



CityLog and CityMove:

“can we together improve city logistics”

TNT City Logistics
16 June 2010



Content presentation TNT City Logistics (CL)

- TNT Introduction
- Environmental and business challenge in the cities
- Four examples of collaboration

World-class global leader in express and mail

160,000 employees
64 countries
Network covers 200 countries



- Largest in express in Europe
- 48 aircraft
- 26,310 vehicles
- 231 million consignments



- Best postal operator in the world
- Mail networks in eight European countries
- 4.5 billion addressed mail items in Holland

Our partnership with World Food Programme

Successful partnership evaluation after five years of partnership:
the partnership continues

Key areas:

- Emergency response
 - Advocacy and engagement
 - Sharing knowledge and skills
 - Building partnerships
-
- Building employee engagement
 - Strong internal enthusiasm and pride
 - Assistance offered during food crises in Pakistan, Indonesia and the Philippines in 2009
 - Transport optimising projects finished in Mali and Ethiopia
 - Walk the World 2009: 360,000 participants, 210 locations in 67 countries



www.movingtheworld.org

#1 in Dow Jones Sustainability Index 2009

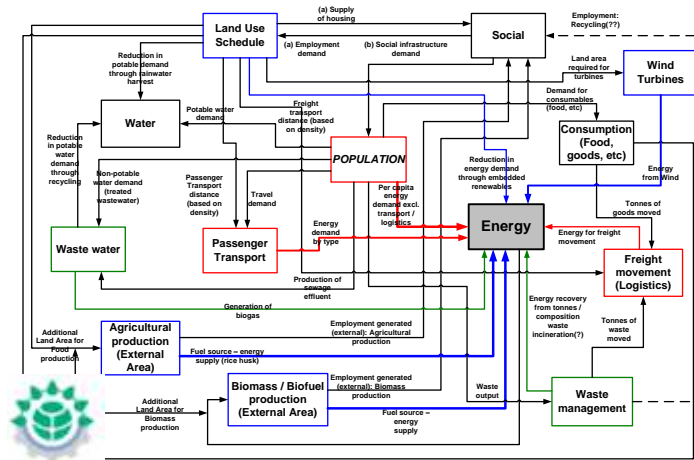
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- 2007, 2008, 2009 Super sector leader and highest scoring company in DJSI
- 2009: 100% scores in 10 out of 16 criteria



City Logistics (CL) – What is the Challenge ?



“Transportation is the most serious challenge facing city’s infrastructure”
 Source: GlobeScan Toronto

“We enter by foot (less preferable option) but in some cities it’s the only one left”
 TNT Operations - Italy



Inner-city distribution causes problems: congestion, emissions, fragmented delivery, and higher cost

Perspective

City issues and requirements

“Solution”

“Mayor”

- Congestion (traffic jams) & noise
- Emissions (CO₂, NO_x, PM10, SO₂)



Customer

- Fragmented collection and delivery
- Flexibility, intimacy and accessibility
- Complex and multi channel supply
- Higher price due to higher cost



Carriers

- Higher cost due to inefficiency & regulations
- Limited focus on innovative solutions and collaboration



The ultimate goal of to protect and grow customer value and contribute to sustainable inner-cities

- Local **governments** are trying to reduce inner-city congestion & pollution problems
- Governments are likely to **increase their efforts** as problems get worse, e.g. due to further urbanisation
- This leads to two possible outcomes:
 - More and stricter **regulations** for “dirty” distributors
 - **Incentives** (e.g. concessions) for “clean” distributors
- By reducing congestion & pollution issues, TNT CL will:
 - Secure TNT’s future **license to operate** in inner-cities
 - Improve **service offering** for inner-city customers
 - Strengthen sustainability **profile** towards customers and stakeholders

Regulations



Various cities



London



Modena
Orléans

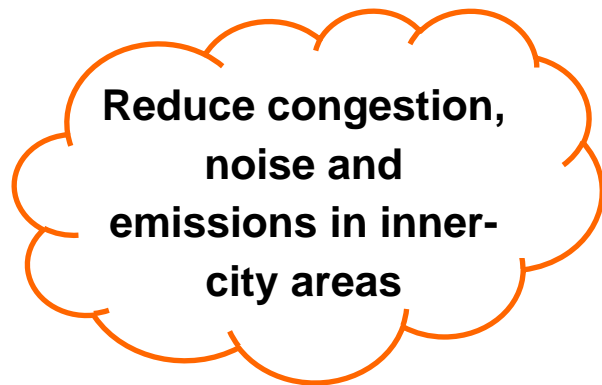
Incentives



Time Window
Exemption

To achieve this goal, CL aims to reduce impact in inner-cities, through 3 key levers

