 certification, and nor did a small part of EMN Belgium.

Express maintained its certification to OHSAS 18001, ISO 9001, ISO 14001, SA 8000 and Investors in People in all entities.

Health and Safety

TNT regrettably reports a total of 19 fatal accidents (excluding subcontracted operations) in 2008, of which four were workplace fatal accidents and 15 road traffic fatal accidents (12 of which were also blameworthy). The 19 fatal accidents resulted in the death of five TNT employees, one subcontractor, and 13 third parties. An additional 30 road traffic fatal accidents occurred as a result of TNT's subcontracted operations during 2008. These additional accidents resulted in 10 subcontractor fatalities and 29 third-party fatalities.

TNT actively encourages and supports its subcontractors to meet high road safety standards and to report accidents and fatalities to TNT as soon as they occur.

Environment

The overall CO₂ emissions for TNT's own operations have increased slightly, which can be attributed mainly to increased fuel consumption in aviation. The CO₂ efficiency for buildings improved by 20% compared to 2007. The sustainable electricity contract in the Netherlands contributed significantly to reducing the CO₂ emissions associated with buildings.

Employees and customers

In 2008, TNT's engagement score of 71% was a 3% improvement over the last two years and higher than the industry benchmark.

TNT wants to exceed customer expectations. Analysis shows that 'at least satisfied' customers are more loyal and easier to retain. TNT aims to increase the percentage of 'more than satisfied' customers within the group of 'at least satisfied' customers. In 2008, 38% of Express' customers rated its service as 'exceeding expectations' while 92% defined the service as 'meeting expectations'.

Financials

For a more detailed overview of TNT's financial statements and performance over 2008 please refer to the 2008 annual report.

Net sales related to normal trading activities increased by 0.9% and total revenues increased by 1.2% in 2008 compared to 2007. Operating income decreased by 17.6%, mainly due to the economic downturn leading to reduced volumes within Express.

The dividend per share is €71 cents in 2008 and is partly paid in stock. TNT's 2008 share price performance followed the trend of peers and sector which resulted in a negative total shareholder return of 49%.

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FOREWORD CEO

Responsible leadership

It is clear that all is not well with the world. We are in the midst of an unprecedented financial crisis combined with a harsh economic recession. And yet it is not just the economy that is in trouble. Of all the global issues, the price of oil and measures required to prevent a climate crisis will most likely continue to impact our business. The call for responsible leadership is louder than ever.

Our report on 2008 comprises two separate documents. In this corporate responsibility (CR) report we provide information on many of the non-financial elements of our business, such as our people, integrity, energy and climate performance. In our annual report, we report mainly on our business and financial performance. During 2009, we will decide whether we need to continue to produce two separate reports or create a single, integrated report covering both our financial and corporate responsibility performance.

– we have extended our relationship with the World Food Programme and have expanded the initiative into other areas such the 'transport for good' programme in Malawi, the North Star Foundation and its work in providing resources for education, testing and treating HIV/AIDS, and our commitment to provide emergency response support to humanitarian crises. In 2008, we were involved in 13 such activities.

2008 corporate responsibility performance

In 2008, we saw declines in some of our key CR indicators. We are directing every effort required towards improving our health and safety performance. Despite this effort, 2008 sadly saw an increase from 42 to 58 in the total number of fatalities related to our activities globally. This includes 19 fatal accidents with a TNT employee involved, including four workplace fatal accidents, 12 blameworthy road traffic fatal accidents and three non-blameworthy road traffic fatal accidents. In addition, 30 third party subcontractor road traffic accidents resulted in 39 fatalities.

In addition, our absolute CO₂ footprint increased slightly as a function of the overall increase in volumes transported and the full-year impact of our Boeing 747 operations to and from China. On a positive note, we have made clear improvements as we now purchase only sustainable electricity in the Netherlands.

At the same time, TNT has made significant positive progress in the following areas:

- we have developed a set of new metrics for measuring the efficiency of the actions we have taken to reduce our CO₂ footprint. When applied to both small and large operational vehicles, aviation and buildings, these new CO₂ efficiency indicators actually show year-on-year reductions in the amount of CO₂ emitted. This is encouraging and provides support for our continued efforts to optimise our networks and green the fleet,
- we have further expanded the coverage of OHSAS 18001, Investors in People and ISO 14001 across our business. This is the foundation for ensuring effective health and safety, engagement and environmental management,
- we have invested in the amount of training offered to our drivers and have also benefited with a significant reduction in lost time accidents compared to 2007, and

New corporate responsibility strategy

It is clear that, in the current economic environment, we will need to manage our financial performance more prudently than ever. And yet, it is our view that in the current age a responsible company cannot be led anymore by focusing on its financial performance alone. In order to perform well, to attract and motivate the people in our workforce, and retain our licence to operate, we need to broaden our focus on all company stakeholders.

For this reason, we have reviewed and updated our corporate responsibility (CR) strategy. Corporate responsibility for us combines sustainability, which focuses on the environment, and corporate social responsibility, which deals with our people, our customers, our investors and society as a whole.

Our CR strategy builds on the achievements and recognition the company has obtained in recent years. We published our first CR report, which was then called social responsibility report, in 2004. Since then, we have been working hard on implementing management systems and standards throughout our operations. We are continuing our efforts to integrate our standards into our supply chain and we benchmark our corporate responsibility practices. For the past two years, we have led the Industrial Products and Services super sector in the Dow Jones Sustainability Index with the highest score of any company.

We have built a reputation of CR leadership through special initiatives, such as our innovative corporate partnership with the United Nations World Food Programme (WFP). Another initiative that has helped build our CR reputation is Planet Me. Launched externally in 2007, Planet Me aims to reduce the CO₂ emissions of our activities globally, for which we need to create awareness amongst our staff as well as pursue a policy of continuous innovation and development of systems and process.

No matter how pleasing some of the recognition for our CR work is, there are also clear points for improvement, especially in aligning the priorities in our CR strategy with the areas where we make the biggest impact: our employees and the environment. Our review concluded that responsibility for health and safety and CO₂ management must be firmly embedded in the operational areas of the TNT organisation. We will also prioritise the development of a framework that establishes the CR standards for our subcontractors. Details of the assessment and the way forward are described in the 'Reassessing the strategy' case included in this report.

Together, these priorities recognise that TNT's greatest potential is to contribute by performing its transport and mail business in a responsible, sustainable way. This in turn will add value to TNT's divisions.

2009 focus areas for TNT

More so than any other in the first decade of TNT's existence, 2009 promises to be a challenging year. TNT will focus its efforts around 'the six Cs': Customers, Cost, Cash, Care, Climate and Confidence. Care and climate have a direct link to the CR strategy for TNT:

- Care. In the harsh economic situation in which all companies must operate during 2009, our primary responsibility is caring for our own employees. As a people company, we aim to create 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 actions. However, in this economic downturn, we will have to shrink some parts of our operations. We will do our best to ensure any job losses are dealt with in a socially responsible manner.

- Climate. The economic downturn notwithstanding, TNT will continue on its quest to reduce its CO₂ footprint. Later this year, the leaders of the world will gather in Copenhagen to decide on future regulation to combat climate change globally. We need to prepare our business model for long term rising oil prices and the possible introduction of carbon pricing, as well as test new technologies that can help clean up our operations.

Our new CR strategy and our 2009 CR focus areas demonstrate our confidence and resolve to continue on the path of responsible leadership.



Peter Bakker, CEO
Hoofddorp, the Netherlands
16 February 2009

ORGANISATIONAL PROFILE 2009

This chapter describes TNT's core business and structure, sector initiatives, senior management, sales and the number of employees.

TNT – Core business and structure

TNT N.V., through its two divisions, Express and Mail, is part of the global transportation and distribution industry and dedicated to providing delivery solutions to its customers. TNT is incorporated in the Netherlands and is a publicly quoted company trading on the EuroNext Stock Exchange. As a holding company, the Board of Management sets the agenda for the group as a whole as well as for the Mail and Express divisions.

In basic terms, TNT is in the business of transferring goods and documents around the world tailored to its customers' requirements with a focus on time-certain and / or day-certain pickup and delivery. It is TNT's business to deliver its customers' "business" at the right time and at the right place. TNT picks up, transports, sorts, handles, stores and delivers documents, packets, parcels and freight by combining physical infrastructures such as depots and trucks, electronic infrastructures such as billing and track-and-trace systems, and commercial infrastructures to attract and retain customers. The sectors TNT serves include Automotive & Industrial, Telecom & Electronics, Financials and Government.

Board of Management

The Board of Management oversees TNT in its entirety, is responsible for setting TNT's mission, vision and strategy and their implementation, and takes responsibility for TNT's overall results. At present, the Board of Management consists of four members: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the two group managing directors of the Mail and Express divisions.

The group managing director of each of TNT's two divisions is primarily responsible for developing and executing the business strategy and operations of the division within the framework set by TNT's corporate strategy. The Board of Management is responsible collectively for managing TNT as a company and for all decisions taken in this respect. TNT's reporting structure is in line with the management structure of the two divisions.

The members of the Board of Management are:

Peter Bakker – Chief Executive Officer
Henk van Dalen – Chief Financial Officer
Harry Koorstra – Group Managing Director Mail
Marie-Christine Lombard – Group Managing Director Express

The full biographies of the members of the Board of Management can be viewed on group.tnt.com.

Duties of the Board of Management

In performing its duties, the Board of Management acts in accordance with the interests of TNT and the business connected with it. To that end, it is required to consider all appropriate interests associated with the company. The Board of Management is committed firmly to managing the company in a structured and transparent fashion. TNT's aim is to provide stakeholders with a clear view on corporate decisions and decision-making processes. Value-based management provides TNT with an additional framework for forward-looking management of the company based on objective criteria. Day-to-day decisions in the divisions are decentralised within established standards, processes, requirements and guidelines.

TNT's Board of Management is responsible for complying with all relevant legislation and regulations, for managing the risks associated with TNT's activities, for its financing, and for its external communications.

The Board of Management provides the Supervisory Board with the information necessary for the proper performance of its duties in a timely manner. In addition, the Board of Management is required to provide the necessary means, allowing the Supervisory Board and its individual members to obtain all information necessary to be able to function as the supervisory body of TNT. The Board of Management seeks full transparency in its communication with the Supervisory Board.

Supervisory Board

The Supervisory Board is charged with supervising the policies of the Board of Management and the general course of affairs of the company and the business connected with it, as well as assisting the Board of Management by providing advice. The Supervisory Board evaluates the main organisational structure and the control mechanisms established by the Board of Management. The responsibility for proper performance of its duties is vested in the Supervisory Board as a whole. Members of the Supervisory Board may take positions other from those of the Board of Management.

In performing its duties, the Supervisory Board is charged with acting in accordance with the interests of TNT and its affiliated businesses. It shall take into account the relevant interest of the company's stakeholders. To that end, it shall consider all appropriate interests associated with the company. Members of the Supervisory Board perform their duties without mandate and independent of any particular interest in the business of the company. TNT's Supervisory Board is responsible for the quality of its own performance and for this purpose reviews its performance annually.

The composition of the Supervisory Board changed in 2008. Both Mr P.C. Klaver and Mr G. Ruizendaal were appointed as members of the Supervisory Board by the annual general meeting of shareholders held on 11 April 2008. Mr R. Dahan and Mr R.W.H. Stomberg stepped down as members of the Supervisory Board on the same date.

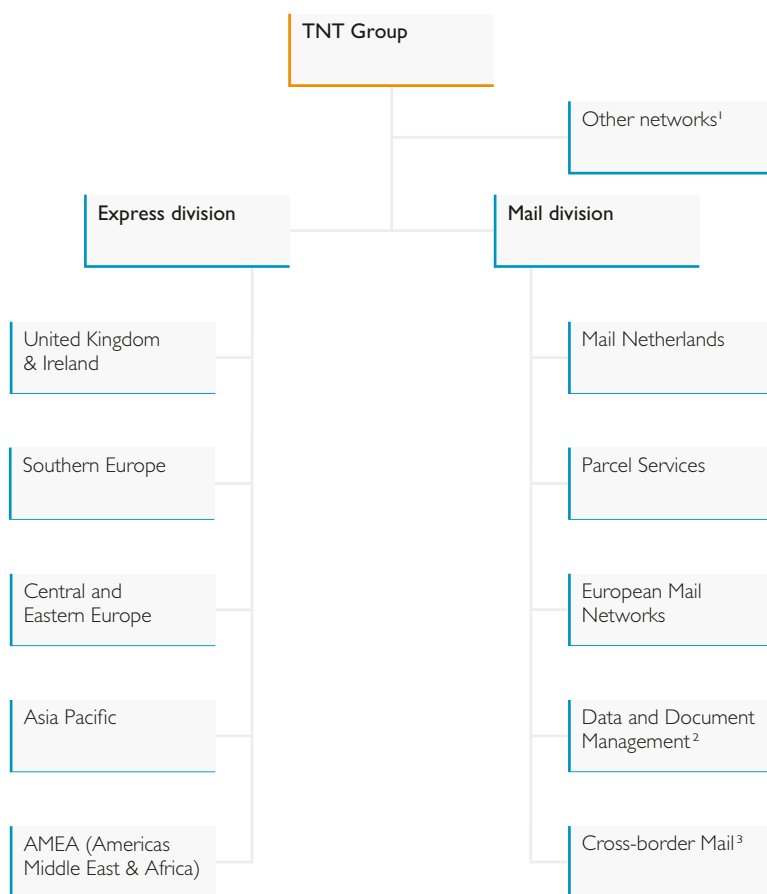
As of 1 January 2009 Mr J.H.M. Hommen stepped down as chairman of the Supervisory Board in favour of Mr Klaver and Mr S. Levy was appointed vice-chairman of the Supervisory Board.

Both Mr Hommen and Ms G. Kampouri Monnas will step down as members of the Supervisory Board on 8 April 2009, which is the date of the annual general meeting of shareholders. Ms N. Altenburg has been nominated as new member of the Supervisory Board. Her appointment will be decided upon by the shareholders on 8 April 2009. Mr Levy was nominated for reappointment

as member of the Supervisory Board. His reappointment will be decided upon by the shareholders on 8 April 2009 as well.

The by-laws of the Board of Management and the Supervisory Board can be viewed on group.tnt.com.

Organisational profile



1 – TNT Innight
2 – Brand name Cendris
3 – Brand name Spring

In 2008, the structure of the Express division was as follows:

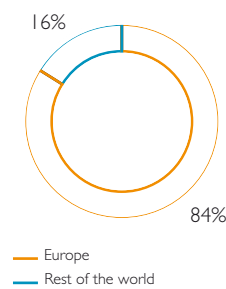
- United Kingdom & Ireland,
- Western Europe (Benelux, Italy, Germany and France),
- International Business Unit,
- Australia,
- Greater China, and
- Americas, Middle East & Africa.

From 2009 onwards, a change in structure has been implemented in the Express division as reflected in the diagram of the organisational profile.

Net sales and employees

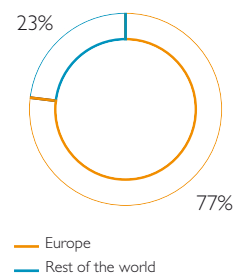
Net sales – 2008

€10,983 million



Employees around the world – 2008¹

163,245



TNT's Europe-based businesses accounted for 84% of TNT's global net sales and 77% of all TNT employees (71% of the European net sales stems from the Netherlands, United Kingdom, Germany, Italy and France). TNT's operations in the rest of the world contributed 16% of global net sales with 13% attributed to operations in China & Taiwan, Australia & the Pacific region, Brazil, Africa, the Middle East and India.

The number of employees employed by TNT increased by 1% in 2008 compared to 2007. The distribution of employees between Europe and the rest of the world did not change. Of all employees resident in Europe, 50% are based in the Netherlands, and 45% of all employees outside Europe are based in China & Taiwan.

Sector initiatives in corporate responsibility

TNT participates actively in initiatives such as the Logistics and Transport Sustainability Group of the World Economic Forum (WEF) and bases its CR report on the Global Reporting Initiative (GRI) to improve transparency in performance. In addition to initiatives related specifically to CR, TNT is also involved actively in initiatives such as the European Express Association (EEA), the Global Express Association (GEA), the Conference of Asia Pacific Express Carriers (CAPEC) and the International Postal Corporation (IPC). Besides these formalised initiatives, TNT is involved in a continuous dialogue with interested parties on issues such as the postal law in the Netherlands, the implementation of the European Postal Directive and the EU Emission Trading Scheme (EU ETS).

MISSION AND STRATEGY

 Corporate responsibility report 2008

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This chapter looks at TNT's strategy and how the corporate mission interacts with corporate responsibility.

Mission statement

TNT's mission is to exceed its customers' expectations in the transfer of their goods and documents around the world. TNT delivers value to its clients by providing the most reliable and efficient solutions through delivery networks. TNT seeks to lead the industry by:

- instilling pride in its people,
- creating value for its shareholders, and
- sharing responsibility for the world in which it operates.

Industry trends

TNT believes the following trends will be increasingly relevant to its business over the next five to ten years:

Economy

In 2008, the global economy entered into a severe recessionary phase, deepening in Europe in the third and fourth quarters. The credit crisis and its impact on the 'real economy' led to an unprecedented drop in global market capitalisation. TNT shares lost 49% of their value during the year in line with general indicators for its industry sector and the AEX of Euronext Amsterdam. The oil price, of particular importance to the transport industry, peaked at over \$145 per barrel in July 2008 but then quickly dropped to below US\$50 per barrel level as a result of decreased demand and the rapidly-deteriorating economic conditions.

TNT does not assume improvement in economic circumstances in 2009. TNT is therefore adapting and aligning its strategic short term focus areas to strengthen the company through the recessionary phase in the global economy, while remaining alert to new growth opportunities provided by its strong platforms. A focus on aggressive cost-saving measures is combined with a focus on cash, including the reduction of working capital and capital expenditure.

Environment

There is consensus amongst the general public, politicians and others that climate change is threatening the environment. Increasing levels of carbon dioxide (CO₂) in the atmosphere are trapping more heat, thus increasing global temperatures. This phenomenon, referred to as global warming, will give rise to all sorts of measures and regulations that try to abate the CO₂ emissions around the globe. At the end of 2009, the Conference of the Parties (COP 15) to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen hopes to set long term global reduction targets. Since transport and distribution contribute nearly one-fifth to these emissions, the transport and distribution industries will be affected significantly by any measures or regulations. TNT has responded proactively to this challenge by implementing the ISO 14001 standards globally for continuous improvement and by launching its Planet Me programme, as described in detail in the 2007 Social Responsibility report and in the 'Greening the fleet' case as found in this report.

Demographic trends

Demographic trends are changing the composition of the population across the globe. For example, in the largest Western European countries, it is estimated that between 20% and 25% of the population will be above the age of 65 by 2020. Also, people will live increasingly in cities with more than five million inhabitants (so-called megacities), posing considerable distribution challenges. As a result of the ageing population, spending on healthcare will increase significantly. In addition, there is a trend towards more biopharma products and an increased need for special handling services in healthcare.

These trends have several implications for the transport and distribution industries, such as accelerated growth of healthcare product flows, an increasing demand for to-consumer distribution networks, and possibly more challenges in attracting and retaining staff.

Restructuring global supply chains

Driven by globalisation, multinationals continue to move their manufacturing to countries with low-cost labour such as China. With an increasing middle class in the emerging countries, spending in those markets is likely to rise, concurrently driving regional transportation and global flows. In contrast, environmental concerns may eventually lead to renewed regionalisation of manufacturing and regional "self sufficiency" models.

Digitisation

Digitisation is a trend that TNT has faced for quite some time. As a result of continuously improving technologies, documents can be digitised, transmitted and reproduced without requiring delivery of the printed material. Digitised design of goods and services as well as globalisation of product development and promotion will also influence delivery requirements.

Focus on Networks strategy

TNT's strategy is to focus on providing delivery solutions by expertly managing delivery networks. TNT calls its strategy "Focus on Networks". This strategy was first presented in the fourth quarter of 2005, contains manageable execution risks, and is based on TNT's core strengths with the objective of achieving profitable growth.

In the first phase of its Focus on Networks strategy, TNT concentrated on transforming its foundations by exiting its logistics and freight management activities, concentrating on (Mail and Express) multi-user networks and optimising its capital structure.

Since the start of the second phase (called "Grow and Build Value") in December 2007, the emphasis is now on further strengthening and actively maintaining the core of the portfolio (Express Europe and Mail Netherlands) and accelerating the build-up of the emerging platforms in European Mail and Parcels and Express emerging businesses. In addition, other "delivery solution

opportunities" such as deferred services and niche solutions for specific client sectors are being developed actively.

TNT's networks are in different phases of development and offer a range of growth opportunities. TNT's most mature business is its Mail network in the Netherlands, where TNT seeks actively to maintain its market leadership in a declining market with increasing competition. TNT's Express networks in Asia, in particular in India, China and South-east Asia, and in selective other emerging markets, such as Brazil, are at the other end of the spectrum and are among the least mature networks in its portfolio. In these geographies, TNT can take on a leading position in shaping the market by strongly growing its road networks and so attain market leadership. In Europe, TNT continues to grow its Express and Mail networks by building on its existing strong position. TNT aims to accelerate growth in its networks organically, as well as through selected acquisitions.

TNT has a portfolio of delivery solution businesses and it leverages its strong brand across all activities around the world.

The essence of TNT's business model is to operate multi-client delivery networks. TNT's aim in each of these networks is to achieve cost and service leadership through scale and continuous network optimisation. In addition, largely dedicated networks, for instance for Fashion, Health and Document express deliveries, are managed and developed further.

Express strategy

The Express business is one of high but cyclical growth. The future of Express is shaped by several market trends:

- significantly above-GDP growth rates in most segments of this market due to continuous off-shoring to low-cost countries, and further outsourcing of in-house transportation, value-added services and logistical activities,
- a structural shift towards deferred/economy products (road, rail-based) due to increased environmental focus, stronger cost focus, and increased energy costs. The current economic climate amplifies this structural trend, and
- increased demand for global door-to-door delivery and integration of total supply chains (across different modes of transport).

The vision for the TNT Express cluster of businesses is to achieve a sustainable leading position in Europe and the emerging markets by expanding and cost-optimising the dense domestic and regional pickup and delivery and regional linehaul networks, while continuing to strengthen the business through extending the service windows in all weight classes and for all sectors.

The TNT Express strategy follows this vision, focusing on the following four elements:

- seek higher-than-market growth by expanding to an offering that encompasses a range of time-based service windows for a full range of weight classes,
- manage the costs down by optimising the networks and overhead costs to cater for the current poor economic environment and lower volumes in the network, in particular in the air network in Europe,
- gain market share and scan for local acquisition opportunities to strengthen the core while at the same time redesigning TNT's own networks to deal with the changing demand patterns of its customers, and

- continue to expand the unique domestic (road-based) positions in the largest emerging markets.

Mail strategy

The Mail business is a mature-to-declining cluster of businesses that constantly needs to adjust itself to changing volumes and emerging competition. Three market trends define the future of the Mail business: changing communication patterns following digitisation, increasing competition in Europe due to liberalisation and consolidation as a result of liberalisation. While the first trend results in volume decline, the other two trends create growth opportunities for TNT outside the Netherlands.

The vision for the TNT Mail cluster of businesses is to become a leading European mail company that leverages its core strengths in cost and regulation management for mail and related activities and that grows new businesses in core geographical markets building on assets, brand and capabilities.

The TNT Mail strategy follows this vision, focusing on five elements in parallel:

- manage cost and sales in the Dutch operations through Master Plans and prepare for alternative business models (e.g. mainly 2-3 day delivery) to adjust to the changing market situation,
- where regulation allows, grow the challenger position of TNT Post outside the Netherlands through European Mail Networks,
- use TNT's deep expertise in cost efficiently running mail networks as an opportunity for other incumbent mail operators,
- more than double Parcels revenue from 2008's €420 million by 2014 with a 10-12% operating margin by building from TNT's successful Benelux model and by cooperating with Express, and
- leverage TNT's brand and reputation to capture the digitisation trend by offering new products in e-commerce fulfilment, digital products, and financial services.

Corporate responsibility strategy

TNT's CR strategy spans both divisions and all regions. It reflects TNT's ambition to be a leading global network services company. As the company's business strategy has an impact on its social and environmental footprint, being a responsible corporate citizen is a key strategic element. Specific strategic objectives are articulated in TNT's corporate responsibility policy including:

- to subscribe to the United Nations Global Compact, which embraces, supports and enacts a range of values in the areas of human rights, labour standards and the environment, and
- to improve the social and environmental impact in the communities in which TNT operates.

To integrate corporate responsibility into the business successfully, it has been TNT's objective to certify all fully-owned TNT entities in accordance with the relevant international management system standards. These standards are the foundation of TNT's corporate responsibility strategy:

- OHSAS 18001 (for workplace safety),

- Investors in people (for personal growth of employees),
- SA 8000 (for social responsibility),
- ISO 9001 (for operational excellence), and
- ISO 14001 (for environmental management).

During 2008, TNT reassessed its corporate responsibility strategy. TNT's greatest impacts are through its operations and value chain. As such, TNT's revised strategy will focus on managing these impacts. Details of the assessment and the way forward are described in detail in the 'Reassessing the strategy' case as included in this report.

ECONOMIC CIRCUMSTANCES

This chapter examines the current economic climate, external developments, and how they affect TNT and its corporate responsibility initiatives.

Economic environment in 2008

During 2008, the global economy entered into a severe recessionary phase, accompanied by significant uncertainty in financial markets and deepening in Europe particularly in the second half of the year. This sharp change in the economic environment has had a substantial impact on the results of the Express division. Volumes, overall and in particular in the premium express market in Europe, decreased and are well below levels over 2007. TNT assumes continuing pressure on Express volumes in 2009.

Although Mail is considerably less sensitive to economic cycles, it is preparing its operations for higher levels of volume decline, resulting largely from expected increased substitution in the Dutch mail market. Although within the recent decision of the Dutch government not to fully liberalise the mail market on 1 January 2009, the need for balanced postal sector labour conditions and a European level playing field is consistently reflected, a government decision to liberalise the postal market in the Netherlands during 2009 is still possible. Such a decision might put further pressure on TNT's mail volumes and competitive position.

TNT is adapting and aligning its strategic short and medium term focus areas to strengthen the company through the recessionary phase in the global economy while remaining alert to new growth opportunities provided by our strong platforms. This is described fully in the TNT 2008 annual report.

The short term severe economic downturn requires the Express business to protect revenue and margin levels. Express has implemented and is preparing a full range of measures to reduce costs significantly in all areas of operations, including air and road platforms on a response to expected sharply declining volumes.

The Mail business has prepared and is preparing its operations for a volume decline from around 4% in 2008 to around 6% over the years to come as a result of higher levels of substitution and competition. As disclosed in chapter 5 of TNT's 2008 annual report, Master Plans II and III will continue to adapt the

organisation and cost structure in 2009-2010 and the years thereafter.

TNT's financial standing as per ultimo 2008 is solid and based on a balanced and long term secured funding position. TNT will continue to focus on sustaining its good financial standing going forward by, amongst others, strict business performance and cash flow management, which will include targeted reductions in working capital and capital expenditures. In addition, real estate will continue to be sold, provided market conditions enable this to be realised close to normal market values. TNT maintains its policy to retain a BBB+ credit rating.

On 4 December 2008, TNT announced targeted structural cost savings totalling €270-330 million in the period 2009-2010. As part of this total, Express targets total structural savings of €170-210 million to be realised in full in 2010, of which €90-125 million are to be achieved in 2009. In addition, Express will be ready to implement further volume-dependent contingencies up to an amount of €120 million savings in 2009.

In 2009, Mail will continue implementing its current Master Plans and will start a new Master Plan. The targeted savings are €60-70 million in 2009 plus a further €40-50 million in 2010. These savings could be enhanced as a result of the full impact of a successful finalisation of the current collective labour agreement negotiations that aim to establish salary costs for its operations that are more in line with standard market practices. A new Master Plan III will be launched for the period from 2011 onwards, which aims to achieve €200 million in recurring cost savings, amongst others, based on making flexible delivery models and structures and a higher level of part-time labour.

TNT indicates a level of provisions for these cost optimisation initiatives in the period 2008-2010 of €125-200 million and possible impairments up to €150 million. The indicated range of provisions excludes the possible impact of successful collective labour agreement negotiations, which will result in savings related to labour costs being achieved at an earlier stage.

These cost savings and financial targets are subject to revision if the macroeconomic and business situations change during 2009 beyond developments currently assumed.

CORPORATE RESPONSIBILITY GOVERNANCE

 Corporate responsibility report 2008

sure *we can* 15

This chapter describes the governance of corporate responsibility within TNT and the responsibilities of the key functions involved in driving, monitoring and reporting corporate responsibilities. It also outlines the policies and initiatives in place which constitute TNT's Integrity Programme. The Corporate Governance standards to which TNT adheres, and the structures, policies and framework in place, are described extensively in TNT's annual report 2008.

Corporate responsibility governance structure

Corporate responsibility (CR) is an integral part of TNT's strategy and daily operations. Related managerial responsibilities are aligned with the hierarchical structure and the Board of Management has ultimate responsibility for all CR issues. Furthermore, all managing directors at divisional and entity level are responsible for implementing TNT's corporate responsibility policies and for the CR performance of their own organisational entity. This includes responsibility for: implementing the five internationally-recognised management systems, caring for employees and local communities, and continuously improving corporate responsibility performance. Additionally, TNT is developing a framework to incorporate corporate responsibility in contracts with subcontractors.

As illustrated on page 16, TNT's CR governance structure is built upon a solid foundation of five internationally-recognised standards that have been implemented through group policies and procedures. The framework shows that the Board of Management is supported in developing and achieving its CR strategic objectives by group and divisional functions and departments. These supporting functions and departments are responsible for ensuring that the legal and regulatory compliance objectives are achieved and that TNT's own standards are defined, implemented and executed. The Board of Management and their related group and divisional functions have ensured that the framework is established primarily around employees, the environment, procurement and voluntary contributions to society, supported by communications, CR reporting, human resources and integrity.

Independent and internal monitoring and oversight functions provide a second and third line of control and assurance in addition to that provided by the line functions. The Supervisory Board, its public affairs committee and other committees perform an oversight role. In 2009, as part of the new CR strategy, a CR Council composed of a diverse group of senior management will be formed to advise the Board of Management on CR direction, issues and opportunities. The TNT internal audit function and the company's external auditors support the Board of Management and the Supervisory Board in monitoring the CR governance structure and reporting. Refer to the chapter "Scope of the report" for a comprehensive overview of the roles of internal audit and the assurance services provided by the external auditor.

