# **Case Study - TNT Express**

## Profile

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| **Company Name:** | TNT Express |
| **Business Sector:** | Express delivery service provider |
| **Postal Address:** | Neptunusstraat 41-63, 2132 JA Hoofddorp, 1100 KG Amsterdam, The Netherlands |
| **Postcode:** | 2132 JA |
| **Fleet Size** **Overall:** | c. 26,600 vehicles (including subcontractor vehicles) |
| **Large trucks >7.5 tonnes:** | c. 6000 |
| **Small trucks and vans <7.5 tonnes:** | c. 3900 |
| **Company Cars:** | c. 4400 |
| **Motorcycles:** | c. 400 |
| **Private vehicles used for business purposes:** | Unknown (data not collated globally) |

## ****Company Overview****

**TNT Express** provides a unique combination of on-demand, time-sensitive, door-to-door international and national express delivery services.  From a leading position in Europe, **TNT Express** offers its customers a global coverage for their express distribution needs through its depots and offices around the world.

**TNT Express Mission.  TNT Express**’s mission is to exceed its customers’ expectations in the transfer of their goods and documents around the world.

**TNT Express** delivers value to its customers by providing the most reliable and efficient solutions through delivery networks.  **TNT Express** leads the industry by:

* Instilling pride in **TNT’**s people.
* Creating value for **TNT’**s shareholders.
* Sharing responsibility for our world.

## ****Nature Of Operation And Driving Activities****

Worldwide, **TNT Express** moves an average of 4.4 million parcels, documents and pieces of freight a week.  **TNT Express** continually optimises its air and road networks in Europe, Australia, Asia, South America, and the Middle East, connecting international routes to domestic road networks.

**TNT Express** moves as many packages as possible by road, using its fleet of approximately 26,600 vehicles.  Across Europe, **TNT Express** has 750 trucks on international routes every day and 1,200 international drivers that drive the equivalent of around the world more than 56 times a week.  **TNT Express**’s main European road hub is located in the Dutch town of Duiven, close to the German border.

**TNT Express** is transferring this unique expertise to Southeast Asia, India, the Middle East, and South America.  Its 5,000 mile-long ‘Asia Road Network’, which connects Singapore, Malaysia, Thailand, Cambodia, Vietnam and the South of China, offers a cost-effective, yet fast alternative to air transport and sea freight.  Similarly, **TNT Express** has set up a 3,000-kilometres long South American road network, which goes from São Paulo to Santiago de Chile and beyond.

**TNT Express** drivers carry out both long distance (**linehaul**) driving and short distance (‘pick-up and delivery’ (**PUD**) driving activities within a diverse range of urban/rural and geographical settings, varied road conditions and road infrastructures.

Linehaul driving usually takes place within large trucks (>7.5 tonnes) on long distance, national or international routes using major roads/highways.  Linehaul drivers are professional, commercial drivers and are normally regulated by strict driving and rest hours. PUD drivers carry out their activities within small trucks or vans (<7.5 tonnes) on local delivery routes on urban or rural roads.  Distances travelled are short and there are frequent stops to pick-up or deliver consignments to **TNT’**s customers, so there is a mix of driving and non-driving activities.

## ****Organisational Structure****

**TNT Express** is a global player with fully owned operations in 64 countries and deliveries to over 200 countries within the following regional structure:

* Northern Europe.
* Southern Europe, Middle East and Africa.
* Americas.
* Asia Pacific.

Headquartered in Amsterdam, The Netherlands, **TNT Express** employs approximately 75,000 people, runs 26,600 vehicles, and flies a fleet of about 40 aircraft.  It operates 2,376 depots and sorting centres.

A divisional Corporate Responsibility (**CR**) function provides the strategic direction and sets minimum global standards for effective health, safety and environmental (**HSE**) management, including road safety.  However, the responsibility for managing the day-to-day risks and impacts remains with the regions and countries that create them.  A network of CR/HSE Champions is deployed within each region/country to advise and assist on effective implementation of these standards.

## ****Work Related Road Safety Policy & Procedures****

**TNT Express** recognises that work-related road safety is a significant business risk.  As part of **TNT Express**’s corporate responsibility strategy, it has therefore developed and implemented a specific road safety management system, which identifies minimum global standards for road safety management.  The road safety management system is cascaded to each of its operating units worldwide and they are responsible for implementing the management system requirements into each of their functional areas.  A ‘Road Safety Policy Statement’ is included in the management system, which contains the following commitment:

“***TNT Express***is a global transport company operating thousands of vehicles in local communities around the world.  We fully recognise the global challenge relating to road safety and the positive role***TNT Express***can play to reduce risks.