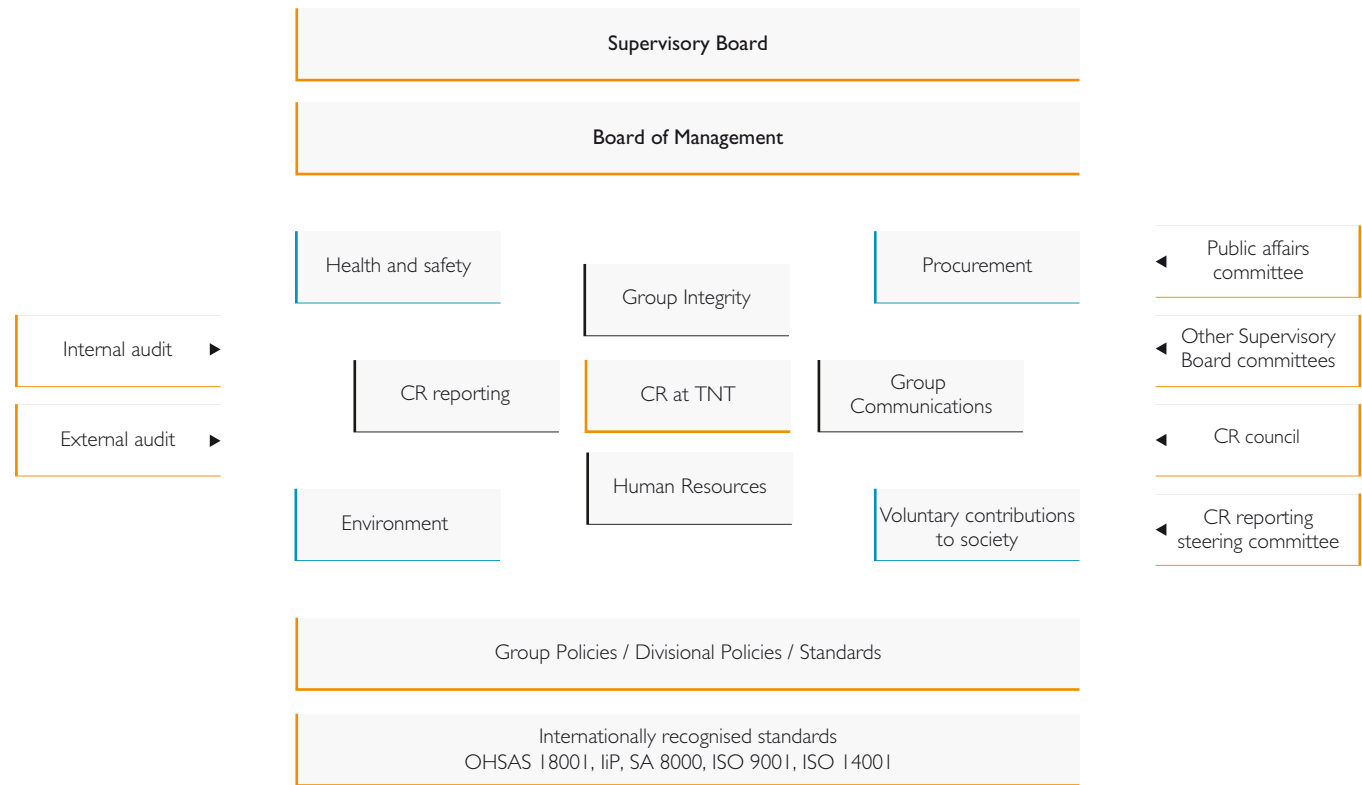
TNT reports its CR performance on a variety of levels ranging from the consolidated group position as outlined in this report to performance at specific entity, regional and divisional level. This allows management at all levels to benchmark their performance and to identify areas in which they can improve.

The principal owner of the CR governance structure is the TNT Board of Management. The public affairs committee oversees the CR agenda for TNT on behalf of the TNT Supervisory Board. The main areas addressed by the Board of Management and public affairs committee during 2008 are outlined below.

Board of Management

The Board of Management has health and safety on the agenda at all board meetings and is informed of all material CR issues as and when they arise. During 2008, the Board of Management instructed a full review of the CR strategy and has adopted a reviewed CR strategy as presented in the "Reassessing the strategy" case in this report. The Board of Management also reorganised the way in which CR reporting is managed and controlled. In April 2008, the Group Risk Management and Internal Control department became responsible for reporting and a dedicated committee of senior management chaired by the CFO has been created to evaluate and improve the metrics used to monitor TNT's CR performance. The Board of Management has also instructed existing TNT Group Policies on CR to be reviewed and updated. The new strategy will result in the appointment of a group director CR who will report to the CEO. This appointment will be ratified by the Board of Management.

Corporate responsibility governance structure



Public affairs committee

The public affairs committee of the Supervisory Board acts as a sounding board and advisory committee for the Board of Management with respect to (i) formulating, developing and monitoring TNT's public affairs policy governing the relationships between TNT and national and international (semi-)public bodies, and (ii) formulating, developing, monitoring and reporting on TNT's social and environmental policies.

The committee met seven times in 2008 and discussed national and international postal regulatory developments, including the proposed new Dutch postal law, and the status of and various subjects relating to the liberalisation of the European postal market. The committee reviewed TNT's 2007 Social Responsibility Report and the new corporate responsibility strategy for 2009 onwards. The committee reviewed and discussed the cost-saving initiatives for the Dutch mail operations (the Master Plans), health and safety issues (including fatalities) and the Planet Me initiatives. The negotiations with the labour unions on the new collective labour agreement were discussed as was the collective labour agreement for the postal sector. Specific Express issues such as landing rights and the regulatory framework within which Express operates in Europe were included on the committee's agenda for 2009. The public affairs committee also reviewed the draft 2008 corporate responsibility report.

TNT Group Head Office

Within Group Head Office, the Group director Risk Management and Internal Control, the director Planet Me, the Group director Human Resources, Group director Integrity, and director Moving the World are responsible for identifying and addressing corporate responsibility needs and for engaging with the relevant divisional and local management by supporting the implementation of group CR policies and standards.

Divisions

The divisional CR directors are responsible for developing and implementing the agreed proposals regarding corporate responsibility issues and for identifying and addressing the divisional CR needs. They provide the reporting entities with relevant information, tools and resources to facilitate implementation.

TNT Integrity Programme

In January 2006, the TNT Annual Senior Management Meeting (ASMM) subscribed to the TNT Integrity Programme. The ASMM agreed that management should “walk the talk” and take responsibility for rolling out the Integrity Programme across the organisation. The TNT Integrity Programme consists of four parts: Guidance, Awareness and Compliance, Embedding, and Monitoring.

Guidance is given by the TNT Business Principles. The TNT Business Principles, which together with other integrity-related policies and procedures can be found on the corporate website, group.tnt.com, deal with topics such as compliance with the law, accurate and timely disclosure of information, transparency, equal opportunities, fair treatment, conflicts of interest, corruption, fair competition and corporate responsibility. The TNT Business Principles are aligned with the UN Global Compact and the principles of the Partnering Against Corruption Initiative. The integrity-related policies and procedures include the TNT Group Procedure on Whistleblowing, the TNT Group Policy on Fraud Prevention, the TNT Group Policy on Gifts & Entertainment and the TNT Group Policy on Disciplinary Actions. The latter policy makes it clear that non-compliance is not tolerated.

Awareness and compliance are enhanced by integrity-related communication, web-based training and in-person training. The Group Integrity department has given and will continue to give interactive integrity workshops for senior and higher management in all parts of the world. Subsequently, senior managers are cascading this training and communication down into their business units using the “train the trainer” model, thus fulfilling their responsibility for rolling out the Integrity Programme. Group Integrity facilitates and monitors this process. Furthermore, Group Integrity has developed web-based training on the TNT Business Principles, fraud prevention and fraud detection, which was used to train critical management as well as a large group of other managers and employees. In 2008, Group Integrity trained 1,390 managers and employees via in-person

and / or web-based training, after which many more managers and staff were trained through the “train the trainer” model.

The TNT Business Principles and related group policies are being embedded in TNT’s strategic and operational decision-making processes. Integrity has become part of TNT’s Group Policy on Mergers and Acquisitions, and integrity due diligence as well as an integrity post-acquisition review have become part of TNT’s Mergers & Acquisitions process. New TNT employees are required to certify their acknowledgement and understanding of the TNT Business Principles when they enter employment.

The TNT Integrity Programme is monitored in several ways: (i) senior management signs off in a Letter of Representation every half year, (ii) internal audits, and (iii) yearly engagement surveys. The TNT Integrity Programme is part of the entity level controls and compliance is self-assessed annually by management.

Another important monitoring tool is the TNT Group Procedure on Whistleblowing. Under this procedure, employees are encouraged to report promptly any breach or suspected breach of any law, regulation, the TNT Business Principles or other company policies and procedures, or any other alleged irregularities. Employees can report the (suspected) breach directly to their line manager or to Group Integrity. In 2008, 140 reports were received (82 reports in 2007). Approximately 19 percent of these complaints involved employment-related matters (32 percent in 2007). The total financial impact of the substantiated cases is not material and appropriate remedial actions have been taken.

In 2007 and 2008, TNT scored 100% in the area ‘codes of conduct and compliance’ in the super sector Industrial Goods and Services section of the Dow Jones Sustainability Index. TNT is proud of this recognition, but at the same time will continuously aim to improve and will further roll out its Integrity Programme in order to enhance its strong ethical culture.

STAKEHOLDER DIALOGUE

This chapter outlines the various ways in which TNT engages with its stakeholders. It also describes the dialogues TNT has held with its selected stakeholder groups.

Stakeholder dialogues

TNT engages systematically in dialogue with its stakeholders to better understand their perspectives and concerns regarding CR's risk and responsibility. This allows TNT to understand the impact of its activities on various groups, prevents negative repercussions, forms productive partnerships and captures a range of different opinions and perspectives, which can be used to set TNT's CR priorities. Understanding stakeholders' concerns also helps to develop new products and services as well as take on corporate responsibility challenges in cooperative ways. Moreover, stakeholder dialogues provide direct input for TNT's corporate and corporate responsibility strategies.

TNT defines stakeholders as any individual or group, which can affect or be affected by an organisation delivering its objectives. For TNT, they include employees, customers, subcontractors, investors, suppliers and civil society.

TNT commenced comprehensive stakeholder dialogues in 2004 as part of the World Economic Forum (WEF) Logistics & Transport Sustainability Group. This ongoing, cross-industry initiative identifies and develops potential solutions to those issues that affect a range of stakeholders. Every year, at least one stakeholder dialogue is held whereby one of the stakeholder groups is selected based on a rotation scheme, the sense of urgency, internal and external issues that are predominant on a specific stakeholder group's agenda, responsiveness to previous stakeholder dialogues, and to provide input for TNT's strategy. The stakeholder dialogues are based on the framework provided by the Accountability (AA1000) 2003 standard, which embodies three principles: materiality, completeness and responsiveness. This allows TNT to align its corporate responsibility report with stakeholders' expectations and enables it to verify whether the report meets transparency requirements.

In 2008, TNT performed stakeholder dialogues with employees, customers, civil society and the community (civilians and commercial companies). The yearly dialogue with employees is performed through a global employee engagement survey, which is explained in the chapter on employees. The dialogues performed in 2008 are covered in this chapter.

Board of Management global employee dialogue

In 2008, TNT's Board of Management engaged in three chat sessions and one 38-hour Strategy Jam. All employees were invited to participate in these interactive online sessions. The objective of these sessions is to establish an open dialogue between senior leaders and employees across all functions on TNT's strategic objectives. Employees are encouraged to share best practices and solutions to barriers to execution they encounter in their day-to-day jobs and daily interaction with TNT's stakeholders.

In 2008 the topics were: improving employee engagement, branding, and outperforming the competition in Express. Over 2,000 employees participated in the various sessions and their input was used in setting up the 2008 global engagement survey, the internal launch of 'Sure we can', TNT's new corporate responsibility strategy, the 2009 strategic agenda and the organisation of the corporate communications and CR functions.

Customer dialogue

Following the International Post Corporation's (IPC) Senior Executive Forum on Environmental Sustainability in September 2007, the IPC members agreed on the need to map best practice, research customer views and establish sector indicators for carbon management. The IPC announced plans to develop a programme (Environmental Measurement and Monitoring System (EMMS)) to focus on developing common sector-wide definitions and measurement systems, conducting stakeholder research with customers and communicating sector-wide advances in environmental sustainability.

As part of this programme, the IPC launched the Carbon Management Best Practice project with the aim of informing the IPC and its members on:

- carbon management best practices within the commercial environment in terms of both company best practice and recognised international, national and sector standards,
- current carbon management practice within their member companies' activities, including management of the value chain, highlighting best practices cases,
- customer carbon management practices and requirements to ensure that post companies' approaches can be readily integrated into their customers' measurement systems, and
- to provide the IPC with the information and tools necessary for them to measure and benchmark IPC member companies' carbon management performance annually.

As part of this project, the IPC asked the larger postal customers about their expectations and requirements regarding carbon management and environmental performance. Customer sectors covered included banks, power companies, pharmaceutical companies and retailers.

Customers would like to see the following developments from postal companies:

- common reporting measures for CO₂ emissions,
- a system for labelling CO₂ footprints of postal sector products and services,
- low CO₂ packaging options,
- combined purchase of low (CO₂) emission vehicles with other companies, and
- CO₂-neutral service options.

The results of this consultation are being used to assess whether TNT meets its customers' requirements with respect to environmental management and performance.

Civil society dialogue

In 2008, TNT conducted a consultation with civil society that included academic / research institutes, socially responsible investment funds, government agencies, industry associations, international organisations, NGOs and trade unions. This consultation consisted of two parts. The first part asked respondents how important they consider each area of risk to be and what TNT's sustainability reporting priorities should be. The second allowed respondents to elaborate on these concerns.

This stakeholder engagement used the Principles of Corporate Citizenship adopted by the Logistic & Transport Sustainability Group of the World Economic Forum in 2004 to identify the areas of risk on which to seek the views of stakeholders.

The top five areas of risk and accountability are:

- managing and reducing environmental and climate change impacts,
- good standards of employment, working conditions, and health and safety,
- good governance, business integrity and transparency,
- ethical approach to relations with customers, suppliers and subcontractors, and
- promoting respect for human rights and human security.

The results suggest that civil society stakeholders are more attuned than in the past to the business imperatives of the economic climate. In particular:

- the prominence of governance, business integrity and transparency as a risk area suggests that stakeholders are concerned about the quality of management, external reporting and internal controls. This appears to correlate with the findings of the 2007 Investor Dialogue, and
- environmental performance remains important, but is increasingly seen as part of the daily running of the business, and not necessarily a risk issue in the conventional sense. Stakeholders view companies as having a strong internal responsibility to their employee base.

TNT also held a stakeholder dialogue with civil society in 2004. The results of this dialogue differ from the 2008 consultation. However, the main topic mentioned in 2004, reducing CO₂ emissions, was still the most important in 2008.

Community dialogue

In 2008, Express conducted a global community survey with a 6.8% increase in responses as compared to the 2006 survey. The purpose of the community survey was to gain a broad understanding of the views and perceptions of different members of the community. The survey was distributed to both civilian and commercial members of TNT's global community.

The survey asked respondents to answer a selection of multiple choice questions covering social, environmental, community and other aspects of TNT's corporate social behaviour. Some 36% of the residential responses thought that TNT had improved as an environmentally-responsible operator, 56% had no opinion, and 8% believed TNT had not improved. In the commercial responses, 51% had a high or good opinion of TNT as an environmental operator and 43% had no opinion.

Overall results from the stakeholder dialogues

Since 2004, TNT has held nine stakeholder dialogues among six different groups of stakeholders: employees, customers, subcontractors, investors, suppliers and civil society. The results of these dialogues are summarised in order of priority in the table for each of the stakeholder groups.

Civil Society 2004	Customers 2004	Subcontractors 2005	Employees 2005	Investors 2005
Reducing CO ₂ emissions	Compliance with legislation especially where weakly enforced in developing countries	Child labour in the supply chain – especially second and third tier	Increasing alternative fuels and energy in vehicles and buildings	Reducing environmental footprint
Employee health and safety – including HIV/AIDS	Child labour in the supply chain – especially second and third tier	Compliance with legislation especially where weakly enforced in developing countries	Accountability and transparency relating to strategy and management decisions	Assuring security and safety of transportation
Pollution – associated with vehicle particulates	Compliance with a code on social issues	Anticompetitive behaviour associated with price-fixing and profit implications	Pensions and retirement benefits for employees	Achieving excellence recognised by customers
Community health and safety – including HIV/AIDS	Implementing environmental management systems	Reducing CO ₂ emissions	Compliance with legislation especially where weakly enforced in developing countries	Implementing good governance and risk management
Partnerships with local communities and international organisations	Continuous improvement in environmental performance	Bribery, corruption and conflict of interest	Ensuring good work/life balance as essential to wellbeing and quality of life	Implementing international codes of conduct and labour standards in globalised operations
Suppliers 2006	Customers 2006/7	Investors 2007	Civil Society 2008	
Compliance with legislation especially where weakly enforced in developing countries	Employee health and safety	Risk management proficiency and good governance to ensure strong financial performance	Climate change impacts	
Reducing CO ₂ emissions	Reducing CO ₂ emissions	Efficient energy use	Good standards of employment, working conditions and health and safety	
Discrimination – equal, fair treatment of all employees	Fair and reasonable terms of employment	Fair and reasonable terms of employment	Governance, business integrity and transparency	
Accidents in the workforce – driving and in warehouse	No child labour	Employee health and safety	Ethical approach to relationships with customers, suppliers and subcontractors	
Bribery, corruption and conflict of interest	Compliance with legislation	Promotion of human rights in high-risk countries	Respect for human rights and human security	

— Legal domain
— Environmental domain
— Social domain
— Other

The outcome of these dialogues shows that there are many differences in priority between the top five material issues across the various stakeholder groups. However, there are also some commonalities such as compliance

with legislation, reducing CO₂ emissions and employee health and safety. TNT acknowledges these results and has used them as direct input for this corporate responsibility report.

ACCOMPLISHMENTS AND CHALLENGES

This chapter lists TNT's accomplishments over 2008, its ongoing challenges and the focus areas where it wishes to improve its performance in 2009.

Overview

The following table illustrates the challenges TNT faced in 2008, its accomplishments over the same period and the ongoing or new challenges TNT will face in 2009. The entries in the "Challenges 2008" column represent the specific objectives that TNT set in the 2007 social responsibility report. The "Accomplishments 2008" column describes TNT's performance against those objectives, and the "Challenges 2009" column lists new challenges TNT has set for 2009. TNT will report on its performance regarding these new challenges in the 2009 corporate responsibility report. Further details on the challenges and accomplishments are also described later in the report.

	Challenges 2008	Accomplishments 2008	Challenges 2009
Health and safety (see chapter 7)	<ul style="list-style-type: none"> – accelerate the implementation of existing road, health and safety management system into the acquisition integration programme. 	<ul style="list-style-type: none"> – ongoing on-site specialist support has been provided to the major acquisitions. – prioritised plans are in place. – divisional minimum health and safety standards have been localised and are being implemented. – training has taken place. – divisional audits have been held. – health and safety is top of the management agenda. – a revised TNT Group Accident Reporting Policy has been developed. 	<ul style="list-style-type: none"> – TNT will implement the revised TNT Group Accident Reporting Policy. – TNT will continue its focused support to ensure the management systems are sustainable. – TNT will continue to conduct audits. – TNT will further implement the health and safety programme, and will address subcontractors wherever possible. – TNT aims to work with the Global Road Safety Partnership (GRSP) and other NGOs in influencing and lobbying others to bring around changes in road safety.
Environmental management (see chapter 8)	<ul style="list-style-type: none"> – further embed Planet Me in the organisation and create processes to enable reporting externally about forecasting on CO₂ emissions from 2009 onwards. 	<ul style="list-style-type: none"> – the implementation of the Planet Me programme has started. Several initiatives were initiated: <ul style="list-style-type: none"> – TNT involvement in the Rotterdam Climate Initiative, – realisation of a green depot in Veenendaal, the Netherlands, – development plans for the first green office (new GHO), and – 'Drive Me' challenge, a competition to select and reward the TNT Pick Up & Delivery (PUD) driver who drives most safely and with greatest environmental efficiency. 	<ul style="list-style-type: none"> – build on current foundation to drive Group-wide environmental management system improvement. – drive strategic innovation agenda through cross-functional teams. – continue with 'Drive Me' challenge and explore opening it up to others. – provide input for the Environmental Measurement and Monitoring System (EMMS) 2008 of the International Post Corporation (IPC) to receive an individual scorecard on TNT's performance and participate in the first global postal sector sustainability report. – continue to investigate and use technological innovation in fuel and vehicles.

	Challenges 2008	Accomplishments 2008	Challenges 2009
Other stakeholders (Subcontractors, Customers, Suppliers, Shareholders), (see chapter 9)	<ul style="list-style-type: none"> – continue and intensify the dialogue with subcontractors and finalise and implement policies and procedures for suppliers. – continue to engage our customers. TNT planned to organise two meetings with customers in 2008. 	<ul style="list-style-type: none"> – procurement departments have been provided with procedures and tools to develop management systems that establish responsibilities, targets, monitoring methods and a review process of suppliers. – a customer consultation was performed by Warwick University on behalf of the International Post Corporation (IPC) and Mail Netherlands performed a customer dialogue. – a civil society stakeholder consultation has been held. – Mail has introduced a CO₂ compensation programme for its customers. 175 million mail pieces were compensated in 2008. 	<ul style="list-style-type: none"> – TNT will strive to develop and implement a supply chain management strategy that includes its transport suppliers (subcontractors). – TNT will continue to engage with other stakeholders including investors, customers and civil society.
Voluntary contributions to society (see chapter 10)		<ul style="list-style-type: none"> – affirmed commitment for minimum 5 years with World Food Programme (WFP). – acquired a stake in Bio Energy Resources Limited (BERL) in Malawi. 	<ul style="list-style-type: none"> – continue to provide emergency response to WFP. – manage investment in BERL. – develop a database of all local voluntary initiatives.
Diversity (see chapter 7)	<ul style="list-style-type: none"> – continue to pay attention to a diverse workforce. The divisional HR departments are responsible for ensuring a diverse and inclusive workforce. 	<ul style="list-style-type: none"> – the TNT special diversity programmes have reached 2,745 members in 2008 namely LINK (women's network), GLBT network (gay, lesbian, bisexual and transgender network) and UNITY (cross-cultural network). 	<ul style="list-style-type: none"> – develop specific diversity targets for Human Resources. – TNT will continue to pay attention to a diverse workforce. The divisional HR departments are responsible for ensuring a diverse and inclusive workforce.
Reporting (see chapter 6)	<ul style="list-style-type: none"> – implement a more sophisticated data collection, monitoring and reporting system to further improve the internal controls. – implement the Manual for Reporting and Review throughout TNT in the first quarter of 2008. 	<ul style="list-style-type: none"> – TNT has selected a reporting tool to improve the reporting process. – divisional Manuals for Reporting and Review have been implemented. 	<ul style="list-style-type: none"> – a new reporting tool (including the Group Manual for Reporting and Review) will be piloted in the first half of 2009 and, if successful, will be progressively rolled out across TNT before the end of 2009.
Assurance (see chapter 11)	<ul style="list-style-type: none"> – aim to obtain reasonable assurance on all KPIs. 	<ul style="list-style-type: none"> – TNT obtained reasonable assurance on the same set of indicators as in 2007. 	<ul style="list-style-type: none"> – TNT will continue to improve the quality of the reported data. – TNT intends to obtain external assurance through the use of the reporting tool. – TNT will strive to obtain reasonable assurance on all KPIs.

Certifications achieved in 2008

Since 2004, TNT's ambition has been to certify all fully-owned TNT operations in accordance with relevant international management system standards by the end of 2007. The standards specified were OHSAS 18001 (occupational health and safety), Investors in People (IiP) (training and employee development), SA 8000 (social responsibility in non-OECD countries), ISO 9001 (quality management) and ISO 14001 (environmental management).

These international standards are valuable as they provide an objective and accepted baseline to which management, employees, customers, suppliers and other stakeholders can refer and monitor progress and improvement. They are also powerful management tools for steering performance and ensuring continuous improvement.

Mail certified most of the defined entities as set by internal targets at the beginning of 2008. For EMN Italy, the main part of the organisation was certified according to OHSAS 18001, ISO 14001 and for IiP, a minor part was certified in 2008. Spring Tanat Brussel did not obtain the planned ISO 9001 certification, and nor did a small part of EMN Belgium.

The major acquisitions within Express have not yet been certified. Mercúrio and Speedage have plans in place to achieve certification to all the standards by 2011. For Hoau, a phased plan has been agreed that focuses first on achieving OHSAS 18001 and ISO 9001 certification by 2012 and the achievement of the other standards by 2015. The major acquisitions are given time to adapt to TNT's high standards of governance, TNT's systems, and its culture. Some small entities which have a low number of employees are not certified based on a cost-benefit analysis.

Express maintained its certification to OHSAS 18001, ISO 9001, ISO 14001, SA 8000 and Investors in People in all entities.

TNT Express Airways has decided to replace the ISO 9001 Quality Management standard by the IATA Operational Safety Audit (IOSA) programme. This is an internationally-recognised and -accepted evaluation system designed to assess the operational management and control systems of an airline and is more suited to this area of the business.

Recognition

TNT achieved several awards and recognition for CR-related performance. The Dow Jones Sustainability Index and the Carbon Disclosure Project are two important internationally-recognised initiatives for benchmarking performance. In addition, TNT won numerous national, regional and local awards. Examples are provided below.

Dow Jones Sustainability Index

TNT benchmarks its performance against the Dow Jones Sustainability Index (DJSI). This index allows stakeholders to compare companies' performance in corporate responsibility within and outside a company's sector and is also a source of company pride. In 2005, TNT entered the index as leader in the subsector Transportation and Logistics and managed to maintain this position in 2006. In 2007, TNT became the best-performing company in the market sector Industrial Goods & Services and achieved the highest score across all

companies of the Dow Jones Sustainability Index. In 2008, TNT managed to maintain this position with a score of 92. However, TNT continues to recognise that there is room for improvement. The DJSI highlights some areas where TNT did not score best in class, including environmental reporting, environmental policy/management system, climate strategy, operational eco-efficiency, occupational health and safety, and stakeholder engagement. As part of the extensive reevaluation of TNT's corporate responsibility strategy during 2008, the outcome of the DJSI, and in particular the areas requiring improvement, will be addressed in the execution of the new strategic priorities as outlined in the 'Reassessing the strategy' case in this report.

Carbon Disclosure Project

TNT participates in the Carbon Disclosure Project (CDP). This initiative was created to challenge the world's largest corporations to measure and report their carbon emissions, integrating the long term value and cost of climate change into their assessment of the financial health and future prospects of their business. CDP is endorsed by a large number of leading institutional investors. TNT scored 82 out of 100 points. If TNT had been included in the Global 500 sample, it would have achieved the highest score in the Transport & Logistics sector. TNT would also have scored joint-highest in the carbon-intensive sector with two other companies.

European Business Award – Ruban D'Honneur for Corporate Sustainability 2008

TNT Express was a winner of the Ruban D'Honneur for Corporate Sustainability Award, which is one of the categories in the European Business Awards. The judges mentioned that TNT Express is seen as an exceptional business in this area. TNT Express demonstrated that it has company-wide commitment to corporate sustainability and a clearly-expressed and widely-communicated corporate sustainability strategy.

Prince Michael International Fleet Safety Award 2008

TNT was recognised for its fleet's road safety programmes by winning the Prince Michael International Fleet Safety Award 2008. The judges said that TNT had demonstrated an outstandingly high level of management commitment to operational road safety through top-level involvement, sound internal auditing and reporting, and a commitment to promoting road safety through local and global action. The judges also praised TNT's emphasis on specific standards and guidance in driver management, road safety management and vehicle management. TNT recognises that there is still a long journey ahead with some major challenges to overcome, especially in the current economic climate. The award is a recognition of TNT's hard work in improving its road safety performance and in helping to achieve the ambition of zero accidents.

Lean and Green award

TNT Express Netherlands received the Lean and Green award, which is part of the Dutch government's 'Innovation Programme for Sustainable Logistics'. The objective of this programme is to improve efficiency in the transport sector by 'less transport, less kilometres, less fossil fuel'. TNT Express Netherlands earned the award for its supply chain approach to reducing emissions. TNT Express Netherlands involves its subcontractors in the supply chain approach and has set the following goals:

- by the end of 2009, the objective is for all subcontractor vehicles to be at least Euro 3 vehicles,
- to have a complete database with all subcontractor vehicles, and
- reliable registration (95%) of kilometres per license plate.

'Green China Best CSR Practice' award

TNT China was awarded the 'Green China Best CSR Practice' Award. The panel of judges stated that: "TNT China consistently demonstrates its commitment to China's economic development and to continuing innovation as a company, not only in building up its brand, influence and credibility, but also in contributing to a new, sustainable CR business model". The 'Green China Best CSR Practice' award is an accolade awarded jointly by Logistic Management magazine, the Credible Chinese industry magazine, the Cheung Kong Graduate School of Business (CKGSB) and the Carbon Disclosure Project (CDP).

Plans for 2009

In 2009, TNT will implement and embed the CR strategy further and focus on managing the impact it has through its operations and value chain. One of the ways this will be achieved is to develop Group policies and procedures, where necessary, that cascade the strategy down to the divisions. One of the main areas will be the health and safety of employees, for which a revised policy on accident reporting will become effective in the first quarter of 2009. TNT will also be implementing a software tool for data collection, monitoring and reporting to further improve internal control over reporting and increase the level of data accuracy. TNT aims to further improve its CO₂ performance measurement and management, and develop meaningful performance indicators for target-setting. This development process and the challenges TNT faces in this area are further explained in the Environment chapter. The plans for 2009 are detailed further below for TNT as a whole and individually for the Express and Mail divisions, and in their respective chapters.

TNT Group level

In 2009, TNT will appoint a Group director corporate responsibility to embed the new strategy with a focus on health and safety, the environment and other stakeholders (in particular subcontractors). The CR director will also be in charge of embedding the Planet Me programme and will continue the pilots with electric vehicles as well as driving policy development and reform.

TNT has built a reputation of CR leadership through special initiatives which it will continue to develop in 2009. The partnership with the United Nations World Food Programme (WFP) has been extended and an additional initiative has been identified within the WFP partnership - the production of cash crops for bio-energy purposes - in particular to cultivate *Jatropha* trees in a sustainable way with smallhold farmers in Malawi. TNT has established a social venture with a local Malawian company Bio Energy Resources Limited (BERL). In 2009, BERL plans to plant 24 million *Jatropha* trees in Malawi. Over the next 6 years, BERL intends to plant up to a total of 250 million trees. A warehouse has been built for storing the harvested nuts, including two expelling machines. These machines are used to crush the nuts. A small refinery unit has also been installed. These assets provide the operational proof of concept needed in 2009. As of 2009, the harvest will be repurchased and collected from the many smallhold farmers that participate in the programme. Refer to the chapter Voluntary contributions to society for more details.

TNT also founded the North Star Foundation (NSF) in 2006, a public-private partnership that is establishing a network of roadside health clinics at major truck stops and border crossings along the major arterial transportation

routes in sub-Saharan Africa, India and Asia. The health clinics offer a practical, low-barrier and low-cost response to the transmission of HIV and other sexually-transmitted infections (STIs) in the transport sector. TNT intends to support the growth of this initiative during 2009 and beyond.

Express

The corporate responsibility strategy for Express in 2009 will concentrate on the following six areas:

- develop and implement a supply chain management strategy,
- develop an energy survey tool, energy efficient performance specifications for new and existing buildings, and look at how these can be benchmarked. Improve fuel efficiency and cost savings focused around the 'Drive Me' challenge and by developing tools and specifications for vehicles. Waste will be addressed by developing tools for waste stream identification and developing best practice scenarios on reducing waste locally and through networks,
- continue to develop effective communication and employee engagement platforms,
- continue the strong focus on road safety/health and safety in meeting the ambition of zero accidents, particularly in recent acquisitions,
- a full inventory of all initiatives is taking place in 2009 to further support the CR strategy and in 2009 Express will be setting internal targets in the areas of lost time accidents, blameworthy road traffic accidents, energy efficiency, fuel efficiency and waste, and
- explore and develop opportunities in optimising certification.

With the reorganisation within Express into five regions, and with the differences in maturity in some countries, specific plans will be developed and agreed to ensure that best practice is shared.

Mail

The corporate responsibility strategy for Mail in 2009 will concentrate on the three key material impacts as derived from the TNT corporate responsibility strategy, and on voluntary contributions to society such as Moving the World.

Corporate responsibility activities for the Mail division will:

- continue the focus on offering employees a safe workplace with good working conditions,
- In Mail Netherlands, the division will focus on restructuring the workforce, adjusting the Collective Labour Agreement into greater market conformity with sound social plans. This will be implemented in cooperation with the various works councils and trade unions,
- minimise the footprint on the environment by energy efficiency programmes, implementing proven CO₂-efficient technology and focused innovative activities, and
- start with a developmental approach to build a sustainable value chain with partners.

Due to various organisational issues and different market situations that apply to the Mail business lines, each business line will detail its own CR plan to achieve the above objectives in line with the new CR strategy.

For certification, the focus will be on recertifying within Mail in the Netherlands and expanding the number of certificates in other European countries in a cost-efficient manner.

Mission-related pay

The annual incentive scheme for the Board of Management reflects the accountability for TNT's mission by rewarding both measurable financial and non-financial performance as required for sustainable results. The Supervisory Board sets the financial and non-financial targets for the bonus scheme at the beginning of each financial year.

- Financial targets (70%):
 - depending on the tasks and responsibilities of each individual member of the Board of Management, the financial targets are related to Group and/or divisional performance.
- Non-financial targets (30%):
 - general targets related to the implementation of TNT's strategy,
 - exceeding customers' expectations: continued improvements in TNT's relations with customers, which are measured through customer satisfaction and loyalty surveys and by assessing the relationship with its customers in person,
 - 'instilling pride in our people': continuous improvement in engaging TNT's staff, which is measured through employee engagement surveys, and
 - sharing responsibility for the world, implementing the agreed standards on responsible global corporate citizenship, and achieving other measurable targets in relation to TNT's corporate responsibility ambitions (health and safety, and energy and fuel efficiency).

TNT does not disclose the targets set, as this qualifies as commercially sensitive information.



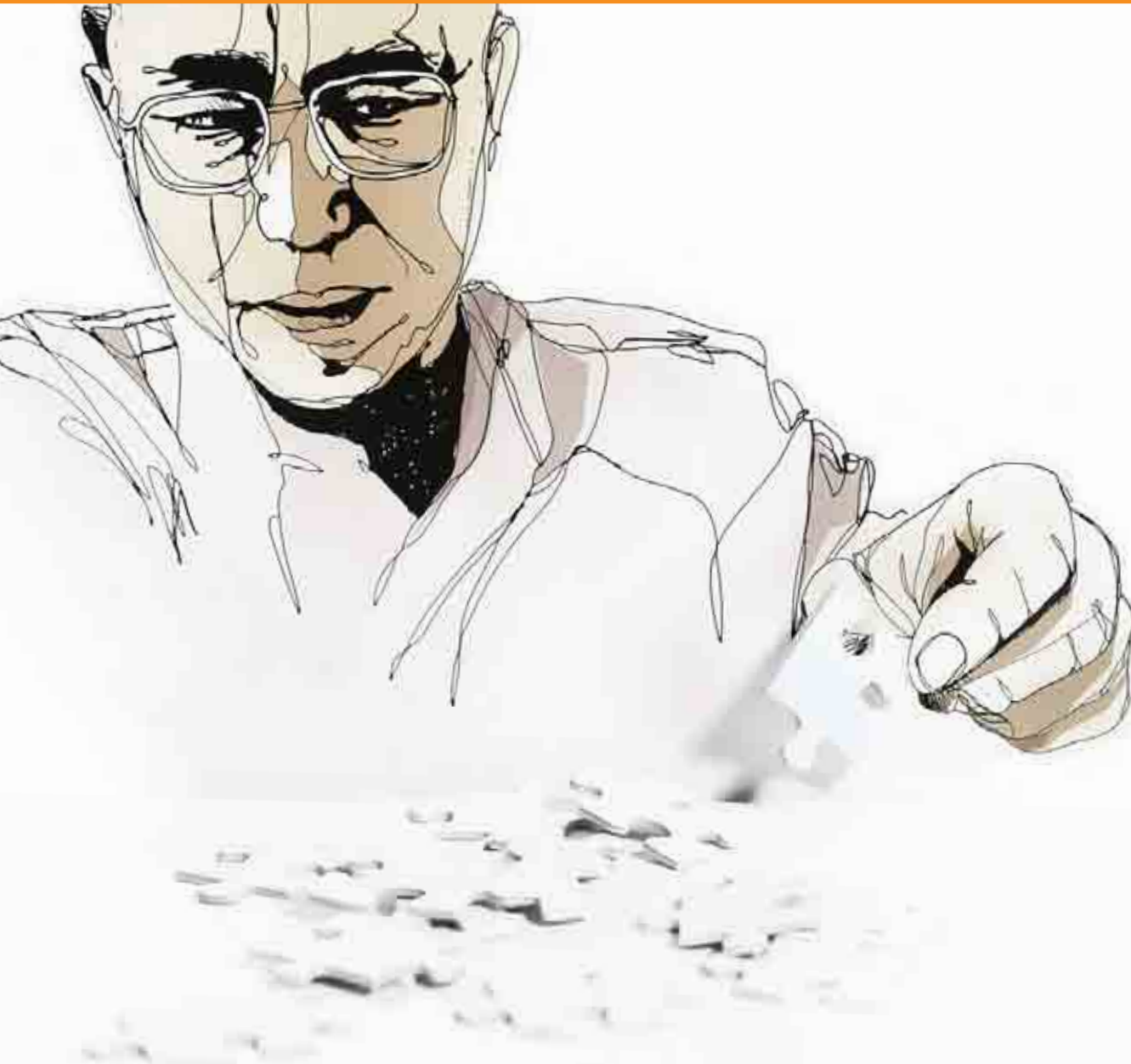
Reassessing the strategy

Responsible leadership – the journey continues

case 1

TNT Corporate Responsibility report 2008

sure *we can* 27



Over the past four years, TNT's CR engagement has been based primarily on implementing five internationally-recognised standards, namely ISO 9001, ISO 14001, OHSAS 18001, SA 8000 and Investors in People. These have created a framework that ensures the company's operations and behaviour improve continuously. In 2008, TNT's Board of Management reassessed the existing strategy to ensure it fits the changing environment in which the company now operates. This case illustrates the complexity of developing a credible, feasible and sustainable CR strategy.

Reassessing the CR strategy required TNT to research and understand the global economic, transportation and regulatory trends and to formulate what TNT's response must be.

- **demographic growth and associated changes:** in recent decades there has been an increase in the global population and a worldwide search for rising living standards. These have led to: a) growth in urbanisation, b) changes in demographic profiles with Europe ageing and a falling average age in Asia, c) increasingly-educated populations but continuing disparities in wealth, and d) larger numbers of people driving cars leading to more road traffic accidents. This has led and will lead to further regulatory changes across the transportation sector, especially those related to the environment,
- **carbon-fuelled economic growth:** TNT is part of a service industry that is entirely dependent on fossil fuels to operate and grow. Economic globalisation is a major driver of the expansion of transport and associated services as companies seek to outsource production and to supply markets worldwide,
- **increase in environmental concerns:** driven by the pressure on natural resources from population growth and the increasing scientific evidence of the negative consequences of human activity, there are growing concerns regarding climate change, pollution, resource depletion and waste, and
- **information technology:** the spread of web-based communications are not only changing many aspects of social and economic life, they are changing directly the substance and operation of Mail and Express services.

These are powerful social, environmental and economic trends that are having an impact on the competitive context in which TNT operates.¹

CR strategy and stakeholders

During 2008, TNT investigated its impact on key stakeholders by using survey findings and management interview feedback to understand how both internal and external stakeholders feel about the existing CR strategy and where TNT has the greatest impact on society and the environment. TNT has listened to and taken on board their opinions as to the way forward.

No CR strategy has any chance of success without the active support and buy-in of all levels of management. For this reason, in-depth, company-wide interviews were conducted in 2007 and 2008.

The results of these investigations confirm that where customers, employees and regulations shape the operational environment that facilitates or limits TNT's potential success, TNT's operations have the greatest direct impact on its employees, the environment and selected other stakeholders.

¹ — There is the additional challenge that, for the transport industry, the current economic crisis is likely to introduce a period of weaker revenues with less cash from operations for carbon mitigation but continued regulatory pressure for lower environmental impacts.



TNT's new strategy is based on a clear understanding of the company's footprint in society and on the environment.





Existing Corporate Responsibility

Reassessing the CR strategy included a review of TNT's existing programmes for their strategic 'fit' with TNT's business strategy going forward. The results are given below for TNT's two largest global initiatives.

Moving the World (MtW)

MtW is an excellent representation of TNT's values, and engagement surveys confirm that this initiative has instilled pride amongst TNT's employees. By deploying company expertise and know-how, TNT has built a positive reputation internally and externally and has generated positive results for TNT, WFP and its beneficiaries.

The initiative has, however, a variable link to the TNT overall CR footprint, and WFP has recently re-evaluated the causes of world hunger. In addition, some programmes have not been linked directly to TNT's core business, limiting their sustainability and potential to add value.

Planet Me

Planet Me symbolises TNT's values. It focuses on reducing the impact on the environment of TNT operations and on educating and supporting TNT's employees to take energy-saving measures at home. Broad recognition of Planet Me's innovation has contributed to building TNT's reputation.

There are, however, some difficulties implementing the programme across operations and geographies, and the processes and systems demand consistent support. Although applicable to all transport companies, managing down CO₂ emissions is tough and represents a new and complex challenge as part of running the day-to-day business.

Conclusion

The partnership with WFP has engaged TNT's employees and has created a reputational asset that must continue to be managed professionally. Planet Me needs to become an operating norm and an integral part of developing TNT's environmental management system. Both programmes offer the opportunity to focus innovative and creative thinking to exemplify TNT's corporate responsibility.

Moving Forward

The outcome of the new CR strategy is to focus on TNT's greatest material impacts, namely employees, the environment and selected other stakeholders, principally subcontracted operations. This will generate the greatest return on investment, address the key needs of customers and shareholders, and demonstrate TNT's corporate responsibility in practice. It also recognises that TNT's greatest potential to contribute is through the very business of doing its transport and mail business in a responsible, sustainable way. This in turn will add value to TNT's divisions.

Employees

TNT's employee proposition will focus on health and safety, work-to-work concepts, employment conditions, employee engagement, accountability and transparency, and compliance with national laws. This includes enabling all business units to perform to TNT's CR standards as embodied by the five internationally-recognised standards and TNT Group policies, irrespective of geographical location or macro-economic status. This will be achieved by repatriating these CR performance standards to management by putting the priority firmly on management ownership of setting standards and accountability for performance linked to a commitment to continuously improve. This will raise the overall Group performance.

TNT's CR strategy will be integrated into the company's business strategy, operations and culture.



Environment

TNT will minimise its footprint on the environment by adopting low-carbon technologies and more efficient use of energy where appropriate. It will also seek out new and progressive ways of meeting the challenges of environmental sustainability in transportation. This part of the strategy structures TNT's commitment to environmental responsibility: to minimise impact, to innovate to overcome obstacles, with the ultimate goal of achieving environmental sustainability in operations. TNT's ambition is to reduce CO₂ emissions, air pollution and waste.

Selected stakeholders

TNT will focus further on its relationship with other stakeholders, specifically subcontractors, ensuring documented contracts, agreed service levels and operational standards and payment terms, and adherence to the TNT Business Principles. TNT will continue dialogues with investors, customers, and other suppliers and stakeholders, and will reassess priorities in light of these dialogues.

These three areas of focus will be underpinned by continued efforts in voluntary contributions to society through TNT's work with the United Nations World Food Programme and managing professionally its other voluntary activities.

Summary

TNT's new CR strategy will focus on managing sustainably and responsibly the company's biggest impacts – its employees, the environment and other specific stakeholders, particularly subcontractors. The reassessment and direction agreed in 2008 was only the start of the journey TNT will now undertake. During 2009, a framework will be developed through which the standards for CR practice can be established, and TNT will realign its voluntary contributions to society behind the overall CR objectives.

Internally, corporate responsibility will be integrated fully into business practice and management will be more involved in CR development. TNT will also take into account the varying levels of maturity of its operations and if necessary differentiate execution.

TNT believes in the necessity of being transparent about the challenges involved in developing a sustainable CR strategy. It is also convinced that this strategy realignment is credible, responsible and, above all, achievable. Successful delivery of these ambitions will create value for TNT's people, its business, and for society and the world in which it operates. It will position TNT firmly to carry forward the CR leadership role it has created within all its operations.

Reassessing the CR strategy required TNT to research and understand the global economic, transportation and regulatory trends and to formulate what TNT's response must be.





EMPLOYEES

TNT's employees are its greatest asset and TNT invests great effort to ensure the working environment it provides is safe. As such, employee health and safety is the top priority in TNT's CR strategy. This chapter shows TNT's performance and plans regarding health and safety, and the way in which TNT aspires to secure the wellbeing of its people. This includes the standards it has in place to provide safe and healthy working conditions. It also examines the trends in demographics and diversity.

Health and safety

TNT has always focused on embedding a strong safety culture top-down and bottom-up. TNT recognises that it needs to manage health and safety with the same degree of expertise and to the same standards as other core business activities if it is to effectively control risks and prevent people from being harmed. TNT will continue to look closely at the inter-relationships between the social, economic and environmental impacts of its business.

TNT's global health and safety programme was launched in 2003 in both the Mail and Express divisions and is designed to:

- provide a system that eliminates or minimises risks to employees and others who may be exposed to health and safety risks associated with company activities,
- identify the relevant legal requirements appropriate to company activities,
- ensure any other requirements to which the location subscribes are taken into account, including best practices and any local operational restrictions,
- document all employees' health and safety roles and responsibilities,
- identify and document elements of existing and proposed work activities that present a significant health and safety risk,
- identify, evaluate and control health and safety risks arising from routine and non-routine activities and workplace facilities,
- outline how health and safety objectives and management programmes are to be set and monitored to improve performance,
- outline the documents, procedures and instructions required to implement and maintain the management system,
- outline the training and competence required to control significant health and safety risks, and
- facilitate planning, control, monitoring, corrective action, auditing and review to ensure compliance with TNT's health and safety policies.

It is TNT's policy to ensure that all operations meet the TNT corporate responsibility standards. For health and safety, the chosen standard is OHSAS 18001. The major acquisitions will also have to achieve the OHSAS 18001 standard and individual implementation plans have been developed so that they are brought up to the TNT standard as soon as possible.

The Express management system framework provides the necessary policies, standards, guidance, materials and tools that support and assist management to

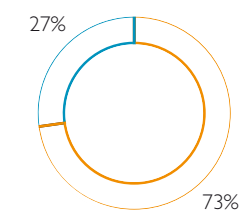
promote, manage and improve health and safety within business units, countries and operational processes through a comprehensive set of key performance indicators (KPIs). These are reviewed as part of TNT's continual improvement process to ensure that standards are maintained and enhanced further.

OHSAS 18001 certification

OHSAS 18001 sets the standards and platform for ongoing work-related health and safety improvement at an entity level. It also allows localised focus and ownership for monitoring and implementing these improvements. TNT started certification of this standard back in 2004 and remains dedicated to providing all employees with a healthy and safe working environment in which to perform their duties. All operating locations are required to embed a strong safety culture top-down and bottom-up. The OHSAS 18001 standard continues to help management with implementing ongoing improvements in health and safety in the workplace and represents a framework on which a safety-conscious culture can be embedded.

OHSAS 18001 certification (including major acquisitions)

in FTEs in 2008



— TNT certified
— Not certified

OHSAS 18001 certification

GRI indicators: 4.12 & LA 6

in percentage of total FTEs working in certified sites

	2006	2007	2008
Mail ▲	77%	76%	81%
Express (excluding major acquisitions) ▲	89%	96%	97%
Other networks + GHO ▲	0%	30%	31%
TNT Total (excluding major acquisitions) ▲	82%	86%	89%
TNT Total (including major acquisitions)	-	-	73%

During 2008, the Mail division retained all existing OHSAS 18001 certificates. Additionally, the following entities received the OHSAS 18001 certificate: EMN Netherlands, EMN UK and the main part of EMN Italy.

Within Express (excluding major acquisitions), 97% of all FTEs worked at TNT facilities that are certified to OHSAS 18001 standards. Those not certified include the major acquisitions, Cambodia, Cyprus, Fiji, Slovenia and TG Plus in Spain.

Road safety

As a transport company, TNT has a particular responsibility with respect to road safety. The TNT commitment to road safety is defined as follows:

“TNT is committed to minimising road-related accidents and risks by implementing best practice tools and techniques into all its activities. TNT seeks to safeguard its employees, visitors, contractors and other members of the public who may be affected by its activities. TNT is a global transport company operating thousands of vehicles in local communities around the world. It fully recognises the global challenge relating to road safety and the positive role TNT can play to reduce risks.”

In addition to this statement, TNT has committed itself to ensuring effective and sufficient resources are in place to implement, maintain and enhance its road safety programmes and to achieve continuous road safety improvements.

In 2008, the Express division undertook a complete internal review of its road safety management system approach with the support of an external third party review. As a result, the road safety management system was updated and refreshed to ensure that it meets the accepted standards of good practice.

The updated approach focuses on sustainable solutions to improve road safety performance and further supports the TNT zero-tolerance approach towards road traffic fatalities and accidents. The updated management system builds on existing good practices and stakeholder experiences and has been reissued to all countries within the Express division. It is supported by a global road safety charter, which confirms TNT's commitment to minimising risks related to road traffic and accidents. The road safety charter has been signed by the group managing director Express, business unit and country managing directors. Drivers and subcontractors have also been asked to sign a voluntary charter to support the continued focus on road safety improvements.

Focused support has been provided towards India and China as these present very specific road safety challenges. Where possible, TNT is partnering with external agencies such as the Global Road Safety Partnership (GRSP) to complement this approach. Global road safety is a complex problem and the answers are not simple, especially in these emerging markets. Nevertheless, continued focus on implementing sustainable improvements and standards should in the longer term produce positive results.

TNT recognises the challenges with road safety in these two emerging economies and is putting in place sustainable road safety management systems that focus on vehicle, driver, journey and contractor management.

Average transport safety training hours

GRI indicator: LA 10

in hours

	2007		2008	
	per employee	per FTE	per employee	per FTE
Mail	0.04	0.08	0.03	0.05
Express (excluding major acquisitions)	1.30	1.40	1.57	1.71
Other networks + GHO	0.00	0.00	0.00	0.00
TNT Total (excluding major acquisitions)	0.58	0.78	0.68	1.01
TNT Total (including major acquisitions)	-	-	0.65	0.90

Within the Express division, there has been an increase in the number of transport safety training hours due to the global approach on reducing lost time accidents and blameworthy road traffic accidents.

One of the areas of the road safety programme is training of the employees. In 2007, TNT reported for the first time on the average number of transport safety training hours achieved. In 2008, this increased by 17% from 0.58 transport safety training hours per employee to 0.68. Within the Mail division, over 10,000 new employees were recruited for foot/bike mail delivery. There is no need for specific Health & Safety training programmes for this group of employees. Instead, specific attention is devoted to safety awareness to prevent accidents (tripping, dog bites, etc.).

Fatal accidents

TNT regretfully has to report a total of 19 fatal accidents with a TNT employee involved in 2008, including four workplace fatal accidents, 12 blameworthy road traffic fatal accidents and three non-blameworthy road traffic fatal accidents. The 19 fatal accidents resulted in the death of five TNT employees (three workplace and two road traffic fatalities), one subcontractor (workplace) and 13 other road users. Information on subcontractor road traffic fatal accidents is included in Chapter nine. In 2008, TNT reported 30 subcontractor road traffic fatal accidents resulting in 39 fatalities.

Workplace fatal accidents

in number of workplace fatal accidents

GRI indicators: 4.12 & LA 7

	2006	2007	2008
Mail ▲	1	0	0
Express (excluding major acquisitions) ▲	0	0	1
Other networks + GHO ▲	0	0	0
TNT Total (excluding major acquisitions) ▲	1	0	1
TNT Total (including major acquisitions)	-	1	4

Blameworthy road traffic fatal accidents (with a TNT employee involved)

in number of blameworthy road traffic fatal accidents

GRI indicator: LA 7

	2006	2007	2008
Mail ▲	0	0	0
Express (excluding major acquisitions) ▲	1	1	3
Other networks + GHO ▲	0	0	0
TNT Total (excluding major acquisitions) ▲	1	1	3
TNT Total (including major acquisitions)	-	5	12

Fatal accidents that are still under investigation are reported as blameworthy fatal road traffic accidents until proof is provided to the contrary.

Non-blameworthy road traffic fatal accidents (with a TNT employee involved)

in number of non-blameworthy road traffic fatal accidents

GRI indicator: LA 7

	2006	2007	2008
Mail ▲	0	0	0
Express (excluding major acquisitions) ▲	2	1	2
Other networks + GHO ▲	0	0	0
TNT Total (excluding major acquisitions) ▲	2	1	2
TNT Total (including major acquisitions)	-	2	3

Internal reporting systems are in place to capture reliable data on workplace and road traffic accidents and these systems provide TNT with an improved understanding of the situation and root cause of the issues.

The Board of Management is committed fully to improving road safety across all of TNT's operations, with a particular emphasis on the emerging

markets, while influencing external factors that affect its operations wherever possible. Specific and detailed action plans have been developed to ensure that effective road safety management systems are implemented and monitored. The focus has been on implementing sustainable solutions, which should lead to a reduction in road traffic fatal accidents in the longer term.

Lost time accidents

Lost time accidents

GRI indicator: LA 7

in number of lost time accidents

	2006	2007	2008
Mail	537	789	736
Express (excluding major acquisitions)	2,026	2,169	1,884
Other networks + GHO	7	25	21
TNT Total (excluding major acquisitions)	2,570	2,983	2,641
TNT Total (including major acquisitions)	-	-	2,941

Lost time accident frequency rate

GRI indicator: LA 7

in lost time accidents per 100 FTEs

	2006	2007	2008
Mail	1.48	1.97	1.86
Express (excluding major acquisitions)	4.27	4.22	3.69
Other networks + GHO	1.53	1.81	1.54
TNT Total (excluding major acquisitions)	3.05	3.21	2.87
TNT Total (including major acquisitions)	-	-	2.62

The total number of lost time accidents in both Mail and Express has decreased thanks to the continued focus on health and safety management and the

implementation of appropriate and effective risk control measures. In 2008, the average number of days lost due to a lost time accident was 17.8.

Blameworthy road traffic accident rate

GRI indicator: LA 7

in number of blameworthy road traffic accidents per 100,000 kilometres

	2006	2007	2008
Mail	4.07	3.82	3.62
Express (excluding major acquisitions)	1.00	0.87	0.84
Other networks + GHO	no data	0.36	0.66
TNT Total (excluding major acquisitions)	1.98	1.80	1.79
TNT Total (including major acquisitions)	-	-	1.51

Blameworthy road traffic accidents

TNT categorises road traffic accidents (RTAs) as blameworthy and non-blameworthy accidents. In 2008, 70% of all accidents were considered blameworthy. Both operational vehicles as well as company cars are included in this indicator. Road traffic accidents are considered blameworthy if a TNT driver is at fault. This indicator is high as it includes all minor accidents but excludes superficial damage to windscreens or paintwork, damage due to environmental conditions, vandalism, animals and theft.

The ratio for blameworthy road traffic accidents per 100,000 kilometres driven decreased for both Mail and Express.

The Mail number is influenced significantly by the results in the Netherlands where a large proportion of the fleet is operational. In the Netherlands, a sophisticated registration system is in use.

The gradual reduction in the blameworthy road traffic accident rate within Express is due to continued implementation of the road safety management standards and the introduction of sustainable solutions to improve road safety performance.

Human resources

TNT aims to make "instilling pride in our people", part of TNT's mission statement, a living reality. This means that every employee in its workforce should feel that he or she is recognised as a valued individual and that TNT consistently supports the development of their capabilities, skills and competencies to deliver performance. TNT aims to create a workplace where people are engaged, rewarded competitively, work in a safe place, are treated equally, can speak up freely, are responsible and feel accountable for their actions.

Workforce in headcount

GRI indicator: LA 1

	2006	2007	2008
Mail	84,731	84,929	86,052
Express	52,638	75,032	75,537
Other networks	1,422	1,385	1,385
Non-allocated	431	236	271
TNT	139,222	161,582	163,245
Employees of joint ventures included in CR reporting	596	636	673
Employees of joint ventures excluded in CR reporting	6,095	3,985	3,751

Workforce in FTEs (year average) ¹

GRI indicator: LA 1

	2006	2007	2008
Mail	42,691	42,777	42,431
Express	48,652	70,271	70,667
Other networks	1,206	1,182	1,143
Non-allocated	424	229	252
TNT	92,973	114,459	114,493
Employees of joint ventures included in CR reporting	510	536	561
Employees of joint ventures excluded in CR reporting	4,858	3,464	3,297

¹ — FTEs (full time equivalents) are calculated each month based on the total hours worked divided by the local standard week of local contracts. The yearly average is calculated by dividing the summed monthly totals by twelve

In 2008, the total workforce within the Express division remained constant and there were no significant acquisitions or disposals during the year.

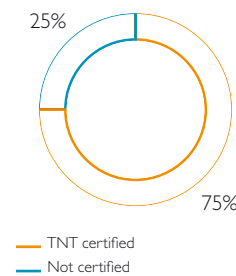
In Mail Netherlands, full time contracts are decreasing and part time contracts are increasing. Furthermore, the number of jobs is increasing in European operations.

Investors in People certification

Investors in People (IiP) sets minimum standards for continuous operational performance through management and employee development. Living up to the Investors in People standards ensures TNT employees receive the necessary development opportunities and attention they need to be successful and thus create value for the Group. This manifests itself through improved and more effective communication, teamwork and through individual coaching. Where necessary, staff may attend supplementary and directed development and training, allowing them to improve existing skills gaps as well as expanding their potential and professional horizons. Each year, progress evaluations are held with all employees with a focus on their performance, behaviour and personal development.

Investors in People certification (including major acquisitions)

in headcount in 2008



Investor in People certification

GRI indicators: 4.12

in percentage of total headcount working in certified sites

	2006	2007	2008
Mail ▲	68%	77%	80%
Express (excluding major acquisitions) ▲	100%	94%	94%
Other networks + GHO ▲	16%	16%	32%
TNT Total (excluding major acquisitions) ▲	79%	82%	85%
TNT Total (including major acquisitions)	-	-	75%

During 2008, the Mail division retained all existing IIP certificates. Additionally, the following entities received the IIP certificate: EMN Netherlands, EMN Downstream Access and EMN Italy TNT Post Services.

In 2008, TNT implemented a supplier engagement programme to allow CR principles to be embedded in the supplier management cycle and therefore to be part of the normal or daily supplier-related activities.

In Express, a global IIP standard is in place. However, the following entities are not accredited to this standard: the major acquisitions, Cambodia, Cyprus, Document Services, Eurohub (Liege hub), Fiji, Kenya, Slovenia, TG Plus in Spain and TNT Airways.

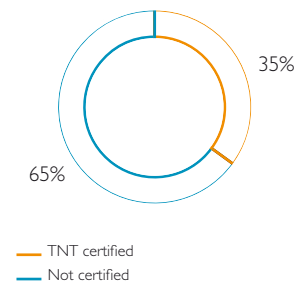
In Express, all non-OECD countries are certified to the SA 8000 standard with the exception of the major acquisitions, Brazil, Cambodia, Cyprus, Fiji, Kenya, and Slovenia.

SA 8000 certification

SA 8000 sets standards to ensure transparent and decent working conditions with respect for human rights. To comply with the UN Universal Declaration of Human Rights, the ILO Conventions and OECD guidelines, TNT certifies all its sites outside OECD countries to the SA 8000 standard. TNT is confident that this approach not only provides a framework to support compliance with laws and regulations within the applicable countries in which TNT operates by preventing the use of child labour and forced labour, but also improves health and safety, freedom of association, prevents discrimination, ensures the implementation of performance management and provides fair and adequate compensation and working hours.

SA 8000 certification (including major acquisitions)

in FTEs for non-OECD countries in 2008



As part of this programme, TNT also encourages suppliers and subcontractors to support TNT's principles and commitment regarding social accountability.

SA 8000 certification

GRI indicators: LA 4, HR 5, HR 6 & HR 7

in percentage of total FTEs working in certified sites in non-OECD countries

	2006	2007	2008
Mail ▲	Not applicable	Not applicable	Not applicable
Express (excluding major acquisitions) ▲	48%	95%	94%
Other networks + GHO ▲	Not applicable	Not applicable	Not applicable
TNT Total (excluding major acquisitions) ▲	48%	95%	94%
TNT Total (including major acquisitions)	-	-	35%

During 2009, TNT will review the optimisation of the SA 8000 standard as part of the CR strategy to integrate the management standards into the operational processes. Collective labour agreements cover the issue of freedom of association in most of the entities so that implementation differs per country.

Labour relations

TNT believes in employee dialogue. Trade unions and works councils therefore continue to be valuable partners. Main principles in all of TNT's relations with the trade unions and works councils are an open and transparent relationship and the timely sharing of as much information as possible. TNT values its good relationship with the trade unions and works councils, as it results in decisions that take account of all interests concerned. In order to stimulate the

involvement of TNT's employees in corporate responsibility issues, the Board of Management intends to establish a collaborative platform with employee representatives for discussion and consultation on corporate responsibility issues.

In 2008, the contract with the European works council was revisited and agreed, ensuring a clear route and sense of purpose in the cooperation. The constructive consultations with many other works councils and employee representations were continued.

Wages and general working conditions, including those in the Netherlands and the United Kingdom, are the subject of centrally-negotiated collective labour agreements. In 2008, special attention was needed for the collective labour agreement in the Netherlands, mainly due to the fact that further savings were necessary. Discussions were extensive and led to some strikes, the first since 1984. TNT extended the existing collective labour agreement for another year with the prerequisite that the level of a new operations collective labour agreement would be substantially lower than that of the current collective labour agreement for TNT. The negotiations started in December 2008.

Employee engagement

The global engagement survey is TNT's tool for measuring TNT's success in increasing employment pride and motivation. TNT started to measure engagement on a global level in 2006 and through the years established a successful methodology and approach. To include as many participants as possible, the survey is translated into over 37 languages and is available digitally and on paper. In October 2008, all TNT employees were invited to participate in the Global Engagement Survey with the exception of those employees working for Hoau. The results are available at departmental levels (unless smaller than 10 persons), giving managers and their team valuable feedback on which actions can be taken at all levels of the business. The results in 2008 show that TNT's engagement scores are higher than the industry benchmark. The most important findings include:

- engagement in TNT has improved by 3% over the last 2 years,
- overall response rates have increased from 69% in 2007 to 78% in 2008, and
- the survey showed particularly high scores on working relationships as compared to the norm for global logistics companies.

In Mail, employee engagement has increased as compared to 2006, which is a considerable achievement given the reorganisation at Mail Netherlands. As stated elsewhere in this report, postal volumes and profit margins are declining, leading to redundancies and lower wages. Despite these difficult times, many employees still consider TNT a good employer.

Employee engagement

in percentage of employees who were engaged or more than engaged with TNT as an employer

	2006	2007	2008
Mail	62%	no data ¹	▲ 64%
Express (excluding major acquisitions)	75%	▲ 77%	▲ 77%
Other networks	no data	71%	▲ 67%
GHO	74%	86%	▲ 91%
TNT Total (excluding major acquisitions)	68%	76% ¹	▲ 71%
TNT Total (including major acquisitions)	-	-	71% ²

1 - No employee engagement survey was conducted for Mail Netherlands. The employee engagement for the remaining Mail entities was 74% in 2007.