**TNTExpress**is committed to minimising road related accidents and risks by implementing best practice tools and techniques.  ***TNT Express***seeks to safeguard its employees, visitors, contractors and other members of the public who may be affected by***TNT’***s activities.”

The road safety management system and supporting policies provide operational management with a minimum set of standards to manage the risks associated with driving for work.  The role of each operating unit is to support the management system approach and to identify the links and dependencies with their devolved responsibilities.  A ‘gap analysis’ approach is used.  This approach also uses a supporting tool that enables each operating unit to translate and implement the divisional road safety management system into each of their functional areas.  Each operating unit therefore retains the responsibility and ownership for managing road safety risks and for translating these standards into operational practices.

The road safety management system is periodically reviewed and revised as part of **TNT Express**’s continual improvement process but the core standards are retained and grouped into the following three essential elements:

* Driver management.
* Vehicle management.
* Road safety management.

The road safety management system provides minimum standards but in many countries **TNT Express** has implemented ‘best practice’ approaches.  For example, **TNT Express UK & Ireland** has adopted a safe vehicle, safe driver and safe journey approach:

**Safe vehicle**:

* high vehicle specifications with safety enhancements, including reversing cameras.
* stringent planned preventative maintenance programmes.
* robust defect and repair procedures.
* new vehicle awareness provided by a national team of accredited driving assessors.

**Safe driver**:

* stringent selection process using driver risk profiling assessment tool.
* driver safety charter.
* fit for employment health assessment.
* on-road driving assessment by accredited driving assessor.
* ongoing health surveillance.
* safe and fuel efficient driver training.
* performance review during appraisals.
* education on driver fatigue.
* performance management of high risk drivers.
* discussion of accident experience during depot driver meetings.
* recognition of accident free performance.
* comprehensive investigation of accidents to identify corrective and preventive action.
* safety awareness campaigns focusing on accident prevention measures.

**Safe journey**:

* pre-journey vehicle checks.
* computer-based route planning tool.
* provision of advance severe weather warnings.
* information on accident black spots, road works and traffic congestion.

Similar best practice approaches have been adopted in many other countries, for example:

* **TNT Australia** has introduced a documented “Heavy vehicle fatigue management programme” for linehaul (long distance) journeys (i.e. specific linehaul route risk assessments, driver’s rosters and trip scheduling, alcohol and drug screening and driver training on fatigue management).
* **TNT Benelux** and other countries are currently piloting and implementing various telematics systems, as it is recognised that real-time data systems such as this can play a positive role in improving driver road safety and fuel efficiency performance.
* **TNT France** has made effective use of a driving simulator to provide safe and fuel efficient driving training to not only commercial drivers and company car drivers, but all employees, as it is recognised that road safety does not stop within the boundaries of **TNT’**s own operations.

These ‘best practice’ approaches are shared amongst the global community to help other countries to learn from experience and to continually improve their road safety performance.

## ****Work Related Road Safety Guidance For Drivers****

Driver management is one of the core elements of the **TNT Express** road safety management system approach. The overall aim is to positively influence driver behaviour and improve driver performance by integrating safe (and fuel efficient) driving behaviour into **TNT’**s daily operations.  A sustainable framework is used to ensure that **TNT** drivers’ competence and performance is continually maintained and improved.  The core elements of the driver management approach include:

* Driver selection and recruitment process (e.g. competency-based interviews, driving licence validity/endorsement checks, driver health assessments).
* Driver competence assessments (e.g. risk profiling assessment tools, on-road driving assessments).
* Driver training and development (e.g. driver induction process, safe/fuel efficient driving training, risk-based training interventions).
* Driver recognition (e.g. global driver recognition scheme, global driving competition – “Drive Me Challenge”).

These core elements are supported by the following enabling processes:

* Performance management (e.g. key performance measures included in management bonus scheme)
* Communications (e.g. driver handbooks, road safety charter/pledge, posters, internal newsletters/bulletins, external awards)

The ‘Drive Me Challenge’ is an annual driving competition that provides the ultimate recognition for the best drivers in the whole of **TNT**.  The initiative was first launched in 2007 to create engagement and excitement around the issue of fuel efficiency and reduction of CO2 emissions, but has now been expanded to include all elements of a **TNT** driver’s role, including road safety and customer experience.  **TNT** drivers act as ambassadors for the **TNT**brand.  Drivers who consistently display the correct behaviour in all these elements should be recognised and rewarded.  National competitions are held within each region and winning drivers team up with their Operations Director to compete in the global final at a high profile company event.

A global ‘driver recognition’ scheme has been developed and implemented to recognise the professionalism of **TNT’**s drivers and the vital role they play in reducing road traffic accidents, injuries and deaths whilst driving for work.  It complements and is linked to the Drive Me Challenge, and is a simple scheme consisting of three award levels for those drivers who do not have any blameworthy (at fault) road traffic accidents.  Drivers are awarded a **TNT Express** Road Safety Pin (bronze, silver, gold) and Certificate of Achievement at each level. The scheme has been successfully rolled out in the UK, Ireland and Australia and has been very positively received by **TNT’s** drivers.