2 - Hoau was not included in the engagement survey

Turnover and internal promotion

TNT is committed to the personal development of employees and encourages internal promotion for open positions. TNT's workforce is at the heart of its operations and it is only through a dedicated workforce that its strategic goals will be met at all levels within the organisation. As such, there are explicit

guidelines in place regarding local recruitment processes and procedures. With some 2,200 locations around the world, guidelines vary to meet local regulations and practices. Minimum notice periods are also in accordance with local legislation.

Voluntary turnover

in percentage of voluntary turnover in headcount

GRI indicator: LA 2

	2006	2007	2008
Mail	14%	16%	14%
Express (excluding major acquisitions)	10%	11%	10%
Other networks + GHO	8%	6%	15%
TNT Total (excluding major acquisitions)	12%	13%	12%
TNT Total (including major acquisitions)	-	-	15%

TNT continues to experience growth outside the Netherlands, particularly in the emerging economies of China, Brazil and India. However, the Mail business is declining in the home market of the Netherlands through substitution and increased competition. This presents TNT with many social challenges as it strives to compete with competition in the Netherlands from lower-cost operators and to respond effectively to the volume declines that digitisation has brought to the mail market.

TNT Mail operations in the Netherlands require fewer staff with between 6,500 and 7,000 employees facing redundancy. As a responsible employer, TNT's policy is to achieve this goal by stimulating voluntary job moves. In addition, TNT Mail has taken measures to help production staff find suitable jobs both inside and outside the company as much as possible. The TNT Mobility department has been created to help employees with training and job opportunities, information, assessments and personal support. In 2008, over 700 employees left the company voluntarily.

Two factors encourage employees to seek new employment options: practical and financial support, and a different mindset. TNT Mobility has embraced these factors and has developed specific tools. Accreditation of Prior Learning (APL) programmes and the "Job Seeks Worker" project are examples of two such tools. APL is an education programme that offers a simple route for many

current employees to gain a basic qualification to equip them for the needs of the labour market (Dutch "MBO2"). "Job Seeks Worker" is a way of helping specific and skilled TNT employees find a similar role with another employer such as the Dutch railways, the police, security and transport firms. This collaborative approach across sectors resulted in 163 outplacements in 2008.

- In addition to these two instruments, TNT Mobility supports employees with:
- financial incentives to encourage voluntary job moves,
 - Interviews for the Future: workshops designed for line managers on how to implement and manage change, on how to engage in discussions with employees and their futures without creating uncertainty and leaving the employee feeling threatened, how to work towards employee commitment, and on how to develop and use their own personal strengths. Line managers conducted "Interviews for the Future" with all employees in the target group, creating awareness about the inevitable consequences of decreasing volumes and reduced work, as well as stimulating a proactive attitude towards the possibility of leaving the company,
 - training to enable the employee to find a different job, and
 - personal guidance: working with employees to define competencies and by offering a career choice test, helping find suitable vacancies, and offering access to internships.

Internal promotion

in percentage of management vacancies filled internally in headcount

GRI indicator: LA 2

	2006	2007	2008
Mail	89%	54%	64%
Express (excluding major acquisitions)	49%	60%	64%
Other networks + GHO	46%	32%	32%
TNT Total (excluding major acquisitions)	50%	59%	64%
TNT Total (including major acquisitions)	-	-	75%

Internal promotion increased significantly in Mail in 2008. Due to the shrinking employment pool within Mail Netherlands, promotion from within this entity is high.

Within Express, the increase in the management positions filled from within was due to organic growth.

Training and development

TNT aims to provide its employees with the necessary resources, training and recognition to maximise their own potential and individual contribution to the business. It is also important that employees appreciate how they contribute to TNT being a good corporate citizen and environmentally-responsible operator.

Within Express (excluding major acquisitions) overall training hours per FTE in 2008 were 28.1 and for Mail was 17.4.

Absenteeism

During 2008, TNT focused on helping absent employees in their safe and timely return to work. TNT's approach is to adopt local policies that apply to all employees. This fosters mutual respect between all employees and between

employees and management. A 'return to work interview' is held as an open discussion about the employee's absence and to establish whether there is anything management can do to improve the situation.

Absenteeism

GRI indicator: LA 7

	2006	2007	2008
Mail	5.6% ¹	5.3%	5.0%
Express (excluding major acquisitions)	4.4% ²	4.1%	3.4%
Other networks + GHO	no data	6.2%	6.2%
TNT Total (excluding major acquisitions)	no data	4.6% ³	4.2%
TNT Total (including major acquisitions)	-	-	3.9%

1 — This number is only valid for Mail Netherlands

2 — This number excludes the following entities: Africa, Australia, Australia Ritaway, Denmark, European Road Network, Hungary, India, Middle East and Russia

3 — This number is calculated as a weighted average of the reporting entities

Diversity

Diversity consists of all the ways in which TNT employees differ. Differences in matters such as nationality, religion, race, culture, gender, age, disability, ethnicity, marital status, sexual orientation, education, experience, ideas and beliefs are what make us unique individuals. TNT recognises, values and leverages these differences and believes that this leads to greater innovation and creativity, and ultimately to superior business results. TNT strives to create an inclusive working environment in which all individuals are recognised as valued contributors in creating lasting relationships with colleagues and customers.

Employee networks

TNT acknowledges and empowers various employee network foundations such as the gay, lesbian bisexual and trans-gender network (TNT GLBT network), Women's Development Network (LINK), Network for Intercultural Diversity (Unity) and the interactive platform for young TNT professionals, Young TNT.

TNT Link is an employee network with 1,020 members that supports the professional development of women at TNT through networking, learning and mentoring. Link organises a mentoring programme in which senior managers mentor Link members. The programme helps these members learn from senior managers while at the same time helping senior managers to understand the particular challenges women face in their careers. TNT Link also organises networking events and workshops that focus on business issues and on female leadership. The workshop 'Women do Mean Business', in cooperation with the International Women of Excellence organisation, was a major success in 2008. TNT Group Managing Director Express Marie Christine Lombard was one of the key speakers at this event.

The TNT Unity network has 1,250 members and their initiatives focus on

creating awareness about other cultures in the company. For managers, the network organised workshops in a mosque where different cultures got together to discuss themes such as inclusion principles and diversity marketing. During Ramadan, TNT Unity organised a solidarity fasting for approximately 40 TNT Post employees who joined their Muslim colleagues in the last week of Ramadan. The initiative created greater awareness of Ramadan for those who took part and generated appreciation from Muslim colleagues for a greater feeling of inclusion. TNT Unity members also support initiatives to attract multicultural talent for management positions.

TNT GLBT network, with 475 members, focuses on visibility in the company and on making its membership target group feel included in the workplace. Gay Pride in Amsterdam was a major success. In 2008, TNT again attended with a TNT boat and had a TNT VIP deck ashore where colleagues showed their support. TNT co-sponsored the event, demonstrating their commitment to employees and to the outside world. TNT GLBT network is also one of the founders of the Company Pride Platform, where TNT and other Dutch multinational companies join forces on the topic of GLBT emancipation by being visible in the company and to the outside world,

Besides these global initiatives, there are numerous local initiatives for creating awareness for diversity. TNT Express Australia, for example, helps the disabled gain employment through its partnership with Disabilities Works Australia (DWA) and a local employment agency. TNT Express UK has implemented e-diversity training courses for its managers which offers a mixture of on-line classroom and workbook training. The courses include subjects such as equality in the law, commonly-practiced religions, how to embrace diversity, and the role of women.

Gender profile

in percentage of headcount

GRI indicator: LA 13

	2006		2007		2008	
	Male	Female	Male	Female	Male	Female
Mail	61%	39%	59%	41%	59%	41%
Express (excluding major acquisitions)	68%	32%	68%	32%	67%	33%
Other networks + GHO	64%	36%	65%	35%	64%	36%
TNT Total (excluding major acquisitions)	64%	36%	63%	37%	63%	37%
TNT Total (including major acquisitions)	-	-	-	-	66%	34%

Management positions

In 2007, TNT reported for the first time on all management positions within Mail Netherlands. Previously, reporting only covered employees with a personal labour agreement within Mail Netherlands. In 2007 and 2008, Mail Netherlands figures were estimated on the basis of statistical sampling.

Gender profile of management

in percentage of total management

GRI indicator: LA 13

	2006		2007		2008	
	Male	Female	Male	Female	Male	Female
Mail	65%	35%	74%	26%	74%	26%
Express (excluding major acquisitions)	75%	25%	74%	26%	72%	28%
Other networks + GHO	88%	12%	83%	17%	82%	18%
TNT Total (excluding major acquisitions)	74%	26%	73%	27%	73%	27%
TNT Total (including major acquisitions)	-	-	-	-	77%	23%

In 2007, there was further focus on matching more female high potentials with a mentor in TNT's mentoring programme and on embedding tailored HR solutions for women. Employee compensation is part of the equality principle within TNT so that no distinction is made between the remuneration of men and women.

Employees with a reported disability

Employment opportunities are also offered to persons who have a medically-recognised physical or mental disability. Where possible, TNT accommodates any special needs these employees may have, including adapting the workplace accordingly.

Employees with a reported disability

in number and in percentage of headcount

GRI indicator: LA 13

	2006		2007		2008	
	Number in headcount	In % of headcount	Number in headcount	In % of headcount	Number in headcount	In % of headcount
Mail	2,134	3.2%	1,944	2.6%	1,802	2.5%
Express (excluding major acquisitions)	322	0.9%	371	0.7%	419	1.0%
Other networks + GHO	32	2.0%	35	2.2%	no data	no data
TNT Total (excluding major acquisitions)	2,488	2.4%	2,350	1.8%	2,221	2.0%
TNT Total (including major acquisitions)	-	-	-	-	2,277	1.7%

Within Mail Netherlands, the number of employees with a reported disability decreased in 2008 because the Dutch government has issued a stricter definition on how to establish whether and to what degree a person is considered disabled. Within Express, the number of employees with a disability increased due to the increase in the number of entities reporting.

India 2008

Living by our principles



As part of its Focus on Networks strategy, TNT expanded its operations in India through the acquisition of ARC India Private Ltd (Speedage) in September 2006. This acquisition increased TNT's presence and network coverage across the country.

India offers a vibrant, large and complex market and the country is keen to deliver on its economic potential. Yet its burgeoning population, unfair share of natural environmental disasters, high rates of poverty and a lack of good infrastructure present operating challenges at all levels. As a subscriber to the principles of the UN Global Compact, TNT assigns high priority to being responsible in human rights, labour conditions, caring for the environment and anti-corruption. This case looks at TNT's challenges specific to its enlarged footprint in India.

Speedage acquisition

India offers TNT a wide range of opportunities. TNT has had a successful international business in India for many years but had no domestic presence prior to the acquisition of Speedage. When Speedage was purchased, it was an established and well-known, family-run domestic transport company. However, it had limited express capabilities and few standardised processes and procedures in place. After the challenges of integrating the Speedage road business with the pre-existing international business, the new TNT India became the country's only integrated express operator and now enjoys a leading position in the domestic road sector.

Despite this progress, TNT India is still a work in progress. There are ongoing activities focused on embedding key processes and systems across the organisation, and a three-year investment plan is still to be implemented fully. However, in the two years since the acquisition, TNT India has been transformed into an effective road express operator and has been integrated fully within the TNT brand.

During 2008, four TNT regional head offices were established to manage the growth and integration of the business. These new offices are located strategically to maximise geographic coverage and are found in Delhi (north), Chennai (south), Kolkata (east) and Mumbai (west). The country head office remains in Bangalore and the regional structure is complemented by a large number of depots and hubs. TNT India employs almost 2,200 staff and offers employment to many more through its subcontracted operations.

TNT is a service organisation so that the motivation and wellbeing of its staff are critical to its operations and its ability to deliver a differentiated service to customers. Bringing the new Speedage employees into the TNT India family in a socially responsible manner has therefore been a key focus. Engaging employees in corporate responsibility is considered an opportunity for instilling pride and inspiration, and ensuring TNT's can do attitude and 'Sure we can' mentality.





Corporate responsibility standards

Early in 2008, TNT India started to integrate corporate responsibility initiatives and approaches within Speedage to ensure that policies and practices effectively reflect the TNT vision. TNT India has a clearly-defined, three-step approach towards CR by:

- implementing OHSAS 18001, ISO 14001, SA 8000, ISO 9001 and the Investors in People (IIP) international standards as a platform on which to improve. The former TNT locations have already achieved these five management standards,
- enhancing both TNT's and the sector's reputation by engaging in a stakeholder dialogue and by implementing sector key performance indicators, and
- measuring, benchmarking and reporting on performance. TNT aims to lead the industry in India by initiating unique commitments, beyond compliance.

TNT India's approach is to progressively implement these initiatives throughout the business areas, while recognising that the key to corporate responsibility is the willingness to take responsibility and to be accountable for everything TNT does.

Human Rights Compliance Assessment

As in previous assessments, TNT partnered with Aim for Human Rights to assess the human rights situation in India. The Human Rights Compliance Assessment (HRCA) was used during this assessment. This diagnostic tool helps to detect potential human rights issues caused by the effect of business operations on employees, local residents and all other stakeholders.

One-hundred-and-fifty TNT employees in India were invited to take part in the Human Rights Compliance Assessment. The invitees represented all regions in which TNT has operations and was completed by all levels of staff in the TNT India organisation. The assessment focused on TNT India's policies, procedures and performance.

The TNT Business Principles are part of the induction process. All new employees, including contracted and temporary positions, are taken through the induction programme of TNT Business Principles and organisational values training. The induction process also includes an employee manual that summarises all policies and procedures.

It should be noted that all drivers, handlers and loaders are subcontracted associates. TNT works with employment agencies and other suppliers to provide suitable candidates for the jobs in the depots and hubs.

Results

TNT is encouraged by the results of the HRCA and will use these results for continuous improvement. The following can be reported in particular:

Discrimination and diversity are not issues among TNT India employees and they are a fair reflection of the cultural mix that is the Indian population. The selection criteria for a specific job are skills and knowledge.

TNT India employees receive a **fair wage**, which enables them to meet their own basic needs and those of their dependents. At the time of acquisition, there were discrepancies of up to 50% for similar jobs between Speedage and other companies. Wages have been aligned and elevated to the TNT standard, which is always above the official minimum wage and includes additional services such as medical care, childcare and house rental allowances.

Working hours, holidays, sick leave and overtime for TNT India employees are defined in local TNT India HR Policies, compliance with which is audited as part of TNT India's efforts to achieve the social accountability SA 8000 standard. Overtime is paid up to an appropriate and agreed level. Excessive overtime is not permitted. Paid holidays and paid sick leave are granted and are in accordance with and in many cases go beyond national legal requirements. Pickup and Delivery (PUD) drivers are hired via employment agencies. These agencies also process and pay the wages.

Works Councils or Unions are not organised in TNT India. Alternative platforms for representing the workforce, such as open houses, are used to address grievances and concerns and employee-related grievances are also supported by the provisions of the TNT Group Procedure on Whistleblowing.

Workplace conditions: TNT India aims to have a consistent and high standard of working environment for all employees. Plans have been developed and agreed to improve the workplace conditions in all hubs and depots. Minimum standards have been identified and are being implemented, including improved restrooms and sanitary facilities, eating places, and suitable, quality handling equipment.

Safety at the workplace: The health and safety of all TNT India employees and contracted and temporary staff are of primary importance. Plans are in place and the implementation of the TNT workplace health and safety minimum standards has started in all the hubs and depots. The necessary standards for protective equipment will also be provided to employees and contractors such as loaders and ground support staff.

Corruption and its associated issues remains a challenge when doing business in India. However, TNT has a very clear integrity policy, the TNT Business Principles, which states that bribery is not tolerated. All TNT India employees have been made aware of TNT's position on this and employees have been informed of the consequences of being involved in bribery issues. TNT immediately terminates the employment of those proven to be involved in bribery.

India offers a vibrant, large and complex market and the country is keen to deliver on its economic potential.





Road safety

India has the second-largest road network in the world with more than three million kilometres of roads, of which only 46% are paved. These paved roads carry an estimated 60% of all freight and 80% of passengers and make a vital contribution to India's economy.

India's road traffic is diverse and contains a mix of pedestrians, animal-drawn vehicles, bicycles, motorcycles, cars, buses and trucks. The facilities for the large number of non-motorised road users are poor. As a result, the 40 million vehicles using the roads take a terrible toll on human life, killing more than 80,000 people per year and leaving a further 300,000 victims injured and requiring hospital treatment. These accidents not only cause considerable suffering and hardship for the families and local community, they also have a major impact on the country's economy, costing an estimated €4.67b, or more than 3% of India's GDP every year.

Since January 2008, TNT India has been focusing on the Road Safety Management programme. This covers operational processes, supplier management, journey management and driver and vehicle management. A stringent tracking and reporting system has been implemented and is a key component of the road safety management system. The programme ensures that TNT India reports and investigates all road traffic accidents accurately and in a timely manner. Management is required to analyse the root causes of all accidents, thus enabling them to implement corrective actions and to ensure that they have effective risk controls to prevent a reoccurrence.

It is TNT's policy to ensure that all its operations meet its strict corporate responsibility standards. For road and workplace health and safety, the chosen standard is OHSAS 18001. TNT India will achieve this standard and individual implementation plans have been developed so that they are brought up to the TNT standard as soon as possible.

In the two years since the acquisition, TNT India has been transformed into an effective road express operator and has been fully integrated with the TNT brand.

During 2008, senior and middle management undertook road safety training, which was cascaded through the TNT India organisation. As part of their development programme, the accredited 'Managing Safely' training was given to 20 regional health and safety and security managers.

TNT India also initiated discussions on road safety with all its subcontractors. The company is working with these critical stakeholders to implement road safety management systems and effective driving techniques, vehicle standards and maintenance, journey mapping and risk assessments, reporting and driver competency. In addition, it is required that two drivers are onboard for linehauls exceeding 250 kilometres to reduce fatigue. Subcontractor suppliers are also encouraged to implement road safety, health and safety, quality, environmental and social accountability standards (such as OHSAS 18001, ISO 14001, ISO 9001 and SA 8000).

In 2008, all TNT India linehaul subcontractors signed a road safety charter that commits them to leading and driving change through the sustainable implementation of the charter in cooperation with TNT India. Activities and systems are reviewed and improved constantly to enhance road safety performance. TNT India is also working with its suppliers to ensure that all their drivers are treated fairly, with good rest intervals, and have the necessary authenticated licenses. TNT India is investing in driver rest facilities where drivers can relax and sleep in secure accommodation designated specifically for that purpose.

TNT India's operations regrettably resulted in one workplace fatality and 20 road traffic fatalities in 2008: three subcontractors and eighteen third parties lost their lives. TNT India is committed to pursuing the highest standards of health and safety in the workplace and on the road and is actively working with the suppliers of subcontracted labour to instil TNT's standards.

Plans for the future

TNT India has come a long way on its journey yet remains a work in progress. The scale and scope of what has been achieved in the last two years in formulating TNT India's new strategy and executing the first phase successfully cannot be underestimated. The company is investing to get the most effective structures in place and training programmes are being introduced, ranging from English language classes to Voice of the Customer and integrity workshops.

To become a modern competitive organisation in India, the company will continue to invest in replacing old equipment and building new modern hub and depot facilities.

Parikrma

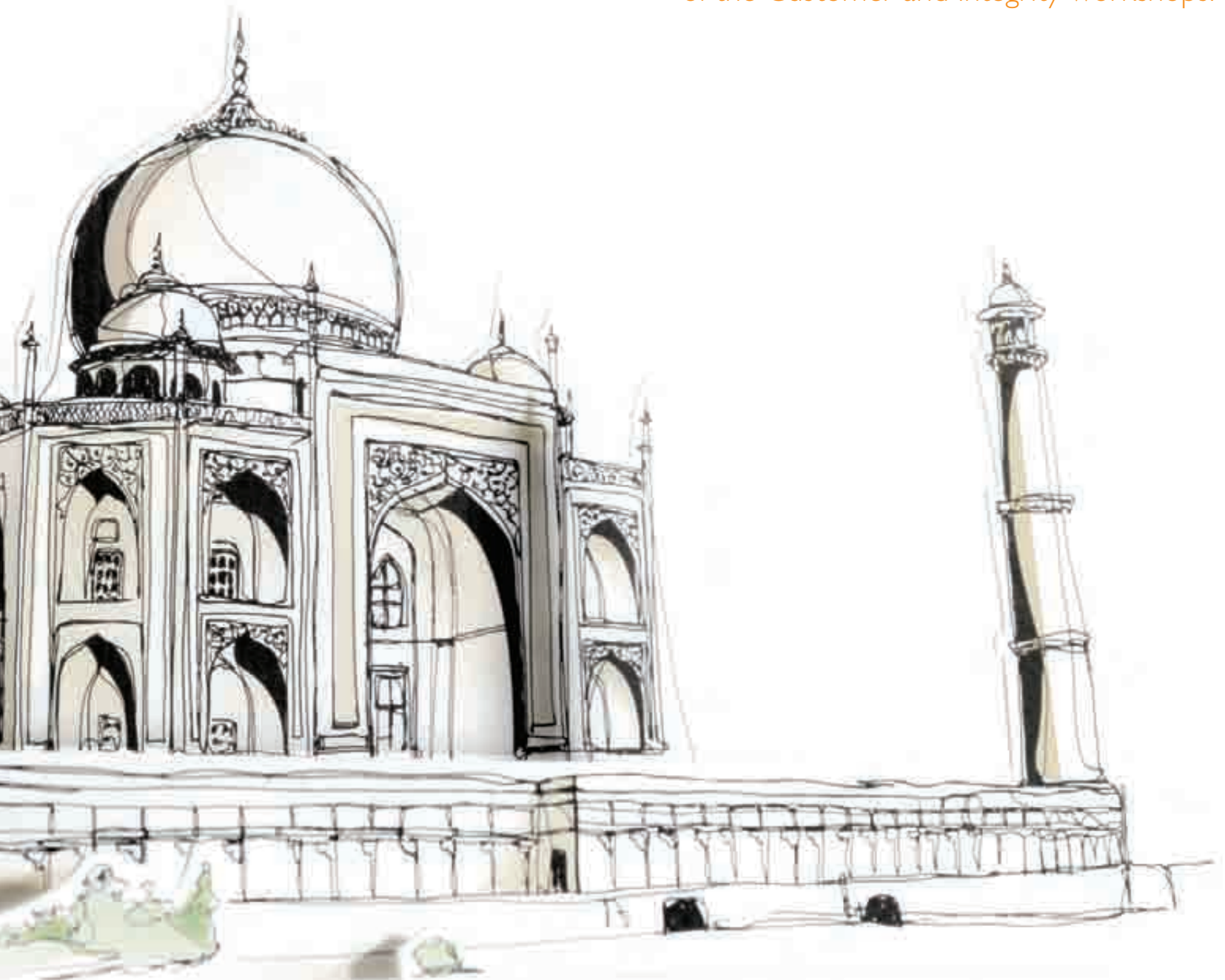
The Parikrma Humanity Foundation is a non-profit organisation that helps the poorest children in India break their cycle of poverty. The only way to reduce this gap is through equal education. The Parikrma Foundation gives them a top-class English education that will help them compete equally. TNT has a strong social focus and a leadership that is clear about giving. This furthers the special inclusive, vibrant TNT culture.

TNT India supports the school in Bangalore with volunteer visits, drawing competitions, books and toys. All new employees who join TNT in Bangalore spend half a day at the school as part of their induction programme. This is a win-win-win situation, benefiting both the Foundation and TNT's reputation as a good corporate citizen. Most of all, it benefits the TNT employees who can connect and make a real difference on their own doorstep.

TNT is extending corporate support of the Parikrma Foundation beyond TNT India by partnering Express Head Office with it. TNT believes all employees could be truly enriched as a result, with a better understanding of global challenges.



Training programmes are being introduced, ranging from English language classes to Voice of the Customer and Integrity workshops.



ENVIRONMENT

This chapter provides an overview of TNT's environmental impact and describes how the company manages its environmental performance. This performance is based on adherence to internationally-recognised environmental management systems through which TNT aims to go beyond compliance and improve on the associated minimum standards. TNT's objective is to effectively manage and reduce its environmental footprint, thereby addressing stakeholders' concerns regarding TNT's activities.

Environmental impact

- 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:
 - climate change by emitting greenhouse gases,
 - human health by exposure to noise and air pollution, and
 - the use of natural resources by operational activities.

These environmental impacts are monitored closely through TNT's environmental management system. As a transport company dependent on fossil fuels to power the air and road fleet, carbon dioxide (CO₂) has been identified as TNT's most significant environmental impact. Besides its own CO₂ footprint, TNT also acknowledges responsibility for the emissions from transport activities that are contracted out and reports on the CO₂ emissions from these subcontracted operations as related to its own CO₂ footprint. The TNT CO₂ footprint also includes CO₂ emissions from business travel by air and company cars.

The emission of CO₂ into the atmosphere contributes to climate change and TNT recognises the risks that climate change has on the sustainability of its operations and the financial impact the Group could face in the future. These include:

- regulatory risks (Emission Trading Scheme, city accessibility),
- physical risks (infrastructure),
- reputational risks (stakeholders and customers), and
- supply chain risks (fuel prices).

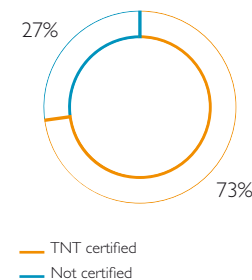
Many of TNT's stakeholders share this concern, as is confirmed through stakeholder dialogues. Stakeholders feel that TNT should aim to reduce CO₂

emissions through the efficient use of energy and expect the company to seek out alternative means of transport as the main focus areas for its environmental management. TNT listens to its stakeholders and aims to meet the expectations of investors, employees, suppliers and customers to manage regulatory risks, while at the same time demonstrating a tangible reduction in CO₂ emissions.

ISO 14001 certification

Implementing and adhering to TNT's environmental management system is the basis for managing environmental performance. TNT has adopted the international standard ISO 14001 for this purpose. This standard provides a framework for identifying and managing the environmental risks and their impact, and for continuously and systematically improving environmental performance.

ISO 14001 certification (including major acquisitions) in FTEs in 2008



ISO 14001 certification

in percentage of total FTEs working in certified sites

GRI indicator: 4.12

	2006	2007	2008
Mail ▲	77%	76%	81%
Express (excluding major acquisitions) ▲	57%	98%	98%
Other networks + GHO ▲	12%	30%	34%
TNT Total (excluding major acquisitions) ▲	65%	86%	89%
TNT Total (including major acquisitions)	-	-	73%

During 2008, the Mail division retained all existing ISO 14001 certificates. Additionally, EMN Netherlands, EMN UK and the main part of EMN Italy received the ISO 14001 certificate.

Within Express, all entities are certified with the exception of the major acquisitions, Cambodia, Cyprus, Fiji, Kenya and TG Plus in Spain. Action plans have been developed and agreed for all these Express entities that do not have an ISO 14001 certificate.

Managing CO₂ performance

TNT's environmental management system is the main framework that enables TNT to manage and reduce its environmental impact and increase operating efficiency. The TNT environmental management system and associated goals are supported through TNT's Planet Me programme and related initiatives. Planet Me was launched internally in 2006 and takes a holistic approach to CO₂ reduction. The programme covers TNT's main CO₂-producing assets and activities:

- operational vehicles,
- aviation,
- buildings,
- procurement,
- green investment,
- partnering with customers,
- business travel, and
- company cars.

Through the Planet Me programme, TNT has committed itself to taking the actions required to combat climate change. The main focus is on TNT's operational CO₂ footprint in the following key emissions categories: operational vehicles (see the Operational vehicles case in this report), aviation and buildings. The objective is to continuously reduce carbon dependence and CO₂ production in these categories, thereby leading to improved CO₂ efficiency. The term CO₂ efficiency expresses how effectively TNT operates its business in terms of CO₂ emissions.

Setting and implementing CO₂ reduction targets are key in managing CO₂ efficiency. CO₂ reduction targets should reflect an ambition for long term engagement. They must also be realistic and demonstrate commitment in the short term. TNT believes that a long term target alone is not a credible commitment. Targets need to be linked to underlying actions to make a credible proposition to stakeholders. However, like many other companies, TNT faces

several challenges in setting ambitious and realistic CO₂ targets:

- technological options to reduce emissions drastically are not yet available in the transport sector,
- options for reducing aviation emissions, which comprise a considerable part of TNT's CO₂ footprint, are particularly limited, and
- a significant part of TNT's business is contracted out to subcontractors who contribute significantly to TNT's footprint. However, TNT's ability to influence the CO₂ performance of this business segment is limited.

TNT's CO₂ footprint

Since 2007, TNT has been reporting carbon emissions in accordance with the accounting and reporting standards defined by the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol is a multi-stakeholder partnership of businesses, NGOs, governments and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

The GHG Protocol recognises three types of emissions (scope 1, 2 and 3), which are generated by different sources:

- **Scope 1** covers all direct emissions generated by sources that are owned or controlled by the company, such as operational vehicles, aviation and heating,
- **Scope 2** includes all emissions from the generation of purchased electricity consumed by the company, and
- **Scope 3** refers to indirect emissions that are a consequence of the company's activities but occur from sources not owned or controlled by the company.

TNT reports on its total CO₂ footprint, both including and excluding subcontractors, because of the limited influence on their emissions.

TNT uses conversion factors that are made available by internationally-acknowledged organisations like the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and the GHG Protocol.

TNT's methodology for measuring its CO₂ emissions from the operations of its own road and air fleet is based on guidance from the Greenhouse Gas Protocol. TNT's reporting entities must report on all factors that impact CO₂ emissions. This includes electricity, gas, heating fuel, district heating, different fuel types for airplanes, operational vehicles, motorcycles and company cars. CO₂ emissions related to business travel by air are also included. Where reporting entities are not able to provide the data necessary for calculating the CO₂ footprint, the available data is extrapolated (based on FTE coverage). In total, 8% of the reported CO₂ emissions is estimated.

CO₂ emissions according to the Greenhouse Gas Protocol

GRI indicators: EN 3, EN 4, EN 16 & EN 17

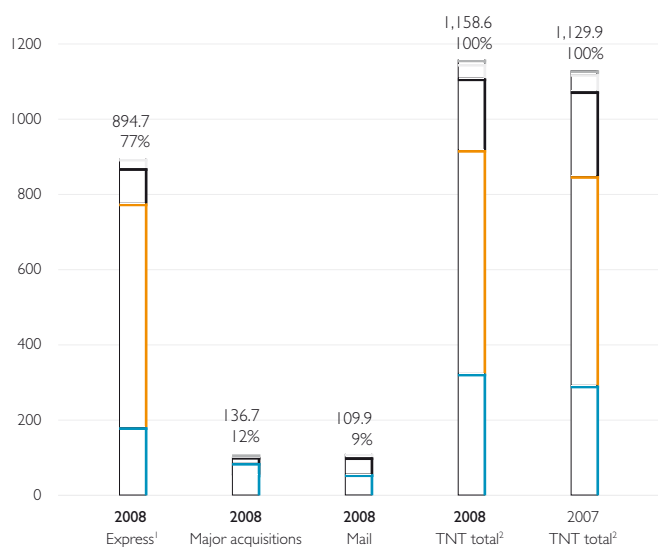
in ktonnes

Emission source	2006	2007		2008	
	TNT	TNT (excluding major acquisitions)	TNT (including major acquisitions)	TNT (excluding major acquisitions)	TNT (including major acquisitions)
Scope 1					
Operational vehicles	189.3	236.0	291.6	236.9	323.2
Aviation	414.9 ¹	557.0 ¹	557.0 ¹	594.8	594.8
Heating (gas, heating fuel)	44.1	36.1	41.1	39.3	42.7
Total Scope 1	648.3	829.1	889.7	871.0	960.7
Scope 2					
District heating	no data	0.3	0.3	4.8	5.5
Electricity (including electric vehicles)	133.5	139.4	184.0	99.2	142.1
Total Scope 2	133.5	139.7	184.3	104.0	147.7
Scope 3					
Company cars	43.4	36.1	46.0	36.7	38.7
Business travel	no data	8.1	9.9	10.2	11.5
Subcontractors	no data	1,450.2 ¹	no data	1,371.5	1,529.9
Total Scope 3	43.4	1,494.4	55.9	1,418.4	1,580.1
Total TNT own CO₂ footprint	825.2	▲ 1,013.0	1,129.9	▲ 1,021.9	1,158.6
Total TNT CO₂ footprint (including subcontractors)	no data	2,463.2	no data	2,393.4	2,688.5

¹ – Australian aviation fuel usage reclassified as subcontracted

TNT's own CO₂ footprint

in ktonnes



- Aviation
- Operational vehicles
- Buildings
- Company cars
- Business travel

¹ – Excluding major acquisitions
² – Including major acquisitions, Other networks and GHO

The CO₂ emissions for TNT including the major acquisitions increased by 2.5 % compared to 2007. This is mainly due to the increase in absolute CO₂ emissions from aviation by 7% (37.8 ktonnes) and operational vehicles by 11% (31.7 ktonnes). Operational vehicles and aviation have the biggest impact on TNT's own CO₂ footprint. The CO₂ emissions from buildings decreased by 16% (35.2 ktonnes). The CO₂ emissions from the Express operations, including the major acquisitions, represent 89% of TNT's own footprint and Mail contributes 9%. The remaining 2% is caused by Other networks and GHO, which is not reflected in the graph of TNT's own CO₂ footprint. Sixty-six percent of Express' CO₂ emissions are caused by aviation, 20% by operational vehicles, 11% by buildings and 3% by company cars. For the Mail division, 41% of CO₂ emissions are attributed to buildings, 51% to operational vehicles and 8% to company cars. Business travel is included in TNT's total footprint as these emissions cannot be assigned to the individual business components.

Setting emission targets

As a first priority, the scope of TNT's CO₂ target-setting efforts will address areas where improved performance can be influenced directly. This includes mainly TNT's owned operations (not including subcontractors) in the category of operational vehicles and buildings in particular. These represent 44% of TNT's total CO₂ emissions. Only 21% of the total CO₂ footprint from operational vehicles is caused by the Mail division. This is due to the fact that, for a large part, mail is delivered by bike and foot. Over 50% of TNT's total CO₂ footprint is caused by operations performed by aircraft, which are operated fully by Express. Reducing emissions in aviation is still extremely challenging, mainly owing to the fact that there is a limited possible influence on technology. For this reason, TNT's efforts to develop targets and reduce emissions are focused mainly on operational vehicles and buildings.

While TNT is developing a comprehensive CO₂ performance management system for these areas, it continues to face a range of challenges in implementing targets:

- defining and implementing meaningful and consistent key performance indicators (KPIs) as a baseline has proven difficult. These KPIs must enable performance to be measured at the operational, divisional as well as group level. They must also be meaningful to operational managers and be achievable,
- embedding CO₂ KPIs into the business requires alignment with current accountability structures, and
- a comprehensive and effective internal control and reporting framework needs to be operational to provide management with continuous information on their performance.

TNT acknowledges the challenges surrounding CO₂ target-setting and has decided to finalise developing its internal CO₂ performance system before communicating CO₂ targets externally. Baselines were set during 2008, however:

CO₂ efficiency indicators

CO₂ efficiency indicators are key to TNT's ability to confirm baselines against which to set targets and manage the performance and impact of the actions agreed. This Corporate Responsibility report contains a preliminary baseline for CO₂ efficiency indicators, which relate the CO₂ emissions to its core business activities:

- CO₂ per weight (tonnes) transported over a certain distance (aviation),
- CO₂ per distance covered (operational vehicles), and
- CO₂ per square meter building (buildings).

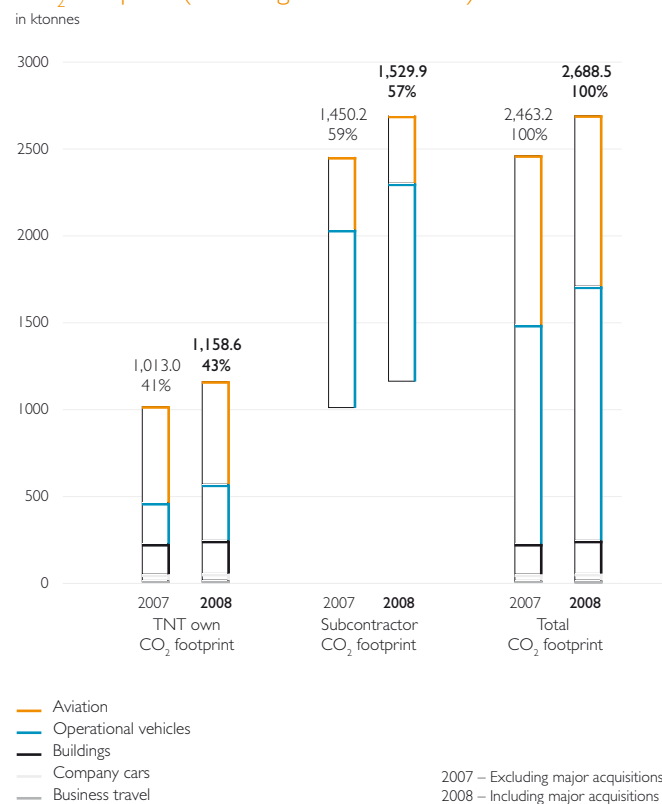
TNT believes that this approach will provide stakeholders with the most credible and accurate proposition for its CO₂ performance management as well as providing management with a credible and understandable measure against which they can assess the effectiveness of investment decisions and other measures taken to reduce CO₂.

CO₂ footprint subcontractor emissions

TNT has developed a separate model to estimate the CO₂ emissions generated by subcontracted operations. The use of primary indicators (fuel consumption) is the most accurate way of calculating CO₂ emissions. However, calculations based on primary indicators are not possible given that actual fuel consumption

of subcontractors is not available to TNT. TNT therefore uses various proxy indicators that, using models, can be translated into estimated CO₂ emissions. Depending on data availability, secondary indicators (road kilometres driven/tonne kilometre flown) or cost indicators (subcontractor cost) are used. To translate subcontractor costs into fuel consumption, cost distributions within two operational entities (Express Road Network and Belgium) were used as a baseline.

CO₂ footprint (including subcontractors)



Accuracy differs between the two types of available indicators. In general, secondary indicators are more accurate than cost indicators and the approach of using proxy indicators to calculate CO₂ emissions limits the accuracy of the subcontractor footprint. Improved data availability will increase the accuracy of the subcontractor emission estimate in the future.

The model's scope extends to subcontracted activities that are part of TNT's core business (road and air transport). Subcontracted activities by the major acquisitions are included in the 2008 figures for the first time (in 2007 they were excluded). Emissions from buildings used by subcontracted operations are immaterial and not included. The chart presents the estimate of TNT's subcontractor emissions in ktonnes' CO₂ and the total TNT CO₂ footprint including subcontractor emissions. Of the total subcontractor emissions, 13% is attributed to the Mail division, 83% to the Express division, and 4% to Other networks.

Operational performance

Operational vehicles

TNT is pursuing an ambitious, company-wide programme to improve the efficiency and reduce the environmental impact of its fleet. This is part of the Planet Me programme and addresses network optimisation, driving behaviour, fuels, technology and subcontractors. For more details, please refer to the 'Greening the fleet' case as included in this report. The following section describes the performance of operational vehicles with respect to:

- breakdown of the fleet,
- fuel efficiency, and
- CO₂ efficiency.

Breakdown of TNT's fleet of operational vehicles

TNT's fleet of operational vehicles is diverse with respect to size, weight and type. In this report, the fleet is broken down into two categories: small trucks and vans with a gross vehicle weight (the vehicle including freight) less than 7.5 tonnes, and large trucks with a gross vehicle weight over 7.5 tonnes. The different types of fuel per vehicle category are also indicated.

For vehicles powered by biofuel, TNT decided to take into account only those vehicles that have a higher blend than usual in the countries in question as of 2008. This means that blends targeted by governments and/or EU are not included. The data reported on trucks powered by biofuel in the 2007 report have been adjusted.

Small trucks in 2008

GRI indicator: LT 2

in number of small trucks and vans (< 7.5 tonnes) powered by:

	Diesel	Gasoline	LPG	CNG	Biofuel	Electricity	Hybrid	Total
Mail	3,802	23	10	7	37	0	0	3,879
Express (excluding major acquisitions)	2,847	969	7	33	10	1	10	3,877
Other networks + GHO	32	0	0	0	0	0	0	32
TNT Total (excluding major acquisitions)	6,681	992	17	40	47	1	10	7,788
TNT Total (including major acquisitions)	9,031	1,039	17	115	47	1	10	10,260

The magnitude of the fleet of small trucks and vans for TNT excluding major acquisitions increased slightly with 41 vehicles compared to 2007. The vehicles powered by gasoline and diesel form the largest proportion of the fleet. The

major acquisitions are responsible for the increase of 35% of diesel powered vehicles and 8% of the gasoline powered vehicles.

Large trucks in 2008

GRI indicator: LT 2

in number of large trucks (> 7.5 tonnes) powered by:

	Diesel	Biofuel	Electricity	Total
Mail	354	0	0	354
Express (excluding major acquisitions)	3,193	2	50	3,245
Other networks + GHO	3	0	0	3
TNT Total (excluding major acquisitions)	3,550	2	50	3,602
TNT Total (including major acquisitions)	4,200	2	50	4,252

The fleet of large trucks for TNT excluding the major acquisitions has decreased by 7%. Including the major acquisitions the fleet has increased by 26%. Regarding the composition of the fleet TNT has increased the number of electricity vehicles from eight in 2007 to 50 in 2008.

Fuel efficiency of operational vehicles

TNT has separated the data according to different types of fuel since the type of fuel indicates more explicitly the scale of the impact the transport has on the environment. TNT also measures the efficiency of the fuel usage per 100 kilometres driven by each type of vehicle.

Fuel efficiency small trucks and vans (< 7.5 tonnes)

GRI indicator: EN 1

in litres per 100 km powered by:

	Diesel		Gasoline	
	2007	2008	2007	2008
Mail	8.7	8.7	7.1	9.0
Express (excluding major acquisitions)	12.1	11.7	16.1	14.4
Other networks + GHO	7.9	7.9	-	-
TNT Total (excluding major acquisitions)	10.2	10.0	16.0	14.3
TNT Total (including major acquisitions)	-	12.1	-	14.1

In 2008, the fuel efficiency of diesel-powered small trucks and vans improved slightly.

As compared to 2007, the fuel efficiency of small trucks and vans became less efficient for Mail vehicles powered by gasoline. However, this figure represents

only a small number of vehicles (23 in 2008 as compared to 19 in 2007). In Express, the number of vehicles powered by gasoline is significantly larger (969 in 2008). The fuel efficiency of these vehicles improved by 1.7 litres per 100 kilometres.

Fuel efficiency large trucks (> 7.5 tonnes)

in litres per 100 km powered by:

	Diesel		GRI indicator: EN 1
	2007	2008	
Mail	26.3	26.7	
Express (excluding major acquisitions)	24.0	23.6	
Other networks + GHO	no data	21.0	
TNT Total (excluding major acquisitions)	24.6	24.4	
TNT Total (including major acquisitions)	-	25.9	

For large trucks, the general fuel efficiency has improved, except for a slight increase in fuel usage per kilometre for large trucks within Mail. These improvements can be attributed to improved driving behaviour and improved vehicle technology.

CO₂ efficiency of operational vehicles

CO₂ efficiency indicators will become increasingly important for TNT in measuring operational performance. Firstly, this indicator takes into account all types of fuel and their respective emissions. This will be reflected in the

indicator if more alternative fuels or electrical vehicles are used. Secondly, CO₂ efficiency links the CO₂ emissions to operational drivers such as weight and distance. Whereas fuel efficiency indicators demonstrate driver performance and vehicle efficiency, CO₂ efficiency provides a more comprehensive picture of the overall performance of TNT's operational vehicles. For operational vehicles in this CR report, TNT links CO₂ to distance because the relation to weight is not yet available. Going forward, TNT intends to report on CO₂ per tonne•km, which TNT considers to be one of the most effective indicators for measuring performance.

CO₂ efficiency small trucks and vans (< 7.5 tonnes)

in g CO₂ per km

	2007	2008
Mail	228	239
Express (excluding major acquisitions)	349	325
Other networks + GHO	217	216
TNT Total (excluding major acquisitions)	287	281
TNT Total (including major acquisitions)	-	325

The CO₂ efficiency for small trucks improved slightly over 2008 for the TNT total excluding major acquisitions. The CO₂ efficiency indicator takes into account the entire fleet for the category of small trucks and vans. Influencing this indicator can be done by changing the composition of the fleet by increasing the number of vehicles powered by lower-emission fuels (e.g. electricity and

hybrid). However, in 2007 and 2008, the percentage of small trucks and vans powered by diesel remained at 85%. TNT is working on improving its CO₂ efficiency by greening the fleet. Several pilots have been completed recently and the first electric vehicles have been introduced. For more details, refer to the 'Greening the fleet' case.

CO₂ efficiency large trucks (> 7.5 tonnes)

in g CO₂ per km

	2007	2008
Mail	723	735
Express (excluding major acquisitions)	659	648
Other networks + GHO	no data	578
TNT Total (excluding major acquisitions)	676	670
TNT Total (including major acquisitions)	-	710

Also for large trucks, the CO₂ efficiency improved slightly over 2008 for the TNT total excluding major acquisitions. This is mainly due to the fact that the fuel efficiency slightly improved from 24.0 to 23.6 litres per 100 km for the largest proportion of the fleet (Express operational vehicles excluding major acquisitions 76 % of total). Furthermore, the composition of the fleet and the total number of trucks did not change materially (TNT total excluding major acquisitions 3,380 trucks in 2007 compared to 3,602 in 2008).

Fuel efficiency aviation

Fuel efficiency aircraft

in litres jet fuel per 100 km

GRI indicator: EN 1

	2006 ¹	2007 ¹	2008
TNT Total (including major acquisitions)	629	698	737

1 — Australian aviation fuel usage reclassified as subcontracted

CO₂ efficiency aviation

The CO₂ efficiency indicator as described in the table below links CO₂ emissions to weight transported per distance. To complement the picture of fuel efficiency, this indicator demonstrates the overall performance of the air

fleet operations. Since the CO₂ efficiency in grammes per tonne•km is a new indicator for TNT, comparison is only possible to 2007.

CO₂ efficiency aircraft

in g CO₂ per tonne•km

	2007 ¹	2008
TNT Total (including major acquisitions)²	1,132	1,107

1 — Australian aviation fuel usage reclassified as subcontracted

2 — Only including operational network flights and Boeing 747 flights

In 2008, the average fuel consumption per 100 km (fuel efficiency) of the air fleet increased compared to 2007. This is due to the increased use of TNT's Boeing 747s. However, a Boeing 747 offers a larger loading capacity and range, which results in a CO₂ efficiency three times better than for the other aircraft in the fleet. As a result, the use of the Boeing 747s impacted positively on TNT's overall CO₂ efficiency for the entire aviation fleet.

In July 2008, the European Parliament and Council of the European Union agreed on legislation to include aviation within the EU Emissions Trading Scheme (EU ETS) as of 2012. The EU ETS scheme will include all flights arriving at or departing from any EU airport and will only cover CO₂ emissions. The system will be reviewed in 2014. TNT has started preparing for inclusion in this scheme and an assessment of the financial impact on its air network is underway.

Buildings

'Green buildings'

Targeting TNT's operational and office buildings to make them more CO₂ efficient is one of the pillars of Planet Me's Code Orange initiative. TNT occupies 1.3 million square meters of commercial property in the Netherlands alone, including 100,000 square meters of office space. The energy consumption of all TNT buildings worldwide accounted for 16% of TNT's own CO₂ emissions (including major acquisitions) in 2008. TNT's aim is to make all new buildings (offices and depots) at least CO₂-neutral. They will be able to supply enough

power to meet their own energy demand and will use special solutions for lighting efficiency and climate control.

TNT's Board of Management is committed to the development and ten-year lease of the first Green Office in Hoofddorp in the Netherlands as part of a total development and lease of approximately 70,000 square meters of Green Offices in the Netherlands. This means that the 4,500 employees from all head offices (GHO, Express and Mail) and from TNT Post area offices will move to a new office over the coming five years. By placing TNT's new offices at easily-accessible locations closer to where the employees live, commuting distances for most employees can decrease significantly, further reducing TNT's CO₂ footprint.

The first CO₂ emission-free TNT building worldwide is a TNT Post distribution centre in Veenendaal in the Netherlands, which was opened in October 2008. One-hundred-and-forty people work there on 1,500 square meters and it is owned by TNT. The various technical applications are not new or innovative in themselves, but their combination within a production building is unique and results in energy savings of over 70%. The remaining 30% of energy is generated CO₂-neutral.

These initiatives will considerably decrease TNT's global energy efficiency and CO₂ footprint in addition to providing an inspiring environment that will contribute to employee engagement across TNT.

Energy efficiency of buildings

TNT measures and reports on energy efficiency separately for electricity (kWh) and gas (m³) used in buildings. The overall energy efficiency including district heating and heating fuel is reported in Joules (J).

Electricity efficiency of buildings (measured)

GRI indicator: EN 3 & EN 4

in kWh per m²

	2006	2007	2008
Mail	123	117	121
Express (excluding major acquisitions)	69	87	90
Other networks	-	36	49
GHO	-	155	146
TNT Total (excluding major acquisitions)	84	94	99
TNT Total (including major acquisitions)	-	-	96

Gas efficiency of buildings (measured)

GRI indicator: EN 3 & EN 4

in m³ gas per m²

	2007 ¹	2008
Mail	9.0	9.7
Express (excluding major acquisitions)	no data	6.4
Other networks	no data	8.5
GHO	11.4	10.5
TNT Total (excluding major acquisitions)	no data	8.2
TNT Total (including major acquisitions)	-	8.2

1 — Due to the change in metrics from m³ to m² for Express and Other networks it is not possible to report on gas efficiency for 2007

The energy use of GHO mainly relates to office space, which is known to consume more energy than depots and warehouses. The total energy use of buildings measured within TNT in 2008 was 342.8 million kWh, 17.4 million m³ gas, 1.1 million litres' heating fuel and 0.16 million Gjoules' district heating.

Energy efficiency of buildings

GRI indicator: LT 4 & EN 4

total energy of electricity, gas, heating fuels and district heating in Megajoules per m²

	2007	2008
Mail	712	803
Express (excluding major acquisitions)	421	499
Other networks	313	449
GHO	919	859
TNT Total (excluding major acquisitions)	517	602
TNT Total (including major acquisitions)	-	578

To reduce the environmental impact of buildings, a first priority is to increase the efficient use of energy regardless of the source (electricity, gas, sustainable electricity etc.). Unfortunately, the overall energy efficiency of buildings per square meter has not improved compared to 2007. TNT will continue to focus on more efficient use of energy in its buildings.

Sustainable electricity

Besides using less energy, the use of sustainable electricity is an additional measure to reduce buildings' CO₂ footprint. The use of sustainable electricity is reported as a percentage of total electricity use.

Sustainable electricity usage

as a percentage of total electricity use

GRI indicator: LT 4 & EN 4

	2006	2007 ▲	2008
Mail	3.9%	5.5%	▲ 69.4%
Express (excluding major acquisitions)	14.9%	15.1%	▲ 26.1%
Other networks	-	9.5%	▲ 5.9%
GHO	0.0%	4.9%	▲ 59.1%
TNT Total (excluding major acquisitions)	9.8%	11.0%	▲ 43.5%
TNT Total (including major acquisitions)	-	-	38.8%

TNT is pleased with the progress made in the use of sustainable electricity and the percentage of sustainable electricity of total electricity consumption has increased significantly over 2008. In the Netherlands, 100% of the electricity consumption comes from sustainable sources for locations where TNT manages the electricity contract. In Express, several entities increased their consumption of sustainable electricity such as Australia, Brazil, UK and the Benelux.

CO₂ efficiency buildings

The CO₂ efficiency of buildings is reported in CO₂ per square meter. This indicator combines all types of energy consumed and covers heating, electricity use and electricity from sustainable sources. As such, this indicator provides a comprehensive picture of the total CO₂ performance of buildings.

CO₂ efficiency buildings

in kg CO₂ per m² buildings

	2007	2008
Mail	63.5	36.0
Express (excluding major acquisitions)	41.2	40.1
Other networks	25.1	35.1
GHO	85.3	42.5
TNT Total (excluding major acquisitions)	48.3	38.6
TNT Total (including major acquisitions)	-	43.3

The impact of the increased percentages of sustainable electricity in TNT is evident when looking at the CO₂ efficiency of buildings. The CO₂ efficiency improved significantly compared to 2007.

Company cars and business travel

Company cars

TNT introduced a Group Policy on the fuel efficiency and CO₂ emissions of company-provided cars in 2007. The policy's objective is to reduce the CO₂ emissions from company cars by ensuring that:

- all company cars meet increasing fuel-efficiency standards,
- employees drive company cars safely and efficiently,
- fuel usage and distance data are recorded and reported accurately, and
- employees are required to select highly fuel-efficient cars.

This policy's provisions are supported in various ways, including providing driving training for all company car drivers, one-off financial incentives for selecting highly-efficient cars, and recording and reporting fuel efficiency data.

Company cars

in number of company cars

GRI indicator: LT 2

	2007	2008
Mail	1,554	1,700
Express (excluding major acquisitions)	4,351	4,337
Other networks + GHO	373	375
TNT Total (excluding major acquisitions)	6,278	6,412
TNT Total (including major acquisitions)	-	6,450

In 2008, 88 employees drove a company car with an hybrid engine as compared to 24 in 2007. Additionally, ten company cars are powered by electricity. As cars come up for renewal, the provisions of the TNT Group policy are applied and incremental improvements are expected over the coming year. Company cars are driven by management and the move towards management driving hybrid and electric vehicles sets the tone at the top and is a role model for all employees.

In the Netherlands, TNT offsets CO₂ emissions from new leased company cars by means of CO₂ credits. The credits used for offsetting are 100% Verified Emission Reduction units (VERs). These credits have been verified by an independent third party organisation. Two renewable energy projects in India deliver these CO₂ credits. In 2008 2.0 ktonnes' CO₂ was offset.

The number of company cars increased in the Mail division because of the extended coverage of reporting. Cendris and EMN in particular reported more company cars.

Business travel by air

TNT has invested extensively in state-of-the-art video conferencing facilities in its business units and head offices. These facilities greatly improve communications but also have a direct positive impact on business travel.

As of 31 December 2008, TNT had 117 video conferencing locations installed worldwide as compared to 54 locations in 2007. The use of these rooms has increased steadily since the video conferencing systems were installed. The number of calls has increased more than ten times on average per month. In 2009, TNT will continue to install additional systems where needed. TNT is currently also working on building a system into the booking portal for the video conference rooms. This will provide detailed information on the impact on the CO₂ emissions and cost savings.

Business flights booked with TNT's preferred travel agency are fully offset by 100% VERs CO₂ credits. These credits are also delivered by the same renewable energy projects in India as used for company car compensation. In 2008, a total amount of 5.1 ktonnes' CO₂ was offset.

Other environmental impact

Other vehicle emissions

The objective of the European emission standards (Euro 4 and 5) is to reduce emissions of (i) greenhouse gases, (ii) fine dust and (iii) nitrogen oxides. For those vehicles that do not meet these emission standards, TNT reports on the percentage of the fleet that has been retrofitted with soot filters or that are less than 5 years old. Of the total TNT small trucks and vans fleet, 52% operated in EU countries. For large trucks, this percentage was 65%.

European emission standards for small trucks

in percentage of total small trucks in European Union countries

	2007			2008		
	Mail	Express	TNT	Mail	Express	TNT
Vehicles complying with Euro 4	24%	12%	21%	69%	26%	58%
Vehicles with (retrofitted) soot filter ▲	0%	4%	1%	13%	4%	11%
Vehicles younger than 5 years (excluding Euro 4, 5 and soot filters)	74%	56%	69%	16%	40%	22%
Vehicles older than 5 years	2%	29%	9%	2%	30%	9%

GRI indicator: LT 2

European emission standards for large trucks

in percentage of total large trucks in European Union countries

	2007			2008		
	Mail	Express	TNT	Mail	Express	TNT
Vehicles complying with Euro 5 ▲	46%	2%	8%	50%	10%	15%
Vehicles complying with Euro 4	0%	5%	4%	2%	12%	11%
Vehicles with (retrofitted) soot filter ▲	33%	2%	7%	26%	3%	6%
Vehicles younger than 5 years (excluding Euro 4, 5 and soot filters)	9%	61%	53%	10%	46%	41%
Vehicles older than 5 years	13%	30%	28%	12%	30%	27%

GRI indicator: LT 2

Mail Parcel Services continues its efforts to retrofit its vehicles with soot filters. On its own initiative and in cooperation with their car lease companies, Parcel Services is to retrofit 594 of its vans with a special soot filter. The new filter was developed at the request of TNT and reduces soot emissions by almost 100%. The benefit of the new 'closed' filter is that it is suitable for both 'stop-and-go' deliveries (where standard soot filters fail) and for biofuel.

Waste

Waste

in tonnes per FTE

GRI indicators: EN 22 & EN27

	2006	2007	2008
Mail	0.21	0.54	0.60
Express (excluding major acquisitions)	0.56	1.04	0.87
Other networks + GHO	0.52	0.45	0.17
TNT Total (excluding major acquisitions)	0.37	0.77	0.75
TNT Total (including major acquisitions)	-	-	0.75

Recycling of waste

in percentage of recycled waste of total waste

GRI indicators: EN 22 & EN27

	2006	2007	2008
Mail	47%	86%	79%
Express (excluding major acquisitions)	85%	55%	63%
Other networks + GHO	no data	35%	56%
TNT Total (excluding major acquisitions)	73%	85%	69%
TNT Total (including major acquisitions)	-	-	69%

Waste and waste reduction is especially important in Mail's European Mail Networks as a result of unaddressed mail that cannot be delivered due to clients indicating that they are not interested in this unaddressed mail. TNT maintains records of undelivered, unaddressed mail and is working closely with the relevant customers to optimise the amount of unaddressed mail. This will save both costs and benefit the environment. The operations of TNT Fashion also generates large amounts of waste materials that require disposal.

TNT has policies and procedures in place to identify and evaluate all activities involving hazardous substances and materials. TNT had 811 tonnes of hazardous waste that required appropriate disposal. Hazardous waste is mainly confined to maintaining vehicles and aircraft.

During 2008, Express entities continued to focus on waste management following higher than acceptable waste figures in 2007. TNT Express used fully the continuous improvement requirements of the ISO 14001 standard to drive change. This has resulted in a marked reduction in waste in 2008. This effort will continue in 2009.

Noise

Noise monitoring and management is part of TNT's environmental management system. TNT conducts risk assessments for workplace noise and external noise nuisance in communities living close to TNT operational facilities.

The Express' delivery schedule requires the operation of aircraft at non-standard times, particularly night flights between 11 pm and 6 am. TNT is committed fully to striking an appropriate balance between economic growth, social development and the environmental impact of its operations, and continues to invest in reducing the noise impact of its operations and fleet. TNT supports the international framework of a balanced approach to aircraft noise management and is working with local and national authorities to promote this approach at EU airports.

Directive 2002/30 EC, known as the 'Airport Noise Management Directive', was adopted in 2003 and establishes rules and procedures with regard to introducing noise-related operating restrictions at EU airports. The Directive requires member states to follow the 'balanced approach to aircraft noise management' of the International Civil Aviation Organisation (ICAO). Member states should first identify the noise problem and then analyse the various measures using four principles, namely:

- reduction of noise at source (i.e. quieter aircraft),
- land use planning and management around airports,
- operating procedures, and
- operating restrictions.

The Express division received 47 noise complaints in 2008 compared to 55 in 2007. The Mail division received six complaints related to noise as compared to two in 2007. Within Express, a significant proportion of the external noise complaints is attributed to depot noise. In Mail, the complaints related to noise levels in urban areas.

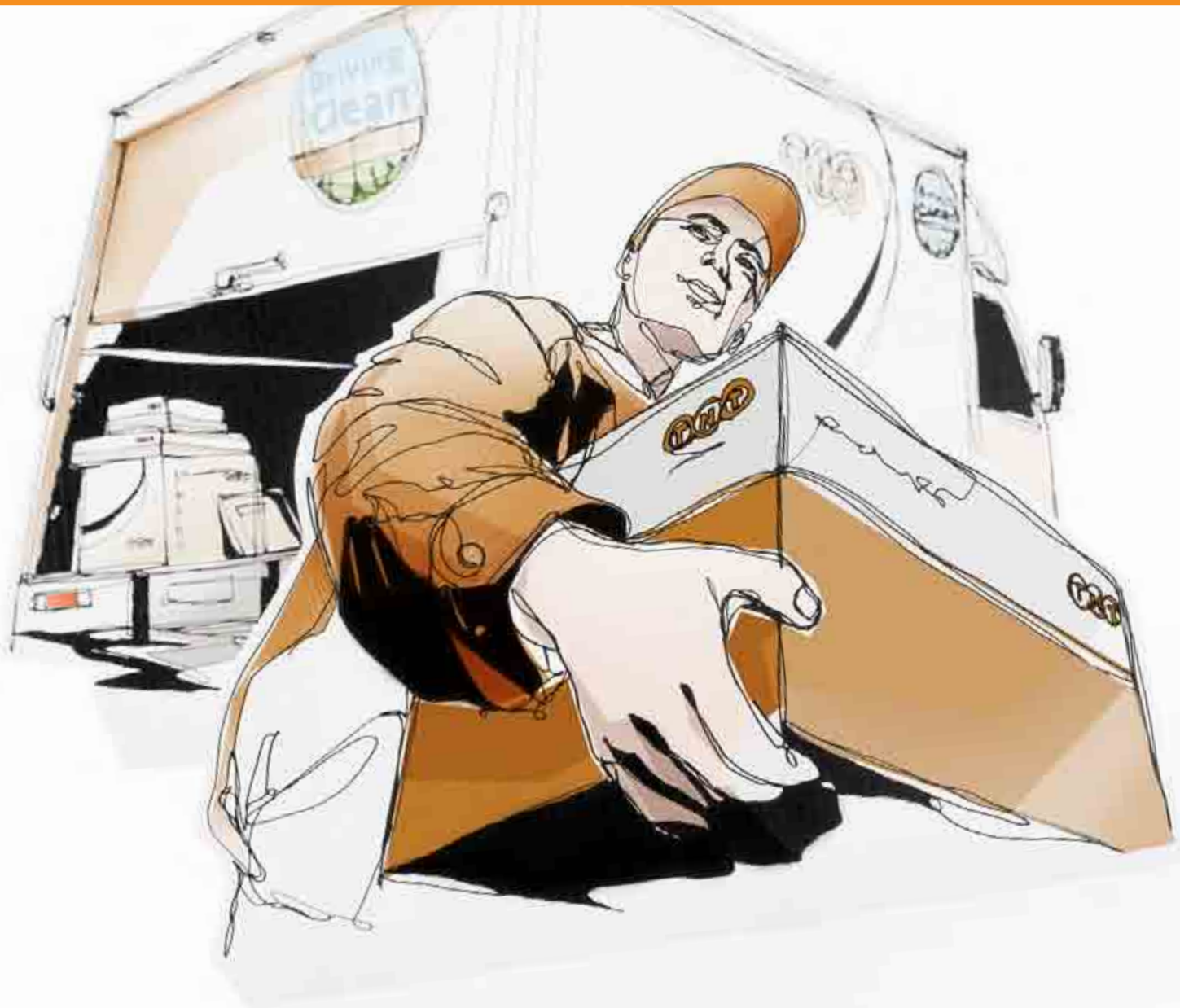
Environmental incidents

Within Mail there were seven on-site environmental incidents in 2008 (compared to three in 2007) and one off-site environmental incident (zero in 2007). Most incidents were oil spillages from trucks that were dealt with by using absorbing material to prevent the oil from leaking into the ground. These incidents are discussed with the employees involved to create greater awareness and prevent future accidents as much as possible.