**“Drive Me Challenge” –**2010 Global Final

## ****Specific Examples Of Procedures****

**TNT Express** aims to achieve best practice road safety performance everywhere in the company and the managing directors of all operating units are therefore required to:

* promote, provide and maintain safe working environments.
* deploy the **TNT Express** road safety management system and proactively encourage **TNT’**s subcontractors to adopt similar practices.
* put in place suitable organisations that plan, implement, monitor and continuously  review the road safety management system.
* create a positive climate ensuring everyone’s commitment to sound road safety practices.
* ensure effective communication, consultation, co-operation and involvement takes place throughout the company in relation to road safety issues.
* ensure all employees are equipped and competent to carry out their road safety responsibilities.
* identify and immediately minimise evolving road safety risks.
* audit, review and continuously improve road safety performance.
* achieve and maintain the OHSAS 18001 standard as external verification of our road safety standards.

Some key elements of the road safety management system are described below:

**Road safety management:**

* Each operating unit is required to carry out generic risk assessments of road safety risks within their locations and specific risk assessments must be conducted where there are higher risk activities, routes or locations.
* Documented road safety objectives must be established and maintained at each relevant function and level as part of the overall health and safety objective setting process.
* Key performanceindicators must be measured, evaluated and analysed at appropriate local and/or regional levels to enable continual improvement activities to be identified.
* Audits must be performed at relevant functions and levels to systematically and critically evaluate the implementation and effectiveness of the road safety management system.

**Driver management:**

* Drivers must pass an on road driving competency assessment by a TNT Express qualified driver or external assessor.
* Drivers shall be reassessed following any blameworthy (at fault) road traffic accident.
* Drivers must receive adequate training to provide them with the knowledge, skill and competence related to road safety, including induction, safe/defensive driving, and driver fatigue.
* Drivers must be provided with a health assessment prior to or on commencement of employment.
* Driving licence checks must be carried out at least annually for commercial drivers and company car drivers.
* **TNT Express** has a strict zero tolerance policy that no employee presents themselves for work whilst they are under the influence of alcohol or non prescribed drugs.

**Vehicle management:**

* Vehicle specifications must meet local legislative requirements and be fit for purpose.
* Vehicles must have seatbelts fitted for all available seats.
* Vehicles and trailers must be inspected and serviced as part of a planned maintenance programme and in accordance with the manufacturers and / or legal requirements.
* Drivers must carry out periodic inspections and checks to ensure the efficient operation and safety of their vehicle and report all defects.
* The use of any hand held devices is prohibited at any time while driving including driving whilst on TNT Express or any other premises.

## ****Auditing And Review****

Each operating unit is required to achieve external accreditation to the OHSAS 18001 standard for occupational health and safety management systems, and it must therefore audit, review and continuously improve road safety performance in accordance with these management system requirements.

The divisional HSE function conducts periodic audits and/or support visits of individual operating units commensurate with their road safety performance levels.

A road safety review group (or equivalent) must operate at operating unit/country level to support continuing implementation and effectiveness of the local road safety management system. These groups must consist of representatives from relevant functions to provide appropriate knowledge and authority to oversee road safety management.

## ****Performance Measures****

Key performance indicators are used to measure road safety performance at divisional, regional, operating unit/country, and depot/location level. The main KPI’s used are as follows:

* Blameworthy / non-blameworthy road traffic fatal accidents (involving **TNT** employees / vehicles).
* Subcontractor road traffic fatal accidents.
* Blameworthy road traffic incident rate per 100,000 Km.
* Lost time accident rate per 100 FTE.

Data is collected from each operating unit/country on a monthly basis so that performance can be effectively measured, evaluated, analysed and reviewed. All data is assured annually by an external verifier.

Safety improvement targets for lost time accidents and blameworthy road traffic incidents are set and agreed with each operating unit/country on an annual basis based on their previous performance. A target setting tool is provided to facilitate this process which allows them to forecast performance based on previous data and trend analysis.

The annual incentive scheme for the Board of Management and the bonus scheme for senior management also include health and safety performance targets as part of the non-financial target element. This process assists in making senior management truly accountable for their road (and workplace) safety performance. Many countries also include this in the scorecard for depot/location management (e.g. **TNT Express UK & Ireland**).

## ****Accident Reduction****

**TNT Express** has always been very open and transparent about its road safety performance. All performance data is included within its annual Corporate Responsibility Reports, which are available on the TNT website at:

([*http://group.tnt.com/aboutus/corporateresponsibility/index.aspx*](http://group.tnt.com/aboutus/corporateresponsibility/index.aspx)).