Within Express, 13 on-site environmental incidents and six off-site environmental incidents were reported in 2008. The incidents were related mainly to minor oil spillages and were dealt with immediately, preventing further environmental impact.

Greening the fleet

Operational vehicles



TNT is working on reducing its carbon footprint for the simple reason that TNT's operations contribute to the problem and therefore TNT must contribute to the solution. The TNT operational fleet consists of some 14,500 vehicles and accounts for 28% of the company's own CO₂ emissions. Since TNT's long term quest is to become the first zero-emissions express and mail company, greening the fleet is an important step in achieving this ambitious objective.

In 2006, TNT initiated a range of programmes to reduce its carbon footprint, incorporated under the umbrella of its Planet Me programme (see www.tntplanetme.com). This case describes TNT's approach and selected initiatives for reducing the environmental footprint of its operational fleet.

Strategy

Planet Me introduces three areas of focus. **Count Carbon** is addressing the issue of reliably measuring, reporting and setting the framework for managing CO₂ levels across TNT's operations. **Code Orange** is TNT's operational commitment that addresses, amongst others, customer partnerships, operational vehicles and green investment. **Choose Orange** educates and supports TNT staff and their families to find ways of reducing their CO₂ footprint at home, and can often reduce costs at the same time.

There are two main reasons why TNT needs to minimise the impact of its operational vehicles fleet and explore alternative vehicle technologies and fuels. Firstly, responsible companies, and especially transport companies, must address their environmental footprint. Secondly, carbon fuel reserves are being depleted and TNT must sustain its operations to meet its other economic and social objectives.

If TNT is to become a zero-emissions company, its commitment must be full-spectrum. This means that it has to look at all operational longhaul, collection and delivery vehicles worldwide. TNT's approach to minimising the impact of its operational vehicles fleet is twofold:

- continuously improve the fuel efficiency of its operations, and
- explore opportunities in innovative transport technologies and fuels through pilots.

In implementing this approach, TNT's operational vehicles strategy focuses on five main areas:

- network optimisation,
- driving behaviour,
- fuel,
- technology, and
- subcontractors.

Network optimisation

Optimising TNT's diverse road networks will result in driving shorter distances and more efficient vehicle loading. This will decrease the road fleet's emissions per consignment transported. The initiative is supported by the Global Optimisation (GO) project, which will standardise processes and optimise Express operations worldwide. In the Mail division in the Netherlands, network optimisation is facilitated by a software-based planning package to optimise routing. Several Express countries have also implemented the 'UNEP tool', developed by the United Nations Environment Programme (UNEP) and TNT. This tool helps fleet managers develop strategies for minimising the impact of their fleet operations.

Driving behaviour

The fuel economy of vehicles is very much influenced by driving behaviour. It is estimated that, by driving efficiently, a driver can reduce CO₂ emissions by some 15-20%. Important techniques are anticipating traffic situations as well as optimal maintenance of the vehicles, such as maintaining an effective tyre pressure. Increasing drivers' awareness through training and providing drivers with information on driving performance (e.g. using board computers) have been identified as best practices. TNT will include components on safe and fuel-efficient driving in its training efforts such as the 'Driver Excellence' project. Efforts are supported by the 'Drive Me' challenge, which is intended to stimulate TNT drivers and their management to drive fuel-efficiently. Finally, TNT supports the 'Nieuwe Rijden' (new driving) initiative in the Netherlands, a driver-instruction course supported by the Dutch government.

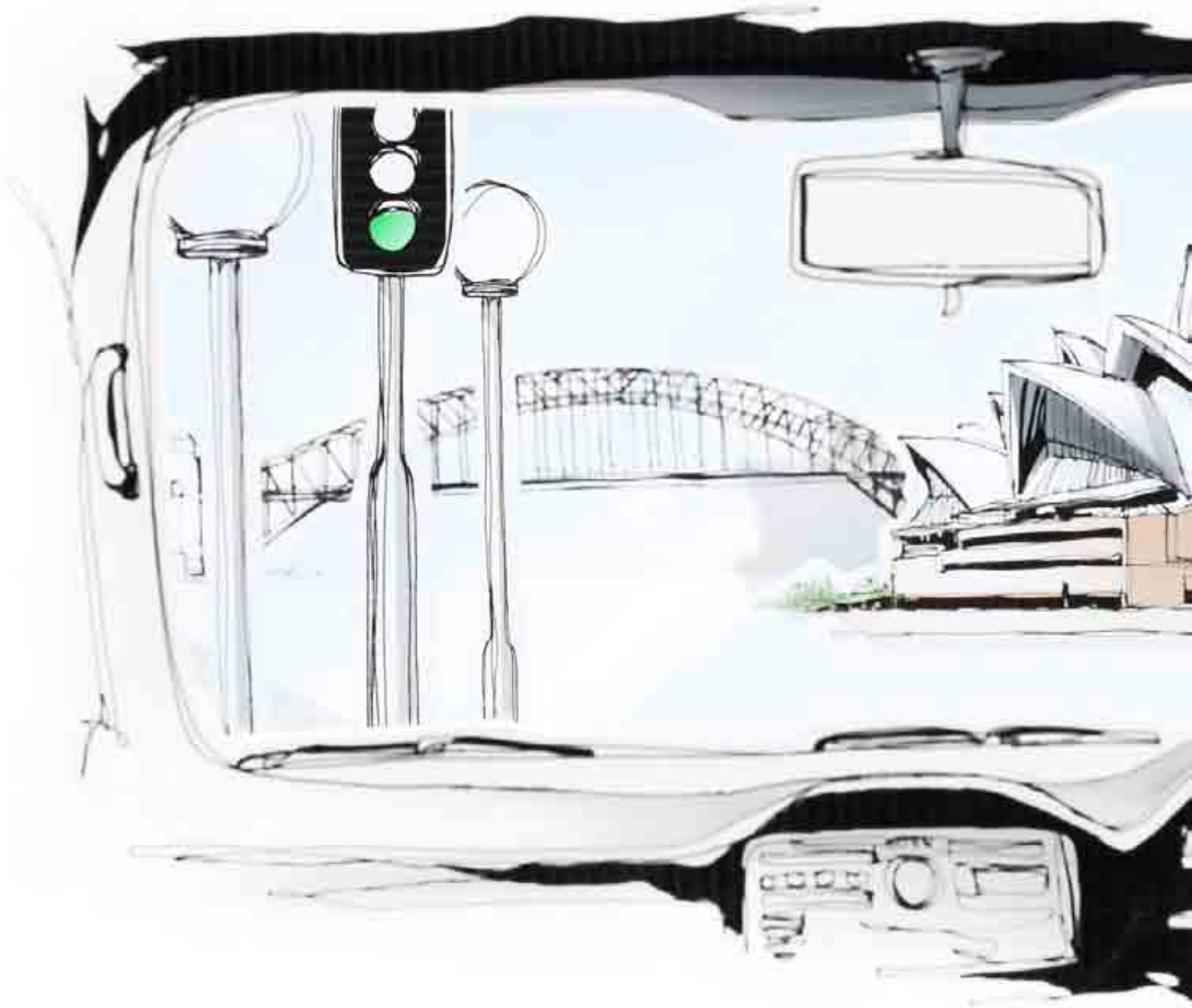
Fuel

Switching from conventional fossil fuels to alternative transport fuels can potentially lower CO₂ and other vehicle emissions. Alternative transport fuels may be liquid or gaseous, which allows for use in current vehicles with limited modifications. Different vehicle concepts are required when electricity is used to propel vehicles. TNT has carried out several pilots with alternative fuels that are described below in more detail.



Optimising TNT's diverse road networks will result in driving shorter distances and more efficient vehicle loading.

The fuel efficiency of vehicles is very much influenced by driving behaviour. It is estimated that, by driving efficiently, a driver can reduce CO₂ emissions by some 15-20%.





Technology

Technology has a great influence on the fuel efficiency of vehicles. Using vehicles that comply with the highest environmental standards, such as Euro 5 for linehaul, delivers clear benefits on fuel efficiency. More fundamental changes in vehicle designs such as hybrid technology or aerodynamic improvements have also proven to represent best practices. More information on pilots in vehicle technology is provided below.

Subcontractors

A significant proportion of TNT's road networks is operated by subcontractors. Where possible, TNT incorporates subcontractors in its green vehicle efforts and transfers knowledge and benefits to this important stakeholder. For example, drivers from some subcontractors have been included in the 'Drive Me' challenge. TNT has also initiated discussions with subcontractors to engage them in the corporate responsibility business case.

Country initiatives for alternative vehicles

TNT is researching and piloting alternative vehicles and fuels in various regions around the world. The objective is to test the maturity and operational fit of the different options for its operational requirements. A number of promising initiatives are described below.

Australia

TNT Express Australia introduced 10 new Hino hybrid trucks in April 2008 following an extensive evaluation between 2004 and 2006. In doing so, TNT became the first transport business in Australia to start operating a fleet of diesel-electric hybrid vehicles as an alternative to vehicles powered by conventional means. The new vehicles emit 14% less CO₂ and 50% less nitrous oxides (NO_x) than a conventional diesel truck of equivalent size. With these hybrids, TNT anticipates a reduction in its emissions by an average of 1.6 tonnes' CO₂ per year per vehicle. TNT Australia was awarded the Australian '2008 Technology and Innovation Award' for this initiative.

China

Wuhan city, the capital of Hubei Province, is the location of TNT's first zero-emissions test outside Europe with a trial of battery-electric delivery vans. The vans were designed, manufactured and assembled by Dong Feng Motor Co., China's largest automaker and manufacturer of electric vehicles.

These light electric vans can reach 80 kph (50 mph) and carry a one-tonne load capacity. The trial, although in the early stages, has already generated benefits such as improved relationships with both customers and local authorities, improved brand reputation and an improved reputation amongst prospective new employees. However, TNT is experiencing some difficulty in obtaining a licence for operating electrical vehicles from local governments for initiating other pilots. There are discussions underway with local suppliers, electricity companies and officials to develop a model in which electric vehicles can be operated sustainably and in an economically-viable manner.

UK

TNT Express UK announced the introduction of 50 zero-emissions vehicles to its operational fleet in May 2008. This battery-powered fleet of 'Newton delivery trucks' produced by Smith Electric Vehicles has replaced the diesel equivalents in 22 locations across the UK. The 7.5-tonne trucks are expected to reduce CO₂ emissions by 1.3 kilotonnes' CO₂ in the first year of operation.

The trucks are specifically designed for built-up urban areas, are exempt from the London congestion charge and do not incur road fund licence tax in the UK. These vehicles are operating in cities such as London, Birmingham, Glasgow, Edinburgh, Bristol and Oxford. The partnership with Smith followed an 18-month trial in London.

Netherlands

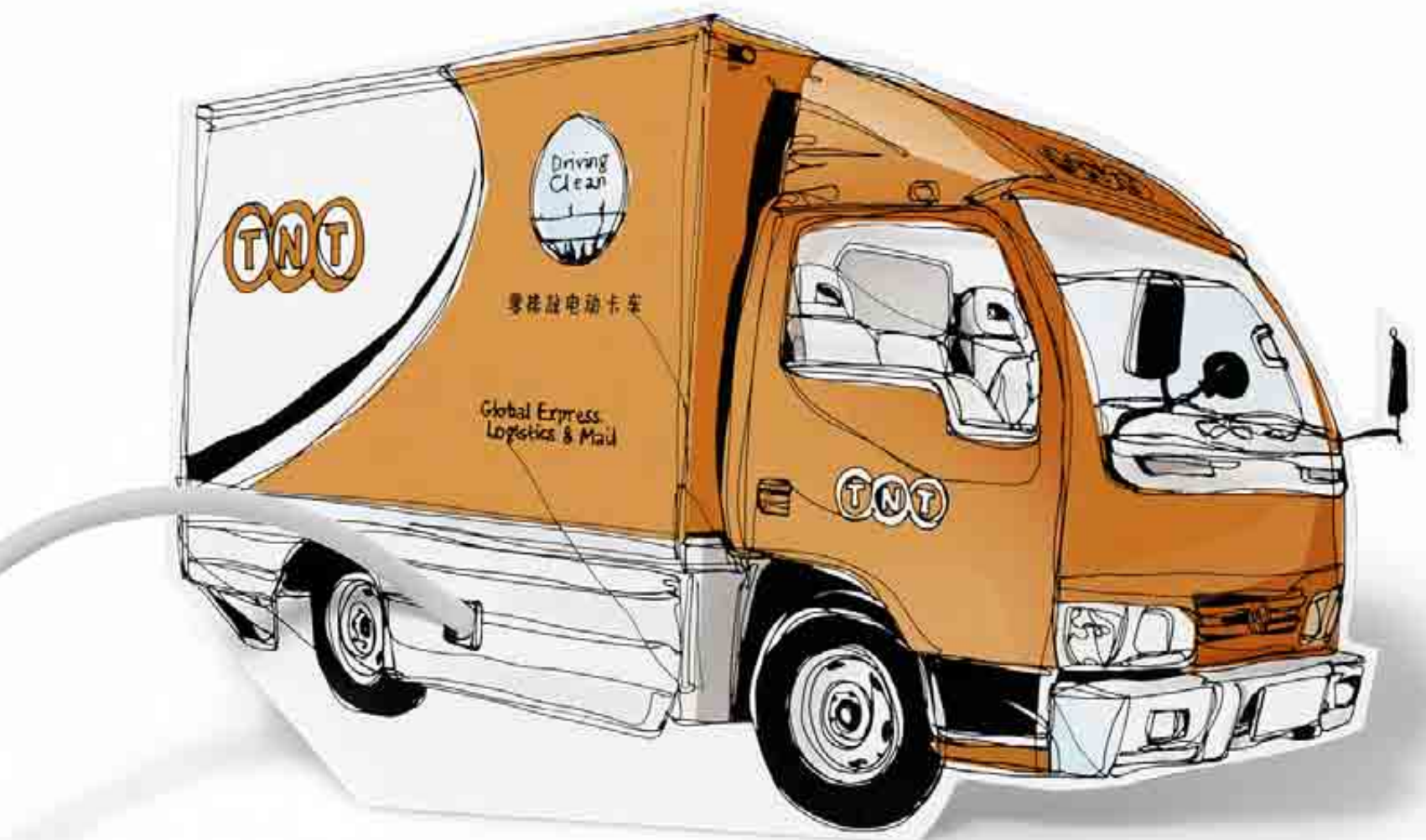
TNT has piloted one electric truck (9 tonnes) and one electrical van (3.5 tonnes) as part of TNT Express' pickup & delivery operations in and around Rotterdam. This pilot follows the positive experiences in the UK and uses the same vehicles. The objective is to assess the feasibility of the Smith Electric technology for its Dutch operations and to gain insights that will enable TNT to decide on further activities in the Netherlands and other European countries.

TNT also tested electric vehicles produced by 'Modec' that use a purpose-built design for electric vehicles. A major drawback, however, lies in the high cost for the individual vehicles as compared to conventional vehicles with a combustion engine.

Besides electric vehicles, TNT also piloted 5 delivery vehicles that use compressed natural gas (CNG) as part of its Mail delivery operations. The pilot was successful and has led to plans to increase the scale of operations. Finally, TNT also researched the option of placing aerodynamic skirts on its linehaul fleet. Research indicates that this could deliver fuel savings of up to 15%.

Innovation in transport technologies
and fuels is the only way forward.





Challenges

TNT faces several challenges in ensuring its operational vehicles strategy is effective. The reductions TNT wants to achieve in its CO₂ footprint have not materialised over 2008 as described in detail in the reported data for operational vehicles (see chapter 8). The 2008 results confirm that the Planet Me operational vehicles initiative has not yet delivered a tangible impact on a global scale. There are several reasons for this.

The core of TNT's operational vehicles strategy is to improve the fuel efficiency of its fleet operations. Managing fuel efficiency requires that relevant KPIs are embedded in current accountability structures and that a proper internal control framework is set up. TNT is working on these elements, on which it expects to deliver further tangible results in the future.

To achieve reductions that go beyond fuel efficiency measures, TNT needs to deploy alternative transport technologies and fuels. The availability of viable technologies is limited, with many of the available options not suitable for operational requirements or too costly to be implemented beyond pilot scale.

For its pickup and delivery operations, electric vehicles have proven viable and are regarded as a very promising solution. While this programme has been successful in the UK, TNT faces challenges in other countries, especially with regard to availability, operational fit and financial effectiveness. The use of compressed natural gas (CNG) also shows promise for inner city use as no fine particulates or NO_x are emitted, thereby benefiting air quality as compared to conventional fuels. However, this fuel does not contribute to CO₂ savings.

For its linehaul operations, TNT faces a particular challenge as no viable alternative transport technology or fuel are available. TNT has tested the use of biofuels, which presents a possible solution for its linehaul vehicles. However, the use of current first-generation biofuels is not without its problems. First, there is the question as to whether biofuel production is in competition with food production. The second issue is the level of achievable reduction in CO₂ emissions. So far there is no internationally-agreed common standard on the sustainability aspects of biofuels. To gain a comprehensive understanding of these problems, TNT has consulted with the Dutch organisation 'Natuur & Milieu' and other expert bodies in this field. TNT concluded that the current generation of biofuels does not offer a sustainable solution for its vehicle fleet on a large scale.

The electric vehicles case in the UK shows that partnerships in innovation can lead to sustainable solutions with tangible results. Yet, as described, the challenges are considerable and despite the considerable efforts invested in researching and piloting these alternatives, progress is proving slow and the overall impact on efficiency and emission levels is minor to date. Nevertheless, the way forward remains innovation in transport technologies and fuels, and TNT will continue to investigate and test options that are promising and complement operational requirements.





OTHER STAKEHOLDERS

This chapter looks at TNT's interaction with its customers, the management standards it implements to ensure TNT offers its customers excellent service and the dialogues TNT undertakes with customers to determine their needs and expectations. This chapter also addresses TNT's interaction with suppliers, subcontractors and investors and its financial achievements over the past reporting year.

Customers

Customer focus

TNT strives to be a company that understands its customers well, what they value, their needs and preferences, and aims to respond to them with tailored products and services. TNT believes that total customer focus is a sustainable competitive differentiator.

TNT aims to exceed customer expectations by providing distinctive levels of customer care at all contact points and bases its improvement programmes on quantitative and qualitative customer feedback. This ensures that improvement actions focus on what is most important to customers rather than focusing on internal measures only. Customer needs and satisfaction and loyalty levels are therefore important markers that are identified through regular contact and structured surveys. To measure the differentiation elements, TNT also executes benchmarking surveys, thereby allowing it to differentiate in the most important drivers of customer satisfaction and loyalty. TNT encourages its people to 'go the extra mile' in their service to customers, understanding that engaged and motivated employees will deliver an exceptional customer experience which in turn drives profit.

CO₂ information for customers

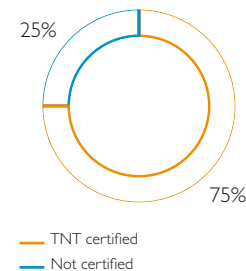
One of TNT's customers' main concerns regarding its operations is its environmental impact. To address this within the Mail division, corporate clients can opt for 'CO₂-neutral' postage, and there is a website www.groenepost.nl on which they can determine the emissions emitted in sending their consignments. Seventy-seven corporate clients sent over 175 million mail pieces CO₂-neutral in 2008. The CO₂ impact (approximately 3.2 ktonnes' CO₂) of these mail pieces was compensated by windmills in India. TNT Mail doubles the sum customers pay for offsetting their CO₂ emissions. In addition, consumers purchased almost 100 million 'green stamps'. The green stamps are dedicated to existing initiatives that participate in a more sustainable world. The green stamps are a way of creating awareness for the reduction of CO₂ emissions.

In the Express division, customers are increasingly requesting information on the CO₂ impact of their shipments. In response to this demand – and as part of the Planet Me programme – TNT has developed a method of estimating the CO₂ emissions for customers. During 2008, this method was piloted with selected large global customers to learn more about their requirements. Based on this piloting phase, a service will be developed that will allow TNT customers to track their CO₂ profile.

ISO 9001 certification

TNT's objective is to offer its customers excellent service. As such, it adheres to a number of strict quality standards. TNT's customer management approach is aligned fully with the ISO 9001 standard. This sets standards for continuous quality improvement on the entity level, challenging all entities on the service and quality they provide, and allows for a customised approach to implementing improvements.

ISO 9001 certification (including major acquisitions)
in FTEs in 2008



ISO 9001 certification

in percentage of total FTEs working in certified sites

GRI indicator: 4.12, PR 3 & PR 5

	2006	2007	2008
Mail ▲	80%	80%	81%
Express (excluding major acquisitions) ▲	80%	99%	98%
Other networks + GHO ▲	68%	91%	90%
TNT total (excluding major acquisitions) ▲	80%	90%	90%
TNT Total (including major acquisitions)	-	-	75%

During 2008, the Mail Division retained all existing ISO 9001 certificates. Additionally, EMN Belgium achieved certification to ISO 9001 for a large part of the organisation.

Within the Express division, ISO 9001 certification was maintained for all entities.

Customer satisfaction

TNT wants to exceed customer expectations. Analysis shows that 'satisfied' and 'more than satisfied' customers are more loyal and easier to retain. Therefore, TNT aims to increase the percentage of 'more than satisfied customers' within the group of 'at least satisfied' customers.

Satisfied customers

in percentage of satisfied or more than satisfied customers

GRI indicator: PR 5

	2006	▲ 2007	▲ 2008
Mail ¹	90%	89%	89%
Express (excluding major acquisitions)	89%	90%	92%

¹ – Based on the customer satisfaction survey of small and medium enterprises in Mail Netherlands

The Mail division conducts a customer satisfaction survey among consumers and small-sized enterprises served by the call centre (telephone sales) twice a year. An annual survey is conducted among the medium-sized and larger business customers. In addition, a market research organisation collects information from 5,800 customers on five customer values each year. The final score is calculated by taking the weight customers ascribe to these customer values and multiplying this by the score for each value. The surveys have been optimised by measuring performance on all customer contact points and are compared to competitor performance. This enables direct action and its effects to be measured. The overall customer satisfaction level was not impacted by the publicity surrounding the closure of post offices or the postal strikes.

Express conducts annual worldwide customer satisfaction research in which customers can complete the survey in writing or online. Last year, Express

received over 30,000 completed surveys from customers across all customer segments. Recently, the Overall Customer Satisfaction measurement changed from 'meeting customer expectations' to 'exceeding customer expectations', which is in line with TNT's mission statement. In 2008, 38% of Express' customers rated TNT's service as 'exceeding expectations' while 92% defined the service as 'meeting expectations'. The survey has been optimised following in-depth statistical analysis and now includes attributes that matter most and influence customer satisfaction. The main score is calculated by taking the percentage of customers that rated Express' services higher and much higher than expected. Analysis has shown that customers that are very satisfied spend more and are also more loyal. The continued aim is to increase the number of customers that rate Express' services as 'exceeding expectations', as ultimately this will positively impact TNT's business.

On-time delivery

in percentage of consignments delivered on-time

GRI indicator: PR 5

	2006	2007	2008
Mail Netherlands	96.6%	96.3%	96.3% ¹
Express international deliveries	90.7%	93.9% ²	94.5%

¹ – Preliminary figure to be validated by Dutch postal supervisor (OPTA)
² – Restated figure based on a new calculation methodology

TNT Express has changed its service performance measurement for on-time delivery to include the feedback it receives from its key stakeholders so that it now covers both internal and external benchmarking requirements.

Shareholders

Trends show that shareholders are developing a critical view with regards to the corporate responsibility of companies in which they invest. This development will continue as an increasing number of successful companies demand corporate responsibility guarantees from their suppliers and partners. Major clients are now producing their own corporate responsibility reports and will expect other companies to do the same: not merely to produce reports, but to act according to their own corporate responsibility standards. Corporate responsibility and long term reliability go hand-in-hand and are at the very heart of continuity.

TNT publishes its corporate responsibility report at the same time as its annual report. Furthermore, it obtains independent external assurance, excluding the major acquisitions, on the corporate responsibility report prior to publication.

This supports TNT's claim for credibility, delivers accountability, and benefits shareholders as concurrent publication allows them to have a transparent insight into TNT's initiatives and gives them the opportunity to ask questions at the annual general meeting of shareholders. The assurance report can be found on page 83 of this report.

For a more detailed overview of TNT's financial statements and performance over 2008 please refer to the 2008 annual report. The majority of the economic indicators in this report focus on the manner in which TNT affects the stakeholders with whom it has a direct and indirect economic interaction. This includes suppliers, external staff, lenders and the manner in which TNT reinvests the earnings in the company.

Economic value generated and distributed

Economic value retained¹

in € millions

GRI indicator: ECI

	2006	2007	2008
Direct economic value generated			
Total revenues	10,060	11,017	11,152
Economic value distributed			
Operating expenses	8,849	9,900	10,205
Salaries, pensions and social security contributions	3,384	3,608	3,617
In/(de)crease of hedging/other reserves and retained earnings	(1,087)	309	47
Interest and similar expenses	246	191	217
Dividends paid	282	298	324
Income taxes paid	282	492	225
Community investments ²	8	10	9

1 — All figures are based on our published annual reports (2007 and 2008).

2 — This includes Moving the World and Planet Me.

In 2008, TNT had total operating revenues of €11,152 million (2007: €11,017 million). TNT's Express division accounted for 59.7% (2007: 59.5%) of the TNT Group operating revenues and 38.3% (2007: 50.3%) of the TNT Group operating income. TNT's Mail division accounted for 38.1% (2007: 38.4%) of the TNT Group operating revenues and 64.5% (2007: 52.5%) of the TNT Group operating income.

Total revenues increased by 1.2% in 2008 compared to 2007. Operating expenses increased by €305 million (3.1%) to €10,205 million in 2008 as compared to 2007. Salaries, pensions and social security contributions increased by €9 million to €3,617 million (0.2%) in 2008 as compared to 2007.

Key factors that affect TNT financial results include:

- the number of shipments transported through TNT's networks,

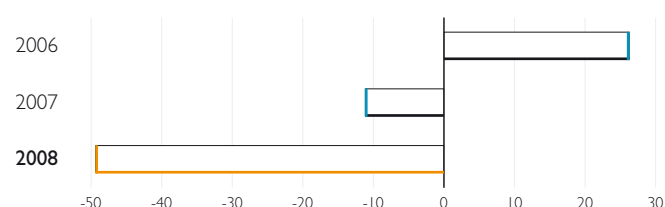
- the volume of mail TNT delivers,
- the mix of services TNT provides to its customers,
- the prices TNT obtains for its services,
- currency development, mainly the exchange rate of the British pound and US dollar against the euro,
- the average number of working and delivery days in a year,
- the speed of TNT's network expansion,
- TNT's ability to manage TNT's capital expenditure,
- operating expenses, provisions and impairments,
- TNT's ability to match its operating expenses to shifting volume levels,
- implementation of cost savings programmes, and
- TNT's ability to integrate acquisitions.

In 2008, the costs for subcontractors and other work contracted-out excluding rent and lease expenses and external temporary staff was €4,298 million as compared to €4,173 million in 2007 and €3,589 million in 2006.

Shareholder value

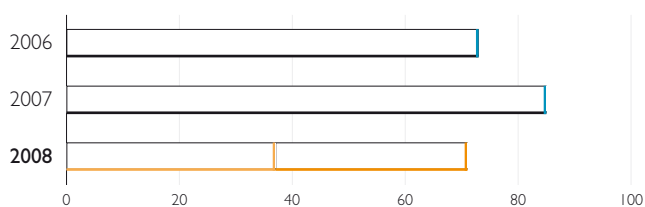
TNT total shareholder return

in percentages



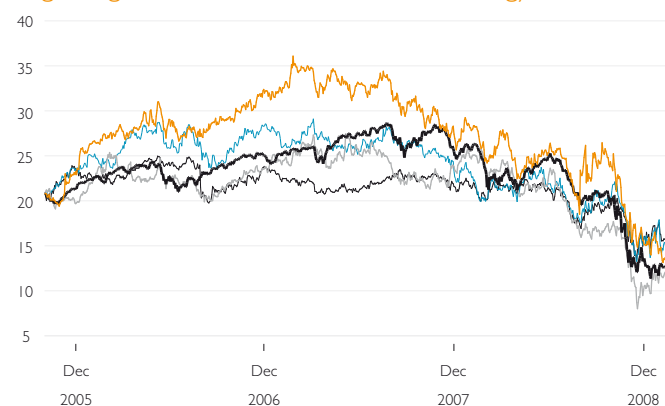
Dividend per share

in € cents



The extended section of the 2008 bar relates to the pro forma value of the proposed stock dividend

TNT and peers – share price comparison since the beginning of the Focus on Networks strategy



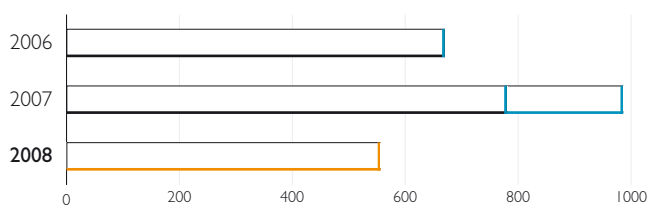
— TNT — UPS — DPWN
— AEX — FDX
Source – Bloomberg Professional (own currency based)

TNT's share price performance followed the trend of peers and the sector. The TNT share price fell 51% over 2008. Since TNT started its Focus on Networks strategy in October 2005, TNT's total shareholder return has been 27.6%, compared with an average of 23.8% for peers.

As described in chapter 3, TNT expects the severe downturn in the economic environment that occurred in 2008 to continue in 2009 without any substantive improvement. Consequently, the Board of Management has decided, with the approval of the Supervisory Board, not to distribute a further cash dividend over 2008, but to propose a stock dividend to be paid out of the distributable reserves of one share for every forty shares that, based on the volume weighted average stock price of 11-13 February 2009 (€14.66) equals €37 cents per share. The stock dividend level is derived from the decision to maintain the dividend payout percentage of normalised net income over 2008 at approximately the 2007 level, resulting in a proforma 36.3% over 2008. As a result, the dividend over 2008 will be €34 cents per share being the already paid interim dividend in cash. Together with the proposed stock dividend to be paid out of distributable reserves, the total proforma dividend relating to 2008 will thus be €71 cents per share. The ex-dividend date is 14 April 2009 and the dividend distribution date is 21 April 2009.