The introduction of the road safety management system and the continued focus on implementation of sustainable solutions has led to a gradual reduction in the blameworthy road traffic incident rate (any vehicle incident resulting in vehicle damage and/or personal injury).  The lost time accident rate has also reduced significantly during the same period, although this covers injuries from both road and workplace accidents.  This provides statistical evidence that the management system approach to road safety delivers tangible results.

However, following a series of major business acquisitions in India, China and Brazil in 2007/08, **TNT** experienced a significant increase in fatal road traffic accidents and quickly realised the consequence of operating on a much larger scale in emerging markets with little known infrastructures and specific road safety challenges.  **TNT**’s response to this was to provide direct focussed support from the centre to assist in the development of detailed road safety action plans and sustainable solutions.  This has led to a much improved performance with a reduction of approximately 50% in the number of fatal accidents in 2009. This focus will be maintained until TNT reaches its zero fatal accident ambition.

## ****Financial And Other Benefits****

The divisional blameworthy road traffic incident rate per 100,000Km has continued to reduce steadily over the last few years as detailed below:

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| --- | --- | --- | --- | --- |
| **KPI** | **2006** | **2007** | **2008** | **2009** |
| Blameworthy road traffic accident rate per 100,000 Km | 1.00 | 0.87 | 0.84 | 0.82 |

The financial costs of road traffic incidents are collected at operating unit level, but they are not collated globally.  However, it is known that the reduction in the blameworthy road traffic incident rate across the division has had obvious economic benefits as the direct and indirect costs of accidents are well documented and understood.  Improved management of road safety risks has led to reduced vehicle damage costs, reduced repair and maintenance costs, reduced insurance premiums etc and has also led to other associated benefits such as reduced fuel costs and improvements in operational efficiency.

**TNT Express UK & Ireland** provides a very good example - between 2007 and 2010 they are able to demonstrate the following performance improvements:

* 20% reduction in collision rate.
* 25% or £730k reduction in paid and estimated cost.

A detailed stakeholder analysis exercise on corporate responsibility has also identified that road safety is the key concern of **TNT**’s stakeholders and the company therefore has a direct business interest in managing road safety effectively to assist in the long-term success of the business.

## ****Lessons Learned****

**TNT Express** recognises that road safety is a management issue and therefore delegates clear responsibility and accountability for road safety performance through the management bonus scheme.  **TNT Express** also recognises that its drivers act as ambassadors for the **TNT** brand and have a vital role to play in reducing road traffic accidents, injuries and deaths whilst driving for work.  To be successful, however, requires long-term commitment and **TNT**recognises that there are still a number of challenges to be overcome.  The improvements achieved in road safety performance so far are due to the following factors:

**Key success factors:**

* Top management commitment and leadership.
* Stakeholder involvement.
* Clear plan with realistic timelines and responsibilities.
* Communicate effectively.
* Expertise to support business.
* Monitor performance.
* Share learning and experience.
* Continual focus.

The biggest challenges for **TNT Express** have been to ensure universal and consistent application of these standards across all operating units, particularly in developing countries, where road infrastructures and safety standards are generally poor, and to ensure that subcontractors working for **TNT Express** also adopt similar road safety standards.

**TNT Express** has also recognised that actions must be sustainable to deliver long term improvements in performance, and continual focus must be maintained in all core elements – vehicle, driver, journey and subcontractor management – to achieve its zero fatal accident ambition.

## ****Current And Future Developments****

**TNT Express** will maintain and further improve its road safety performance by implementing the following measures:

* Keep focused on continuous improvement and zero fatal accident ambition.
* Support and encourage subcontractors to adopt equivalent road safety standards (through a defined subcontractor strategy).
* Continue to provide focused support to India, China and Brazil to ensure effective implementation of road safety standards.
* Develop a divisional road safety standard to replace and update the current road safety management system.
* Monitor the status of the proposed ISO 39001 standard for road traffic safety management systems and evaluate its potential impact to the business.
* Support and participate in the first-ever UN Decade of Action for Road Safety 2011-2020.
* Renew the TNT Express commitment to the EU Road Safety Charter.
* Maintain links with external stakeholders on road safety (e.g. Global Road Safety Partnership – see note below).

Note:***TNT Express***has recognised the value of partnerships to address the wider issue of road safety within both the developed and emerging economies worldwide.  It is a member of the Global Road Safety Partnership (***GRSP***) which brings together governments and governmental agencies, the private sector and civil society to address road safety issues urgently, especially in low and middle income countries.  ***TNT Express***has been instrumental in helping to set up an India Road Safety Partnership along with GRSP, Fleet Forum, and the Confederation of Indian Industry.