Shareholders' profit

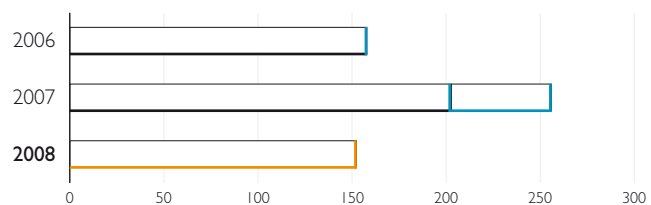
in € millions



The extended section of the 2007 bar relates to discontinued operations

Earnings per diluted ordinary share

in € cents



The extended section of the 2007 bar relates to discontinued operations

In December 2005, TNT began an extensive share buy-back programme, returning funds to shareholders and contributing to increased earnings per share. To date, TNT has bought back and cancelled almost 100 million shares and has returned almost €3 billion to investors.

Corporate responsibility in the supply chain

TNT acknowledges the significant ecological and social impact it has on its supply chain and suppliers' local communities. As such, TNT is committed to raising the social and ecological standards as well as those of suppliers and subcontractors. TNT also acknowledges that its overall footprint is larger than that resulting from solely its own operations. As up to 40% of TNT's operations are performed by transport subcontractors, this is an acknowledged bottleneck in improving TNT's environmental and social performance.

A distinction is made between suppliers and subcontractors. Suppliers are providers of services and materials, and other matters not including transport. Where this report refers to subcontractors, this relates to providers of transport services.

Suppliers

TNT has a large number of suppliers located around the world. TNT engages actively with these suppliers to make them aware of and engage with TNT's corporate values. TNT identifies, assesses and manages the impacts of the supply chain by assessing the sustainability risks of suppliers and sharing best practices with them on mitigating the risks.

In 2008, TNT implemented an approach to provide procurement departments with procedures and tools to develop management systems that establish responsibilities, targets, monitoring methods and a review process of suppliers. The supplier selection process includes sustainability issues. These include health and safety, environmental demands and compliance with TNT's Business Principles. The approach to identifying a supplier's corporate sustainability risks includes three steps:

- procurement risk classification,
- corporate responsibility risk assessment and risk classification, and
- reviewing and implementing strategies.

The procurement classification includes identifying the risk a supplier might introduce regarding sustainability. This covers internal and external risks such as materiality, the criticality for TNT operations and the probability of a risk based on the kind of product the supplier offers.

Four supplier classifications and two CR risk levels have been defined. In this way, each supplier is assigned to one of eight classes. For each class, three types of action have been defined. These vary from informing the supplier about the TNT Business Principles, through checking via a supplier survey and audit, to including social responsibility commitments in contractual agreements. The CR and procurement function within the business units or countries review and, where required, adjust the strategy taking local factors into account.

Subcontractors

TNT acknowledges that a significant part of its social and environmental impact takes place in its supply chain. TNT works with its subcontractors in a proactive and innovative manner to deliver products and services, and encourages them to conduct their services in an environmentally-friendly and socially-responsible way.

TNT expects all its subcontractors to act in a sustainable and responsible manner in accordance with all prevailing local and international legislation, and in accordance with the provisions of the TNT Business Principles. TNT is committed to managing its operations in a way that complies with all relevant sustainability legislation and standards.

TNT also believes that developing collaborative efforts within its industry is an effective way of leveraging the work of each individual company or organisation to raise supply chain standards. Subcontractors generally work with several major corporate customers. Should the courier and mail sectors set consistent standards, it would send a stronger message and enable subcontractors to implement the standards more sustainably.

Subcontractor road traffic fatal accidents

In 2008, a total of 30 road traffic fatal accidents were reported involving subcontractors working for TNT. The 30 subcontractor road traffic fatal accidents resulted in 10 subcontractor fatalities and 29 third-party fatalities.

Subcontractor road traffic fatal accidents

GRI indicator: LA 7

in number of subcontractor road traffic fatal accidents

	2006	2007	2008
Mail	0	0	0
Express (excluding major acquisitions)	10	7	12
Other networks + GHO	1	2	2
TNT Total (excluding major acquisitions)	11	9	14
TNT Total (including major acquisitions)	-	31	30

For subcontractor road traffic fatality information, TNT relies on the information provided by subcontractors. Normally, the authorities provide information regarding the investigation directly to the subcontractor company. For this reason, TNT is unable to distinguish between blameworthy and non-blameworthy subcontractor road traffic fatal accidents.

Subcontractor road safety standards will also be developed and implemented to ensure that effective risk controls are maintained and road safety performance improves in TNT's subcontractor operations.

VOLUNTARY CONTRIBUTIONS TO SOCIETY

TNT Corporate responsibility report 2008

sure *WE CAN* 79

This chapter describes TNT's voluntary contributions to society. It reports on the partnership with the United Nations World Food Programme to fight hunger, TNT's participation in the North Star Foundation that is combating HIV/AIDS and sexually-transmitted infections, and the involvement of its employees in these and other initiatives.

Moving the World

As a global service provider with operations in over 200 countries, TNT is intensely aware of the pressing challenges facing the planet and shares responsibility for them. To address this responsibility, TNT partners with two United Nations agencies, namely the United Nations Environment Programme (UNEP), and the World Food Programme (WFP) in a programme known internally as 'Moving the World'.

TNT has been an active partner of the United Nations World Food Programme, the world's largest humanitarian aid agency, since 2002. TNT commits its knowledge, skills and resources to support WFP in meeting the growing challenges resulting from food insecurity.

Each year, WFP provides food aid to an average of 90 million people, including 56 million children, in more than 80 countries. Unfortunately, the scale of the

problem means that even this is not enough. The struggle to feed the hungry is immense. In 2008, the total number of undernourished people worldwide rose to 963 million, with one in nearly seven people unable to get enough food to be healthy and lead an active life, and making hunger and malnutrition the number one risk to health worldwide. This is greater than HIV/AIDS, malaria and tuberculosis combined.

Both parties benefit from the partnership. WFP benefits from the support and the money raised in fundraising activities and in-kind activities. TNT benefits by building employee engagement, amongst other things. On a company level, the engagement survey released in 2008 indicated that 47% of employees had participated in the partnership by donating time, money or both (65% Express, 26% Mail). Moreover, 65% stated that the partnership increased their pride in TNT (81% Express and 47% Mail).

Moving the World contribution¹

x €1,000

	2006	2007	2008
In-kind contribution	7,988	5,650	5,948
Corporate donation and matching	1,000	0	0
New initiatives MtW (i.e. Jatropa)	0	0	1,142
Total	8,988	5,650	7,090

1 – The 2007 figures exclude discontinued operations while the figures for 2006 included the discontinued operations

The partnership moving forward

When TNT and WFP evaluated the initial five-year partnership in September 2007, they committed to extend the partnership for a further five years. In addition to continuing their joint Emergency Response, Knowledge Transfer, and Awareness/Fundraising initiatives in support of WFP's School Feeding Programme, the two organisations also decided to explore new ideas and frameworks that would create more sustainable solutions to fight global hunger.

The partnership is now based on four pillars.

Hands-on support – emergency response

TNT gives WFP hands-on support by providing skilled people when and where it is needed. The ability to respond rapidly to humanitarian emergencies can limit the impact of the emergency and is vital to WFP's work. In conjunction with WFP, TNT has developed programmes and committed resources to assist in emergency situations. TNT can respond to requests from WFP within 48 hours and provides tangible support in aviation, warehousing, transportation,

reporting and communications. A pool of over 60 dedicated and specially-trained TNT employees has been formed as part of this emergency response commitment. TNT can also offer support via TNT Special Services, TNT Airways, local bridging and by involving third parties. In 2008, 200 TNT employees were involved in 13 emergency response activities with a duration of over 800 man days. In 2008, WFP asked MtW to manage the transportation of over 4,000 metric tonnes of commodities directly and far more was managed by TNT staff who volunteered for specific missions.

With the backing of the World Economic Forum and following on from TNT's emergency response commitments with WFP, TNT has also joined forces with Agility Logistics Solutions Ltd. (Agility) and United Parcel Service Inc. (UPS) to form the Logistics Emergency Team (LET). This team aims to support the humanitarian sector with emergency response logistics to large-scale natural disasters. TNT, Agility and UPS pool logistics expertise, human resources, and in-kind services for the humanitarian community when a disaster strikes. In 2008, the LET assisted WFP on two occasions: in Myanmar and Haiti.

Awareness and fundraising – Walk the World

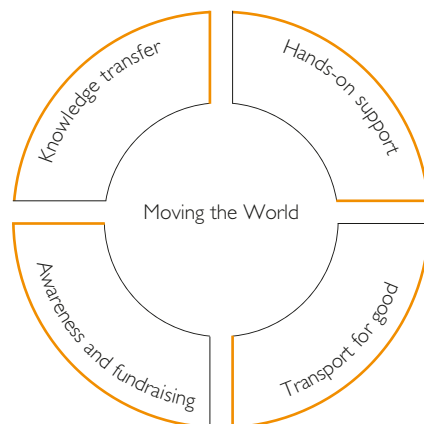
Walk the World seeks to raise awareness of global hunger and to collect monetary donations specifically for the WFP school feeding programme. Since the start of the partnership, raising funds and awareness have played an important part in the partnership with WFP. Each year, TNT employees organise Walk the World to raise awareness for child hunger. This global event is held across 24 time zones. In 2008, walks took place in 246 locations across 70 countries. Over 250,000 participants raised over US\$1 million. With this sum, 20,000 children will be fed and educated for a year. Josette Sheeran, Executive Director WFP, commented as follows on the 2008 Walk the World event: "This event has the potential to bring awareness to the fact that every day we lose 25,000 people to hunger - more than many of the critical diseases combined. And we can win this battle."

Besides the global projects, there were numerous local initiatives to raise awareness and financial support for WFP. TNT encourages fundraising among employees, suppliers and customers, and employees are organising many local initiatives such as lotteries, charity walks and flea markets to collect funds for WFP. In 2008, TNT employees raised €1.9 million for WFP. Each year the Board of Management recognises innovative and engaging initiatives at the TNT Masters Awards.

Knowledge transfer – transport optimisation

Knowledge transfer is an essential part of the partnership with WFP. TNT sends specialist skilled people, skills and knowledge that stem from TNT's own commercial business experience to support WFP in building capacity and to exchange skills and knowledge.

The four pillars of support



The first transport optimisation project was performed in Liberia in 2007. Designed to help WFP optimise its transport routes and to improve the efficiency of its transport capacity, WFP's operational efficiency in Liberia improved with reduced lead times, reduced workloads and substantial cost savings.

In 2008, TNT performed transport optimisation projects in Mali and Ethiopia where TNT analysed warehouse capacity, fleet utilisation, road conditions and the countries' infrastructure.

Transport for good – Jatropha

TNT aspires to continue developing holistic approaches to address the different challenges the earth faces. International food price developments demonstrate the importance of improved agricultural models in the developing world. For most developing countries, generating sustainable income in the agricultural sector, based on private sector business models, is considered the most effective tool for fighting hunger and alleviating people from the poverty trap. One opportunity TNT identified within the partnership is the production of cash crops for bio-energy purposes. This relates to the sustainable cultivation of Jatropha trees with smallholder farmers in Malawi.

The Jatropha project is based on a social venture capital model. In addition to the significant social benefits for the farmer communities in Malawi and the direct environmental benefits, TNT has established a social venture with a local Malawian company, Bio Energy Resources Limited (BERL). This project was treated as a normal business case. As such, it has been subject to extensive due diligence, both in- and external. TNT gets a fair return as a social investor.

In 2009, BERL plans to plant 24 million Jatropha trees in Malawi. Over the next six years, BERL intends to plant up to a total of 250 million trees. A warehouse has been built for storing the harvested nuts. Two expelling machines have been purchased to crush the nuts. A small refinery unit has also been installed. These assets provide the operational proof of concept needed in 2009. As of 2009, the harvest will be repurchased and collected from the many smallholder farmers that are participating in the programme.

Other foundations

TNT has founded two separate foundations within the partnership with WFP, both as a direct result of earlier projects within the Moving the World programme.

Kids Moving the World

This foundation focuses on creating awareness for global issues among schoolchildren in the Netherlands. Through various educational games and playtime activities, children are acquainted with and learn about the causes and impacts of world hunger, poverty and climate change issues. TNT has attracted three other companies to join in this foundation.

North Star Foundation

North Star Foundation (NSF) was founded in 2006 and is a public-private partnership that is establishing a network of roadside health clinics at major truck stops and border crossings along the major arterial transportation routes in sub-Saharan Africa, India and Asia. The health clinics offer a practical, low-barrier and low-cost response to the transmission of HIV and other sexually-transmitted infections (STIs) in the transport sector.

NSF works with local partners to implement its programmes and has gained experience working with national/regional transport sectors and health authorities to identify areas with high incidences of HIV/AIDS transmission. It also leverages a broader private sector response to HIV/AIDS awareness, testing and prevention programming by encouraging other private sector companies to support the project.

SCOPE OF THE REPORT

This chapter describes the scope of the TNT corporate responsibility report 2008 and the guidelines on which it is based. It also addresses how TNT reports against globally-accepted reporting standards, defines the scope for independent assurance on its corporate responsibility reporting and the process used to obtain this assurance.

Reporting scope

This report covers the period from 1 January 2008 to 31 December 2008. TNT obtains its corporate responsibility (CR) data from internal measurement and from external sources (third parties). The data is gathered using a questionnaire. All figures are based accordingly on the information provided by the Mail division, Express division, Innight (Other networks) and Group Head Office (GHO). Figures are presented in a relative way (using percentages and ratios) to make it possible for readers to monitor and measure progress year on year, unless the reporting protocol requires absolute figures to be disclosed. Figures related to CO₂ emissions are all extrapolated to reflect the whole organisation, unless stated otherwise. TNT defines coverage as the number of full time equivalents (FTEs) working in entities that report data divided by the total number of FTEs per division. The data clarification table in annex 3 shows the coverage per indicator. TNT has taken all reasonable steps to ensure that the information in this report is accurate.

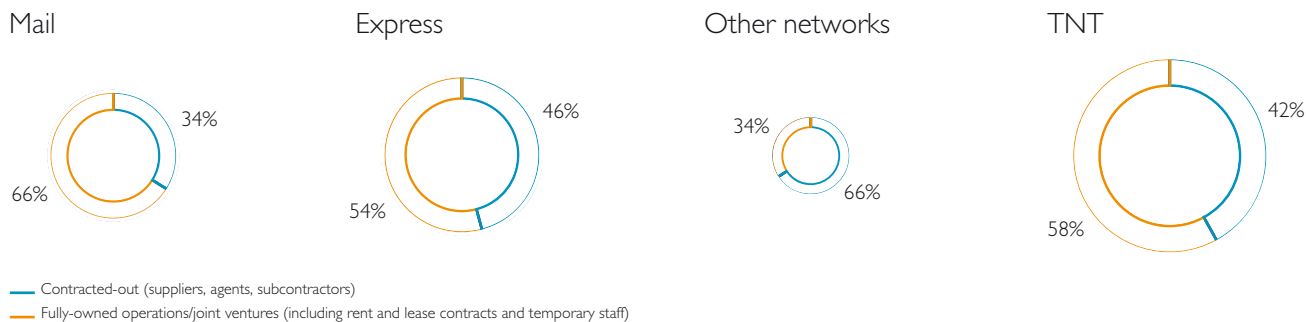
This report is prepared in accordance with the reporting criteria and guidelines of the A+ application level of the Global Reporting Initiative (GRI) G3 and the GRI Logistics and Transportation sector supplement as far as relevant to TNT (see GRI G3 index in annex 2). As a signatory of the UN Global Compact, TNT reports on the ten principles therein. A bridge between the GRI G3 indicators and the principles of the UN Global Compact is made in the GRI G3 index in annex 2. This report also adheres to the 2003 AA1000 framework for integrating the stakeholder process in the reporting process. Key performance indicators (KPIs) are selected on the basis of interactive stakeholder dialogue and the issues relevant to TNT's operations.

In accordance with TNT's reporting criteria, all acquisitions that occurred in the first half of the reporting year are included in the reporting scope. The entities acquired in the second half of the reporting year are excluded. As a result, 518 FTEs are excluded from the CR reporting scope. Entities that were sold or are no longer required to be consolidated during the reporting year are not included in the figures.

Whenever the report refers to the 'major acquisitions', this relates to the acquisitions of ARC India Private Ltd (Speedage) in 2006, and Huayu Hengye Logistics Company Limited (Hoau) and Expresso Mercúrio S.A. (Mercúrio), both of which were acquired in 2007. The major acquisitions represent 20,374 FTEs in 2008.

During 2008, Speedage was fully integrated in TNT's existing Indian operations, creating a single entity. For CR reporting purposes, however, TNT's pre-existing operations in India and Speedage were kept separate. The plan is for the integrated Indian business to be reported on together in 2009. Expresso Mercúrio S.A. has been rebranded as TNT Mercúrio and Hoau will remain a separate subsidiary for the coming years. These major acquisitions are required to report according to TNT's reporting criteria. Full integration with respect to CR reporting in terms of accuracy and completeness must be achieved within three years after acquisition. The tables and graphs in the report indicate whether the figures include or exclude the major acquisitions. The impact on the overall coverage of the report is also explained in the data clarification table in Annex 3.

Cost structure balance of operational activities



This report includes only data from entities that are fully-owned or majority-owned and from those joint ventures where TNT has a controlling interest with respect to corporate responsibility. For subcontractors, this report covers only road traffic fatal accidents, as well as absolute subcontractor CO₂ emissions, which are estimated. The charts show the balance between the fully-owned and majority-owned operations and subcontractors' operations in 2008. It represents the cost structure of TNT's operational activities.

The reporting scope is similar to last year as the ratio of fully-owned operations versus contracted-out operations changed only slightly. In the Mail division, there was an increase in subcontracted activities from 31% to 34% in 2008. The percentage of subcontracted activities in the Express division decreased from 48% to 46%.

The following specific changes enable readers to benchmark performance against last year:

- the data reported for Other networks and GHO is reported as a separate category, and
- the major acquisitions are excluded from the Express figures to allow for comparison with last year's figures. The major acquisitions are included in a separate TNT total line (including major acquisitions) for 2008 and have not been reported in 2006 and 2007 unless stated otherwise.

Assurance scope

External assurance process

TNT has engaged PricewaterhouseCoopers Accountants N.V. (PwC) to provide reasonable assurance on certain metrics and limited assurance on all other metrics. This assurance work is performed in accordance with the Assurance Standard 3410N 'Assurance Engagements Relating to Sustainability Reports' as drawn up by the professional body of Dutch Accountants (Royal NIVRA) and in line with the 2003 AAI000 Assurance Standard (AAI000 AS) in so far as the AAI000 AS goes beyond the requirements of Assurance Standard 3410N.

Although the major acquisitions are included in the reporting scope of 2008, unless stated otherwise, the reported data from these major acquisitions are excluded from PricewaterhouseCoopers' assurance scope. Owing to the recent acquisition dates, these entities are not yet sufficiently aligned to TNT's systems. Obtaining assurance at this stage would therefore be unrealistic.

In recent years, the objective has been to obtain reasonable assurance on all key performance indicators. In 2008, PwC provided reasonable assurance on the same indicators as in 2007, namely:

- the percentage of TNT workforce at certified sites,
- workplace fatal accidents, road traffic accidents and related fatal accidents (excluding road traffic accidents and related fatal accidents as a result of TNT subcontracted operations),
- CO₂ footprint of owned operations,
- sustainable electricity,
- customer satisfaction,
- employee engagement,
- number of operational vehicles equipped with soot filters (for EU entities only), and
- number of operational vehicles complying with the Euro 5 standard (for EU entities only).

All data and graphs related to these indicators have been audited and are marked with a triangle (▲). Reasonable assurance is obtained through audit work, while other elements of the report have been reviewed. Review work provides only limited assurance because exhaustive gathering of evidence is not required. Reasonable assurance was not sought on the health and safety indicators (except for fatal accidents) as internal validation showed misalignment between countries on the definitions, which results in data accuracy that is expected not to pass reasonable assurance scrutiny. This misalignment is being addressed by the planned adoption of a new Group Policy on Accident Reporting due to be implemented across TNT in March 2009.

All other report elements have been reviewed. The external assurance report is located on page 83. For an overview of definitions used, refer to the Glossary and definitions in Annex 4.

Internal assurance process

PwC has evaluated the design and functioning of the internal control systems and processes used for data capture and reporting, and has verified the information in this report. This is also supported by internal audits performed by TNT's Corporate Audit Services (CAS). The scope of these internal audits focuses on procedures and controls regarding the corporate responsibility reporting process. These internal audits support management in improving procedures and internal controls, and help management embed these in the TNT organisation. As part of the assurance engagement, PwC reviews the findings of all CAS audit reports and meets regularly with CAS to discuss any findings. Furthermore, for selected entities, PwC and CAS perform their assurance procedures jointly.

PRICEWATERHOUSECOOPERS' ASSURANCE REPORT

To the Board of Management of TNT N.V.

Scope and responsibilities

We have been engaged by the Board of Management of TNT N.V. ("TNT") to examine the content of TNT's corporate responsibility (CR) report for the year 2008 as explained in the 'scope of the report' section in the CR report. Our examination consists of the following combination of audit procedures and review procedures:

- audit all data and graphs related to the following key performance indicators:
 - the percentage of TNT people working at certified sites,
 - workplace fatal accidents and road traffic fatal accidents (excluding subcontractors),
 - customer satisfaction,
 - CO₂ footprint (excluding estimations of subcontractor CO₂ emissions);
 - sustainable electricity,
 - number of operational vehicles equipped with soot filters (for European entities only),
 - number of operational vehicles complying with the Euro 5 standard (for European entities only),
 - employee engagement.
- review all the other elements of the CR report not excluded from our assurance scope.

Audit work focuses on obtaining reasonable assurance, substantiated by sufficient supporting evidence. The audited data are marked with a triangle (▲). Review work focuses on obtaining limited assurance which does not require exhaustive gathering of evidence, therefore providing less assurance than audit work. Consequently we have reported our conclusion with respect to the audit and review procedures separately. We believe these combined procedures fulfil a rational objective.

We do not provide any assurance on the assumptions and achievability of prospective information (such as targets, expectations and ambitions). Furthermore the following major acquisitions: Expresso Mercúrio S.A. (Brazil), ARC India Private Ltd (Speedage, India) and Huayu Hengye Logistics Company Ltd (Hoau, China) are excluded from our assurance scope. We have accepted this limitation in scope, because providing assurance on data from these major acquisitions would not provide a rational objective at this stage as TNT is still in the process of integrating these acquisitions into its business.

The CR report has been prepared under the responsibility the company's management. Our responsibility is to draw a conclusion on the CR report based on our examination.

Reporting criteria

TNT developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) and the AA1000 Assurance Standard (2003) as explained in the 'Scope of the report' section of the CR report. These reporting criteria include certain inherent limitations that can influence the reliability of the information.

TNT only reports on parts of the organisation, as the CR report only includes data from business units which are fully or majority owned and from those joint ventures where TNT has a controlling interest with respect to CR. For further details on the reporting scope, refer to the 'Scope of the report' section in the CR report. We consider these reporting criteria to be relevant and sufficient for our engagement.

For several indicators the CR report is not yet based on full coverage as intended by TNT per its reporting criteria. By including a data clarification table in the CR report (Annex 3), the coverage of the CR report is clarified by showing for each indicator the number of FTEs working in entities that report on that indicator as a percentage of total FTEs in the division. In this table TNT has also clarified the impact of the major acquisitions on the coverage for Express. In our opinion, this limitation with regard to the completeness of the CR report and the reasons for it, are acceptable.

Work performed

We planned and performed our work to obtain a basis for our conclusions in accordance with Dutch law, including the Assurance Standard 3410N "Assurance Engagements relating to Sustainability Reports", drawn up by the professional body of Dutch accountants ("Royal NIVRA"), and in line with the AA1000 Assurance Standard (2003) as issued by AccountAbility, as far as this standard goes beyond the requirements of Assurance Standard 3410N. These standards require amongst others that the assurance team:

- possesses the requisite skills and experience within financial and non-financial assurance, corporate responsibility management, environmental and social issues as well as industry-specific knowledge to undertake this assignment,
- complies with the independence requirements of international professional standards setting and national regulatory bodies.

Audit procedures

With regard to the audited data and graphs, we have gathered audit evidence as follows:

- updating our understanding of the TNT organisation and the business;
- investigating the acceptability and application of the reporting criteria, in relation to the information requirements of TNT's stakeholders;
- assessing the outcomes of TNT's stakeholder dialogue;
- conducting interviews with responsible officers, at corporate and divisional level and for selected business units and sites, aimed at understanding the progress made by TNT in the data gathering and reporting process and at evaluating the completeness, accuracy and adequacy of the qualitative and quantitative information in the CR report;
- examining the existence and validity of certificates issued in respect of the management system standards which have been adopted by TNT;
- assessing and testing the design and functioning of the systems and processes used for data capturing, collation, consolidation and validation, including the methods used for calculating and estimating results;
- reconciling reported data to internal and external source documentation and performing tests of detail;
- performing analytical procedures and substantive testing on the reported data.

Review procedures

We reviewed all the other elements of the CR report. Our most important review procedures were:

- reviewing internal and external documents to evaluate the completeness, accuracy and adequacy of the reported information,
- validating and testing the model used for estimating the CO₂ emissions of subcontractors,
- performing analytical procedures on the reported data and graphs,
- with regard to financial data in the CR report, reconciling relevant information with the company's 2008 financial statements,
- reviewing the stated application level according to the G3 Guidelines of the GRI,
- reviewing the CR report against the key principles of materiality, completeness and responsiveness of the AA1000 Assurance Standard (2003),
- evaluating the overall format and presentation of the CR report, including evaluating the consistency of the information, in line with the above-mentioned reporting criteria.

We believe that the evidence obtained from our examination is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our audit procedures

With regard to all data and graphs marked with a triangle (▲), we conclude that:

- the reporting criteria have been applied consistently,
- the reported information has, in all material respects, been presented completely, accurately and adequately, in accordance with TNT's reporting criteria.

Based on our review procedures

With regard to all the other elements of the CR report not excluded from our assurance scope, nothing has come to our attention that would cause us not to believe that:

- the reported information is material to TNT's stakeholders and the reported targets and indicators in general are used in strategic and operational decision-making,
- the CR report shows TNT's responsiveness to major issues raised by stakeholders and TNT has policies, programmes and procedures in place to address material issues raised by stakeholders,
- the reported events have occurred during the reporting period and have, in all material respects, been presented completely, accurately and timely,
- the reported information has, in all material respects, been represented completely, accurately and adequately for all divisions.

Recommendation

Our assurance engagement has led to recommendations for improvement which are reported to management. Without qualifying our conclusion presented above, we would like to draw the readers' attention to the following. In this CR report TNT has introduced its CR strategy effective from 2009 onwards. With the reassessed CR strategy now defined, we recommend management to solidify the performance baseline for key indicators and then define specific goals regarding performance in the coming year.

Amsterdam, 16 February 2009
PricewaterhouseCoopers Accountants N.V.

Originally signed by drs. M. de Ridder RA

DOW JONES SUSTAINABILITY ASSESSMENT

 Corporate responsibility report 2008

sure *we can* 85

TNT achieved the leadership position in its market sector Industrial Goods & Services (subsector Transportation and Logistics) in the Dow Jones Sustainability Index, with the highest score of any company in this index for a second consecutive year.

TNT scored 92 points out of a possible 100, which is the same score as in 2007. In 11 out of 17 criteria, TNT achieved the best-in-class score. The Dow Jones Sustainability Indexes cover the top 11 percent of the largest 2,500 companies in the Dow Jones World Index in terms of economic, environmental and

social criteria. The assessment is based on 79 questions in various areas of corporate responsibility. For the complete review presentation please go to group.tnt.com/aboutus/awards/corporateresponsibility/index.aspx.

Overall score

	2006	2007	2008
Total score TNT in percentages	84	92	92
Economic dimension	90	94	98
Environmental dimension	91	95	89
Social dimension	77	90	90

Economic Dimension	2006	2007	2008	Best-in-class scores in 2008
Corporate Governance	83	88	91	91
Risk & Crisis Management	100	100	100	100
Codes of Conduct / Compliance / Corruption & Bribery	85	100	100	100
Customer Relationship Management (IS)	90	90	100	100

Environmental Dimension	2006	2007	2008	Best-in-class scores in 2008
Environmental Reporting	100	89	86	90
Environmental Policy / Management System (IS)	88	98	98	100
Climate Strategy (IS)	85	84	92	100
Biodiversity (IS)	85	95	100	100
Fuel Efficiency (IS)	100	100	100	100
Operational Eco-Efficiency (IS)	-	-	66	75

Social Dimension	2006	2007	2008	Best-in-class scores in 2008
Labor Practice Indicators	86	93	86	86
Human Capital Development	56	100	100	100
Talent Attraction & Retention	82	88	88	88
Corporate Citizenship/Philanthropy	85	100	100	100
Social Reporting	66	87	86	86
Occupational Health & Safety (IS)	65	70	80	95
Stakeholder engagement (IS)	100	95	95	100

GRI G3 INDEX AND GLOBAL COMPACT

Global Compact

As a signatory of the UN Global Compact, TNT reports on the ten principles therein. In the GRI index table the GRI indicators on which TNT reports are linked to the numbers corresponding to the ten principles mentioned below:

Human Rights

- | | |
|---|--|
| 1 | Businesses should support and respect the protection of internationally proclaimed human rights. |
| 2 | Businesses should make sure that they are not complicit in human rights abuses. |

Labour

- | | |
|---|--|
| 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. |
| 4 | Businesses should uphold the elimination of all forms of forced and compulsory labour. |
| 5 | Businesses should uphold the effective abolition of child labour. |
| 6 | Businesses should uphold the elimination of discrimination in respect of employment and occupation. |

Environment

- | | |
|---|---|
| 7 | Businesses should support a precautionary approach to environmental challenges. |
| 8 | Businesses should undertake initiatives to promote greater environmental responsibility. |
| 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies. |

Anti-Corruption

- | | |
|----|---|
| 10 | Businesses should work against corruption in all its forms. |
|----|---|

GRI G3 index

This GRI index table is based on the G3 guidelines of the Global Reporting Initiative (GRI). This index includes the core indicators of the G3 and complementary sector supplement indicators. The table below includes our management approach per theme. Additionally a reference is made to the 10 Principles of the Global Compact, which are mentioned in a table in the next section.

The GRI G3 index is based on the guidelines for sustainability reporting from the Global Reporting Initiative (GRI). TNT believes that the A+ level is applicable to this report. This has been validated by GRI and the external assurance provider.

G3 INDICATOR		Disclosure chapter number/reference	Global Compact Principles
Strategy and analysis			
1.1	CEO statement	Foreword CEO, p. 6	■
1.2	Key impacts, risks, and opportunities	Foreword CEO p. 6, chapter 2, p. 11-13 and chapter 3, p. 14	■
Organisational profile			
2.1	Name of the organisation	Chapter 1, p. 8	■
2.2	Products, and/or services	Chapter 1, p. 8	■
2.3	Operational structure	Chapter 1, p. 8-10	■
2.4	Headquarter location	Chapter 1, p. 8	■
2.5	Countries in operations/TNT geographic spread	Chapter 1, p. 9, 10	■
2.6	Nature of ownership	Chapter 1, p. 8	■
2.7	Markets served	Chapter 1, p. 8	■
2.8	Scale of the organisation	Chapter 1, p. 10, KPIs, p. 3	■
2.9	Significant operational changes	Chapter 11, p. 82	■
2.10	Awards received	Chapter 6, p. 23, 24	■
Report profile			
3.1	Reporting period	Chapter 11, p. 81, 82	■
3.2	Previous report	Chapter 11, p. 81	■
3.3	Reporting cycle	Chapter 11, p. 81, 82	■
3.4	Contact point for questions	Colophon p. 100	■
Report scope and boundary			
3.5	Content definition	Chapter 11, p. 81, 82	■
3.6	Boundary of the report	Chapter 11, p. 81, 82	■
3.7	Limitations on the reporting scope	Chapter 11, p. 81, 82, annex 3, p. 93-95	■
3.8	Reporting basis	Chapter 11, p. 81, 82	■
3.9	Data measurement techniques	Chapter 11, p. 81, 82, chapter 8, p. 55	■
3.10	Restatements of information	Chapter 11, p. 81, 82, chapter 8, p. 60	■
3.11	Significant changes from previous reports	Chapter 11, p. 81, 82	■
GRI content index			
3.12	GRI content index	Annex 2, p. 86-92	■
Assurance			
3.13	Assurance	Assurance Report, p. 83, 84	■

■ Fully reported ■ Partly reported ■ Not relevant for TNT

G3 INDICATOR		Disclosure chapter number/reference	Global Compact Principles
Governance			
4.1	Governance structure	Chapter 4, p. 15-17	■
4.2	Indicate relation between chair of the highest governance body and executive officer	Chapter 4, p. 15, 16, and annual report 2008 chapter 10, p. 129	■
4.3	Independence of Board of Management	Not relevant for TNT	■
4.4	Shareholder feedback mechanisms	Annual report 2008 chapter 10, p. 131	■
4.5	Executive remuneration and performance	Annual report, chapter 8, p. 116-121	■
4.6	Conflict of interest at the Board of Management	Annual report 2008 chapter 10, p. 130	■
4.7	Board of Management expertise on sustainability	Chapter 4, p. 15	■
4.8	Mission and value statements	Foreword CEO, p. 6 and chapter 2, p. 11-13	■
4.9	Board of Management governance	Chapter 4, p. 15	■
4.10	Evaluation of the Board of Management	Chapter 4, p. 15, 16 and annual report chapter 8, p. 116	■
Commitment to external initiatives			
4.11	Precautionary principles	Annex 2, p. 87- 93	■
4.12	External charters, principles or initiatives	Chapter 1, p. 10, chapter 7, p. 34, 35, 38, 39, chapter 8, p. 54, 55 chapter 9, p. 74, 75	■
4.13	Associated memberships	Chapter 1, p. 10	■
Stakeholder engagement			
4.14	List of stakeholders	Chapter 5, p. 18	■
4.15	Stakeholder identification	Chapter 5, p. 18	■
4.16	Stakeholder engagement	Chapter 5, p. 18-20	■
4.17	Stakeholders' key issues	Chapter 5, p. 20	■
Economic performance indicators			
DMA	Objectives & results	Annual report chapter 2, p. 7-12, annual report chapter 3, 13-31	
DMA	Responsibility	Annual report chapter 7, p. 112-115	
DMA	Policy	Annual report chapter 7, p. 112	
DMA	Monitoring	Annual report chapter 7, p. 112 and annual report chapter 9, p. 122	
EC1	Direct economic value	KPIs, p. 3 and chapter 9, p. 76	■
EC 2	Financial implications of climate change	Chapter 8, p. 54	■ 7
EC 3	Benefit plan	Annual report benefit plans chapter 3, p. 16	■
EC 4	Financial governmental assistance	TNT does not receive significant financial assistance from governments. See annual report chapter 10, p. 131	■
EC6	Local suppliers	Chapter 9, p. 78	■
EC 7	Local recruitment	Chapter 7, p. 40	■ 6
EC 8	In-kind or pro bono engagement	Chapter 10, p. 79	■

G3 INDICATOR		Disclosure chapter number/reference	Global Compact Principles
Environmental performance indicators			
DMA	Objectives & results	KPIs p. 2, chapter 8, p. 54-64 and chapter 6, p. 21- 25	
DMA	Responsibility	Chapter 4, p. 15-17	
DMA	Policy	Chapter 2, p. 11-13 and 'Reassessing the strategy' case	
DMA	Monitoring	Chapter 8, p. 54-64	
EN 1	Volume of materials used	Chapter 8, p. 58-64	■ 8
EN 2	Recycled materials	Chapter 8, p. 64	■ 8, 9
EN 3	Direct primary energy consumption	Chapter 8, p. 56, 58-62	■ 8
EN 4	Indirect primary energy consumption	Chapter 8, p. 56, 57, 62, 63	■ 8
EN 8	Water withdrawal	TNT's core business does not require significant water use so this indicator is not material	■ 8
EN 11	Land assets in sensitive areas	This indicator is not material to TNT because the company does not own lands assets in sensitive areas	■ 8
EN 12	Biodiversity within land owned	This indicator is not material to TNT as TNT does not own land in protected areas and areas with high biodiversity	■ 8
EN 16	Greenhouse gas emissions	Chapter 8, p. 58	■ 8
EN 17	Other indirect greenhouse gas emissions	Chapter 8, p. 63	■ 8
EN 19	Ozone-depleting substance emissions	The emission of ozone-depleting substances within TNT is very limited and not measured. Due to the limited materiality TNT has no plans to measure this in the future	■ 8
EN 20	NOx, SOx emissions	Chapter 8, p. 63, NOx and SOx are not measured. TNT is striving to reduce these emissions by increasing the number of Euro 4 & 5 vehicles. TNT is considering measurement methods in the mid-term	■ 8
EN 21	Water discharge by quality and destination	TNT's total water discharge is limited to domestic sewage. This indicator is not material for TNT	■ 8
EN 22	Waste by disposal method	Chapter 8, p. 64	■ 8
EN 23	Significant spills	Chapter 8, p. 64	■ 8
EN 26	Environmental impact mitigation	Chapter 8, p. 58-64 and chapter 2, p. 11 and chapter 6, p. 21	■ 7, 8, 9
EN 27	Packaging materials	Chapter 8, p. 64	■ 8, 9
EN 28	Non-compliance sanctions	In 2008 TNT did not receive sanctions related to environmental performance	■ 8
Labour practices and decent work performance indicators			
DMA	Objectives & results	KPIs, p. 2 and chapters 2, p. 11-13, chapter 6, p. 21-25, chapter 7, p. 39, 40	
DMA	Responsibility	Chapter 4, p. 15-17	
DMA	Policy	Chapter 2, p. 11-13, and chapter 6, p. 21-25	
DMA	Monitoring	Chapter 2, p. 11-13, and chapter 6, p. 21-25 , chapter 7, p. 39	
LA 1	Breakdown of workforce	Chapter 7, p. 38	■
LA 2	Employee turnover	Chapter 7, p. 40	■ 6

G3 INDICATOR		Disclosure chapter number/reference	Global Compact Principles
LA 4	Collective bargaining agreements	Within TNT the entities are responsible for the collective bargaining agreements. The percentage of employees covered by a collective bargaining agreement is not measured at TNT Group level but information is available at entity level. Chapter 7, p. 39	■ 1, 3
LA 5	Minimum notice periods	Chapter 7, p. 39	■ 3
LA 7	Occupational health and safety and absenteeism	Chapter 7, p. 34, 35, 42	■ 1
LA 8	Education to assist workforce	Chapter 7, p. 41	■ 1
LA 10	Training per employee	Chapter 7, p. 31	■
LA 13	Employee diversity & governance	Chapter 7, p. 42	■ 1, 6
LA 14	Remuneration by gender	Chapter 7, p. 43	■ 1, 6
Human rights performance indicators			
DMA	Objectives & results	KPIs, p. 2 and chapters 2, p. 11-13, chapter 6, p. 21-25, chapter 7, p. 39	
DMA	Responsibility	Chapter 4, p. 15, 16	
DMA	Policy	Chapter 2, p. 11-13 and chapter 7, p. 39 and 'TNT India' case	
DMA	Monitoring	Chapter 2, p. 11-13 and chapter 7, p. 39 and 'TNT India' case	
HR 1	Human rights clauses in investment	Chapter 4, p. 17 and 'TNT India' case	■ 1, 2, 3, 4, 5, 6
HR 2	Supplier screening on human rights	Chapter 9, p. 78 and 'Reassessing the strategy' case	■ 1, 2, 3, 4, 5, 6
HR 4	Discrimination	Chapter 7, p. 39, 42 and 'TNT India' case	■ 1, 2, 4, 6
HR 5	Association and collective bargaining	Chapter 7, p. 39, 40. TNT recognises the risk for freedom of association in non-OECD countries. TNT certifies all entities outside OECD countries to SA 8000	■ 1, 2, 3
HR 6	Child labour	Chapter 7, p. 39, 40. TNT recognises the risk of child labour in non-OECD countries and manages these risks by certifying all entities outside OECD countries to SA 8000	■ 1, 2, 5
HR 7	Forced labour	Chapter 7, p. 39 and 'Reassessing the strategy' case	■ 1, 2, 4
Society performance indicators			
DMA	Objectives & results	Chapter 4, p. 15-17, chapter 6, p. 21-25	
DMA	Responsibility	Chapter 4, p. 15-17	
DMA	Policy	Chapter 4, p. 15-17	
DMA	Monitoring	Chapters 4, p. 15-17, chapter 10, p. 80, 81	
SO 1	Impact on communities	Chapter 10, p. 80, 81	■
SO 2	Corruption risks	Chapter 4, p. 17	■ 10
SO 3	Anti-corruption training	Chapter 4, p. 17	■ 10
SO 4	Actions against corruption	Chapter 4, p. 17	■ 10
SO 5	Lobbying	Chapter 1, p. 10	■ 1-10
SO 8	Regulatory non-compliance sanctions	Annual report, chapter 13, p. 145	■

G3 INDICATOR		Disclosure chapter number/reference	Global Compact Principles
Product responsibility performance indicators			
DMA	Objectives & results	KPIs p. 2, chapter 2, p. 11-13 and chapter 6, p. 21-25	
DMA	Responsibility	Chapter 2, p. 10, 11 and chapter 9, p. 74, 75	
DMA	Policy	Chapter 2, p. 11-13	
DMA	Monitoring	Chapter 9, p. 74, 75	
PR 1	Product life cycle	Chapter 9, p. 74. The health and safety risks related to the services provided by TNT are limited for customers. TNT manages the impact on air quality as described in chapter 8	■ 1
PR 3	Product information	Chapters 9, p. 74 and chapter 1, p. 8	■ 8
PR 5	Customer satisfaction	Chapter 9, p. 75	
PR 6	Communication programmes	TNT's marketing communication does not conflict with general accepted ethical or cultural standards neither is a vulnerable group targeted	■
PR 9	Product non-compliance	Annual report chapter 6, p. 103	■
Sector supplement indicators			
LT 1	Ship registry	This indicator is not relevant. TNT does not own ships	■
LT 2	Fleet composition	Chapter 8, p. 58, 60 and 'Greening the fleet' case	■
LT 3	Environmental reduction	Chapter 8, p. 58-63 and 'Greening the fleet' case	■
LT 4	Renewable direct energy sources and energy efficiency	Chapter 8, p. 62 and 'Greening the fleet' case	■
LT 5	Renewable indirect energy sources and energy efficiency	Chapter 8, p. 62	■
LT 6	Traffic congestion	Chapter 8, p. 54	■
LT 7	Noise management and abatement	Chapter 8, p. 64	■
LT 8	Environmental impact of real estate	Chapter 8, p. 60-62	■
LT 9	Work patterns of mobile worker	Chapter 7, p. 35 and 'TNT India' case	■
LT 10	Personal communication	Chapter 7, p. 35	■
LT 11	Substance abuse	Chapter 7, p. 35	■
LT 12	Road fatalities per kilometres driven	Chapter 7, p. 36, chapter 9, p. 78 and 'Greening the fleet' case	■
LT 13	Ship safety inspections	This indicator is not relevant to TNT because TNT does not own ships	■
LT 14	Mail accessibility	TNT's postal services in the Netherlands are subject to the national General Decree Guidelines for Post. Annual report chapter 6, p. 103	■
LT 15	Humanitarian programmes	Chapter 10, p. 79, 80	■
LT 16	Labour providers	Chapter 9, p. 78	■
LT 17	Continuity of employment	Chapter 7, p. 39	■



GRI G3 application levels

Report Application Level			C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Output ▶	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15		Report on all criteria listed for level C plus: 1.2 3.9, 3.13 4.5 – 4.13, 4.16 – 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures	Output ▶	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Output ▶	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement ¹ indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

¹ – Sector supplement in final version

DATA CLARIFICATION TABLE

The data clarification table clarifies the coverage of each indicator as presented in the corporate responsibility report. For each indicator the coverage is expressed as percentage of FTEs of the total number of FTEs that should ideally report within the defined reporting scope.

FTEs reporting on:	Mail		Express Excluding major acquisitions		TNT Excluding major acquisitions		TNT Including major acquisitions
	2007	2008	2007	2008	2007	2008	2008
Workforce							
Headcount	84,904	85,543	54,472	55,570	140,963	142,729	163,409
Full time equivalent	42,753	42,000	50,608	51,040	94,744	94,405	114,679
Employees							
Turnover and promotion							
Voluntary turnover	81%	100%	93%	100%	87%	99%	99%
Internal promotion	95%	100%	97%	100%	96%	99%	99%
Training hours							
Average transport safety training hours	83%	80%	85%	91%	84%	85%	88%
Fatal accidents							
Workplace fatal accidents	100%	100%	100%	100%	100%	100%	100%
Blameworthy road traffic fatal accidents (with a TNT employee involved)	100%	100%	100%	100%	100%	100%	100%
Non-blameworthy road traffic fatal accidents (with a TNT employee involved)	100%	100%	100%	100%	100%	100%	100%
Lost time accidents							
Number of lost time accidents	94%	94%	99%	100%	97%	97%	98%
Lost time accident frequency rate	94%	94%	99%	100%	97%	97%	98%
Blameworthy road traffic accidents							
Blameworthy road traffic accident rate based on kilometres	76%	84%	68%	72%	74%	77%	76%
Absenteeism							
Absenteeism	95%	100%	96%	96%	96%	98%	87%
Diversity							
Gender profile	98%	86%	99%	100%	98%	94%	95%
Gender profile of management	98%	86%	90%	91%	94%	89%	91%
Employees with a reported disability	94%	85%	94%	76%	97%	79%	82%

FTEs reporting on:	Mail		Express Excluding major acquisitions		TNT Excluding major acquisitions		TNT Including major acquisitions
	2007	2008	2007	2008	2007	2008	2008
Environment							
Operational vehicles							
Number of small trucks and vans (< 7.5 tonnes) powered by:							
Diesel	99%	100%	100%	100%	99%	100%	100%
Gasoline	99%	100%	100%	100%	99%	100%	100%
LPG	99%	100%	100%	100%	99%	100%	100%
CNG	99%	100%	100%	100%	99%	100%	100%
Biofuel	99%	100%	100%	100%	99%	100%	100%
Electricity	99%	100%	100%	100%	99%	100%	100%
Hybrid	-	100%	-	100%	-	100%	100%
Number of large trucks (> 7.5 tonnes) powered by:							
Diesel	100%	100%	99%	100%	99%	100%	100%
Biofuel	100%	100%	100%	100%	100%	100%	100%
Electricity	100%	100%	100%	100%	100%	100%	100%
Fuel efficiency small trucks and vans (< 7.5 tonnes) powered by:							
Diesel	83%	85%	79%	80%	82%	83%	86%
Gasoline	84%	86%	90%	88%	88%	88%	84%
Fuel efficiency large trucks (> 7.5 tonnes) powered by:							
Diesel	87%	100%	81%	80%	84%	89%	91%
CO ₂ efficiency small trucks and vans (<7.5 tonnes) in g CO ₂ / km							
	96%	84%	78%	79%	86%	81%	79%
CO ₂ efficiency large trucks (>7.5 tonnes) in g CO ₂ / km							
	85%	100%	79%	79%	82%	88%	90%
Aviation							
Fuel efficiency airplanes	100%	100%	100%	100%	100%	100%	100%
CO ₂ efficiency aviation in g CO ₂ / tonnes•km	100%	100%	100%	100%	100%	100%	100%
Buildings							
Electricity efficiency for buildings	84%	85%	95%	91%	90%	88%	79%
Gas efficiency for buildings	80%	84%	-	84%	-	84%	75%
Percentage of sustainable electricity of total electricity	100%	100%	100%	100%	100%	100%	100%
Energy efficiency buildings in MJ / m ²	100%	100%	100%	100%	100%	100%	100%
CO ₂ efficiency buildings in kg CO ₂ / m ²	100%	100%	100%	100%	100%	100%	100%
EU standards for trucks (only EU countries)							
Small trucks and vans (<7.5 tonnes)	85%	100%	99%	100%	92%	100%	100%
Large trucks (>7.5 tonnes)	100%	100%	98%	100%	99%	100%	100%

FTEs reporting on:	Mail		Express Excluding major acquisitions		TNT Excluding major acquisitions		TNT Including major acquisitions
	2007	2008	2007	2008	2007	2008	2008
Waste							
Total waste per FTE	73%	77%	55%	80%	57%	78%	64%
Percentage of waste separated for recycling	73%	74%	55%	73%	62%	73%	60%
Noise complaints							
Noise complaints	95%	100%	99%	100%	97%	99%	87%
Environmental incidents							
On-site environmental incidents	82%	100%	98%	100%	90%	99%	87%
Off site environmental incidents	82%	100%	98%	100%	90%	99%	87%
Other stakeholders							
Subcontractors							
Subcontractor road traffic fatal accidents	79%	89%	100%	100%	91%	95%	96%

GLOSSARY AND DEFINITIONS

AA1000 standard

The AA1000 Assurance Standard is a generally-applicable standard for assessing, attesting to and strengthening the credibility and quality of organisations' sustainability reporting and the underlying processes, systems and competencies. The standard is issued by AccountAbility, an organisation that promotes accountability for sustainable development. The AA1000 Assurance Standard principles are based on three key elements: responsiveness, completeness and materiality.

Absenteeism

Total days absence versus potential working days, calculated at year-end.

All training hours

All training hours are the number of hours spent on training by the total of employees on payroll (including social responsibility training hours) during the reporting period (both on- and off- job and both internal and external programmes).

Biofuel

Biofuel (also called agrofuel) can be broadly defined as solid, liquid, or gas fuel consisting of or derived from biomass. Biofuel consists of CO₂ that has recently been extracted from the atmosphere as a result of growing of plants and trees and therefore does not influence the CO₂ concentration in the atmosphere over a longer period of time. This is in contrast to fossil fuels, such as natural gas or crude oil, which are stored over billions of years so that their combustion and subsequent emissions do influence CO₂ levels in the atmosphere.

Blameworthy road traffic accident

A blameworthy road traffic accident (BRTA) is one whereby the TNT driver is at fault. Accidents are considered to be blameworthy when TNT's senior management judged the accident as such. BRTAs that occur in company owned or leased vehicles during weekends, non-working days or on the way to and from the office are also counted.

Blameworthy road traffic fatal accident

A blameworthy road traffic fatal accident (BRFTA) is where a TNT employee or third party is fatally injured, which means that the employee or third party died because of the accident of any person driving a TNT company-owned or operated vehicle. This indicator does not include blameworthy road traffic fatal accidents caused by subcontractors. Accidents that occur in company-owned or leased vehicles during weekends, non-working days or on the way to and from the office are also counted. An accident is considered blameworthy when the TNT driver is at fault.

Business travel

Business travel refers to all business-related air flights.

Carbon dioxide emissions

Carbon dioxide emissions relate to the gas formed during the combustion of fossil fuel. Carbon dioxide (CO₂) is referred to as a greenhouse gas.

Civil society

As part of our stakeholder dialogues, the civil society cluster includes academic and research institutes, financial and investment service organisations, government agencies, industry associations and international organisations, NGOs and trade unions.

CO₂ efficiency

CO₂ efficiency expresses the efficiency of TNT's business in terms of CO₂ emissions, i.e. the CO₂ emitted per service provided, per letter or parcel delivered.

CO₂ neutral

Carbon-neutral is where the net CO₂ equivalent emissions from activities are zero.

Community investment

World Food Programme including costs for knowledge transfer, hands-on support, raising awareness and funds for WFP and cash donations. Planet Me investments are aimed at reducing CO₂ emissions of TNT's activities and its employees.

Company cars

Company-owned or leased vehicles made at the disposal of a TNT employee for commuting and business travel. This category also includes hired vehicles used for business expansion reasons (not replacement vehicles hired for vehicles under repair).

Corporate governance

The OECD (see reference below in this glossary) defines corporate governance as the system by which corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the board, managers, shareholders and other stakeholders, and defines the rules and procedures for making decisions. In doing so, it also provides the structure through which company objectives are set, the means of attaining those objectives and monitoring performance.

Corporate responsibility

Corporate responsibility is the umbrella term for the obligation a company has in considering the social (corporate social responsibility) and environmental (sustainability) impact of its activities and to go beyond this obligation in the treatment of economic, environmental and social activities to sustain its operations, financial performance and ultimately its reputation.

Customer satisfaction

Customer satisfaction is an indicator of the number of customers that confirmed through external channels such as correspondence, surveys, focus groups, trade bodies and so forth that they were (un)satisfied or more overall with the service provided in the reporting period.

Disabled employees

Disabled employees are employees on payroll whose medical condition is recognised by the relevant authorities as a disability.

Dow Jones Sustainability Indexes

Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes to track the financial performance of the leading sustainability-driven companies worldwide. They provide asset managers and other stakeholders with reliable and objective benchmarks for managing sustainability portfolios. For further information see www.sustainability-indexes.com.

Economic value generated and distributed

Direct economic value generated and distributed as defined by the Global Reporting Initiative (GRI), includes revenues, operating costs, employee

compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. "Data on the creation and distribution of economic value provide a basic indication of how the organization has created wealth for stakeholders. Several components of the Economic Value Generated and Distributed (EVG&D) table also provide an economic profile of the reporting organization, which may be useful for normalizing other performance figures. If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies" (indicator ECI, GRI at www.globalreporting.org).

Employee engagement

Employee engagement relates to the number of employees (employed by TNT for 3 months or more) who stated in the employee engagement survey that they were engaged or more than engaged by TNT as an employer.

Environmental incident

An environmental incident is an incident that has led to the pollution of soil, water or air. This includes failures, breakdowns, floods, spillages, leaks, leakages and so forth.

European emission standards

Euro 4 and Euro 5 are mandatory European emission standards (EU directives) applicable to new road vehicles sold in the European Union that define levels of vehicular emissions like NO_x and particulate matter (PM).

European Union Emission Trading Scheme (EU ETS)

In January 2005, the European Union Greenhouse Gas Emission Trading Scheme (EU ETS) commenced operation as the largest multi-country, multi-sector greenhouse gas emission trading scheme worldwide. The concept of emission trading can be summarised as the obligation for large emitters such as energy producers to monitor and report on CO₂ emissions and to buy or sell when surpassing the agreed emission allowance. This scheme will become applicable to aviation as of 2012.

Full time equivalents (FTEs)

FTEs is the total number of hours worked by the headcount divided by the local number of contract hours (e.g. 40 p/w or 196 p/m).

Global Reporting Initiative (GRI)

The GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally-applicable sustainability reporting guidelines for voluntary use by organisations that report on the economic, environmental and social dimensions of their business. The GRI incorporates participation of business, accountancy, investment, environmental, human rights and research and labour organisations from around the world. Starting in 1997, the GRI gained independence in 2002, is an official collaborating centre of the United Nations Environment Programme, and works with the United Nations Global Compact. For more information, see www.globalreporting.org.

Greenhouse Gas Protocol

The Greenhouse Gas Protocol Initiative (GHG Protocol) was established in 1998 to develop internationally-accepted accounting and reporting standards for greenhouse gas emissions from companies.

Group

The TNT Group refers to TNT and all its subsidiaries.

Hazardous waste

Hazardous waste is waste that could prove harmful to human health or the natural environment.

Headcount

Headcount is the number of own employees on the payroll in active duty working for fully-consolidated companies.

Income taxes paid

The total of income taxes paid to the various national tax authorities as reported in the consolidated cash flow statements.

Internal promotion

The number of TNT employees appointed to vacancies in management positions at the end of a reporting period. This refers to the number of actual appointments, not the number of FTE positions.

International Organization for Standardization (ISO)

The ISO is a network of national standards institutes from 146 countries working in partnership with international organisations, governments, industry, business and consumer representatives. The ISO is the source of ISO 9000 standards for quality management, ISO 14000 standards for environmental management and other international standards for business, government and society. For further information see www.iso.org.

Investors in People (IIP)

Developed in 1990 by a partnership of leading businesses and national organisations, Investors in People helps organisations to improve performance and realise objectives through the management and development of their staff. For further information www.investorsinpeople.co.uk.

ISO 9001 (quality management)

The ISO 9000 standards cover an organisation's practices in fulfilling customers' quality requirements and applicable regulatory requirements while aiming to enhance customer satisfaction and achieve continual improvement of its performance in pursuit of these objectives.

ISO 14001 (environmental management)

The ISO 14001 standard is an international standard for controlling environmental aspects and improving environmental performance, minimising harmful effects on the environment and achieving continual improvements in environmental performance.

Key Performance Indicators (KPIs)

KPIs are measurements that focus on achieving outcomes critical to the current and future success of an organisation. These indicators should deal with matters that are linked to the organisation's mission and vision, and are quantified and influenced where possible.

Lost time accident

For the purpose of CR reporting lost time accidents are defined as the number of employees that are absent from work as a result of a work related accident for at least one day in the reporting period, excluding the day that the accident occurred.

Management positions by gender

Management positions are defined as the number of females/males employed in

management positions or above (i.e. with responsibilities for other employees (including subcontractors) or with budget responsibility).

Noise complaints

Noise complaints are the number of written or documented verbal expression of grievance and/or dissatisfaction from external parties received during the reporting period relating to noise caused by an operation on- or off-site.

Non-blameworthy road traffic accident

A non-blameworthy road traffic accident (non-BRTA) is an accident where the TNT driver is not at fault. Accidents are considered non-blameworthy when TNT's senior management judges the accident as such (does not include vandalism or off-road damages). Accidents at TNT premises, customers or suppliers included in the number of non-BRTAs. Non-BRTAs that occur in company-owned or -leased vehicles during weekends, non-working days or on the way to and from the office are also counted. Accidents by vehicles owned by subcontracted drivers are not included.

Non-blameworthy road traffic fatal accident

A non-blameworthy road traffic fatal accident is where a TNT employee or third party is fatally injured. This means that the employee or third party died because of the accident of any person driving a TNT company-owned or operated vehicle. non-blameworthy road traffic fatal accidents that occur in company-owned or -leased vehicles during weekends, non-working days or on the way to and from the office are also counted. An accident is considered non-blameworthy when the TNT driver is not at fault. Non-blameworthy road traffic accidents at subcontractors are not included.

Non-OECD countries

Please refer to the definition below for the OECD. Non-OECD countries in which TNT (Mail and Express) has operations include Argentina, Bahrain, Brazil, Bulgaria, Cambodia, Chile, China, Cyprus, Egypt, Estonia, Fiji, Hong Kong, India, Indonesia, Israel, Jordan, Kenya, Kuwait, Latvia, Lithuania, Malaysia, Namibia, Philippines, Romania, Russia, Saudi Arabia, Singapore, Slovenia, South Africa, Taiwan, Thailand, United Arab Emirates and Vietnam.

On-time delivery

Delivery of a consignment within the timeframe set for the service in question.

Organisation for Economic Co-Operation and Development (OECD)

The Organisation for Economic Co-Operation and Development (OECD) comprises 30 member countries that share a commitment to democratic government and the market economy. Member countries – sometimes referred to as OECD countries – represent the world's most developed countries. For further information see www.oecd.org.

OHSAS 18001 (occupational health and safety management)

OHSAS 18001 is a standard for occupational health and safety management systems. It is intended to help organisations control occupational health and safety risks and was developed in response to widespread demand for a recognised standard for certification and assessment. OHSAS 18001 was created through collaboration of several of the world's leading national standards bodies, certification organisations and consultancies. For further information see www.ohsas-18001-occupational-health-and-safety.com.

PACI (Partnering Against Corruption Initiative) Principles

The PACI's mission is to develop multi-industry principles and practices that will result in a competitive level playing field, based on integrity, fairness and ethical conduct. The PACI places the private sector in a unique position to guide governments' and international organisations' strategies and policies on anti-corruption and has built strong relationships with the key players and institutions from the global anti-corruption landscape. For more information go to www.weforum.org/en/initiatives/paci.

Planet Me

The TNT Planet Me Programme was initiated in 2007 with a vision for TNT to become a zero emission transport company. The programme is divided into three initiatives:

- Code Orange includes eight initiatives that the company is implementing to reduce the impact the company has on the environment,
- Choose Orange will make employees more aware of their contribution to reducing their impact on the environment, and
- Count Carbon focuses on internal processes to manage, measure and report CO₂ emissions.

Road traffic fatal accident

A road traffic fatal accident is one where a TNT employee or third party is fatally injured such that the employee or third party died because of the accident and where any person driving a TNT company-owned or company-operated vehicle is involved. RTAFs that occur in company owned or leased vehicles during weekends, non-working days or on the way to and from the office are included also.

SA 8000 (social accountability management)

SA 8000 is a standard issued by human rights organisation Social Accountability International (SAI). The standard is designed to maintain just and decent working conditions throughout a supply chain. It is based on international workplace standards in the International Labour Organization conventions and the UN's Universal Declaration of Human Rights and the Convention on Rights of the Child. It covers child labour, forced labour, health and safety, freedom of association and right to collective bargaining, discrimination, discipline, working hours, compensation and management systems. For further information see www.sa-intl.org.

Shareholder profit

The profit attributable to the equity holders of the parent.

Shareholder return

The change in the worth of the share as calculated by Bloomberg Professional and based on the currency in which the share is denominated.

Soot filters

Exhaust gases from diesel engines contain soot, which is harmful for one's health. For this reason, the European Commission has set standards for soot emission levels. Soot emission levels are reduced significantly by the introduction of a soot filter. Soot filters consist of a porous wall that allows exhaust gases to pass through it but stop the majority of fine soot particles from leaving.

Subcontractor road traffic accident fatalities

A subcontractor road traffic accident fatality occurs when a subcontractor or other third party is fatally injured by a person driving a subcontractor-owned or -hired vehicle, which is operated on behalf of TNT.

Sustainable energy

Sustainable energy is energy from 'green' or 'renewable' sources such as solar, wind, geothermal, biomass, hydroelectric and ocean energy purchased during the reporting period for power and lighting of all company locations (where this can be established from utility suppliers' invoices or other means). It does not include nuclear energy.

Transport safety training hours

Transport safety training hours are the number of hours spent by the total of employees on payroll on transport safety training during the reporting period (both on and off the job training and both internal and external programmes).

Voluntary turnover

Voluntary turnover is the number of TNT employees on permanent contract (full-time or part-time) who resigned from the company of their own free will. This includes all resignations but not redundancies, dismissals, retirement or transfers.

Working hours

The definition of working hours is based on the total number of individually-calculated hours adjusted for overtime, leave or similar deviations.

Workplace fatal accident

The death of a TNT employee due to a work-related accident or the death of a third party whilst working at a TNT facility.

World Economic Forum

The World Economic Forum is an independent international organisation committed to improving the state of the world. It provides a collaborative framework for the world's leaders to address global issues and engage its corporate members in global citizenship. For further information see www.weforum.org.

Zero emissions

Zero emissions refer to an engine, motor or other energy source that emits no waste products that pollute the environment or disrupt the climate.

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