TNT City Logistics Objective



Key Levers

Scale

Time

Technology

Description

Bundling volumes, both within TNT & with 3rd parties

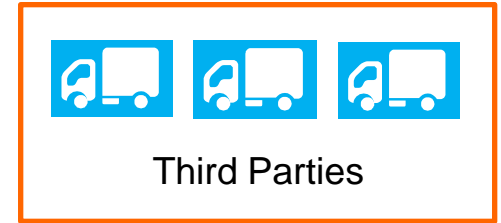
Shifting volumes to off-peak time (e.g. night)

Deploying infrastructure & vehicle technology solutions to reduce emissions

Boundary conditions:

- Lower or equal cost per stop
- Retain or improve service
- Lower or equal total emissions (inner-city/urban versus rural trade-off)

Vision: Bundled 24h zero emission Collection and Delivery through a (mobile) City Distribution Centre and innovative last mile solutions.



24 hours

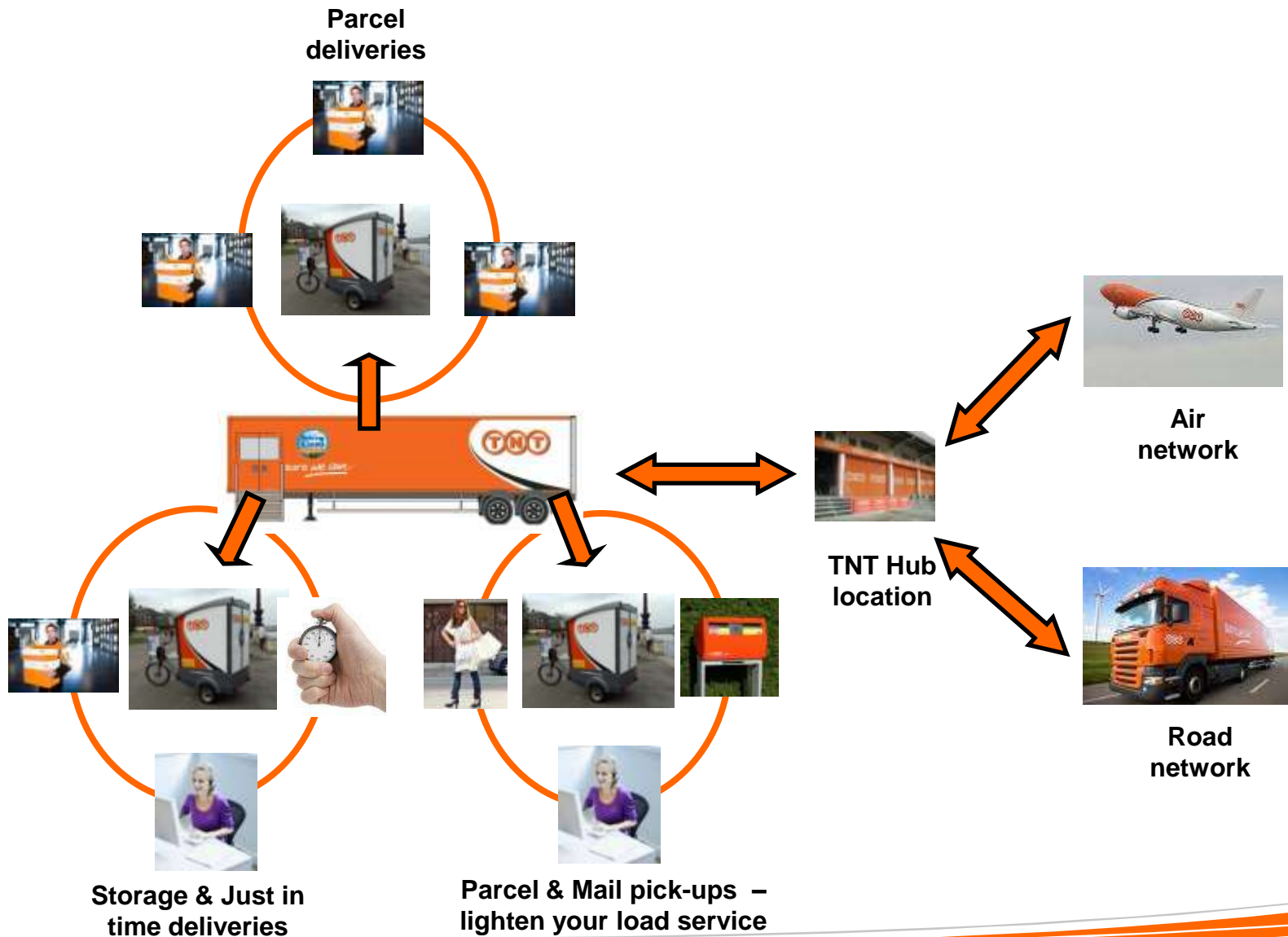
Four Examples of collaboration:

1. Mobile Depot and Tricycles in Brussels
2. CDC in Utrecht
3. GCD in Breda
4. TNT Innight



zero emission

The Mobile Depot and Tricycles concept for Brussels

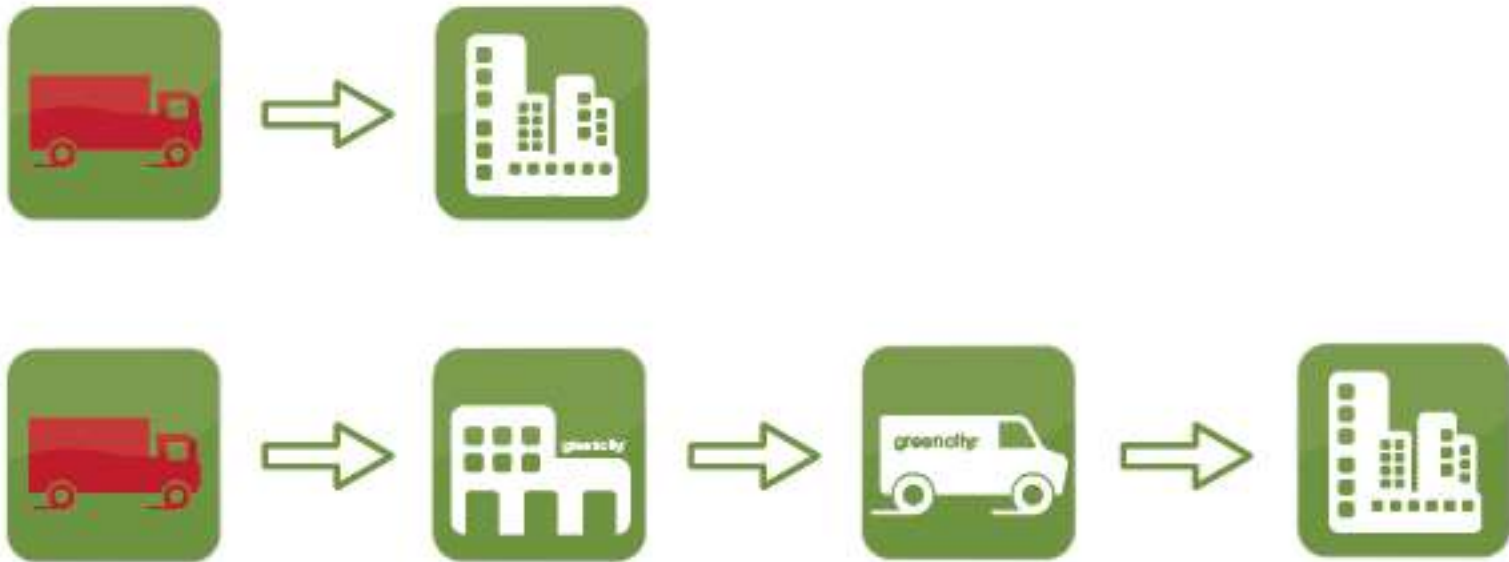


City Distribution Centre (CDC)

- Open arrangement
- Key requirements:
 - On average more than 100 delivery addresses per working day
 - Location close to motorway, max 10 km from Utrecht City Centre
 - Obligation to accept goods from 3rd parties
- Main incentives:
 - Free usage of buslanes
 - No time or environmental zone restrictions

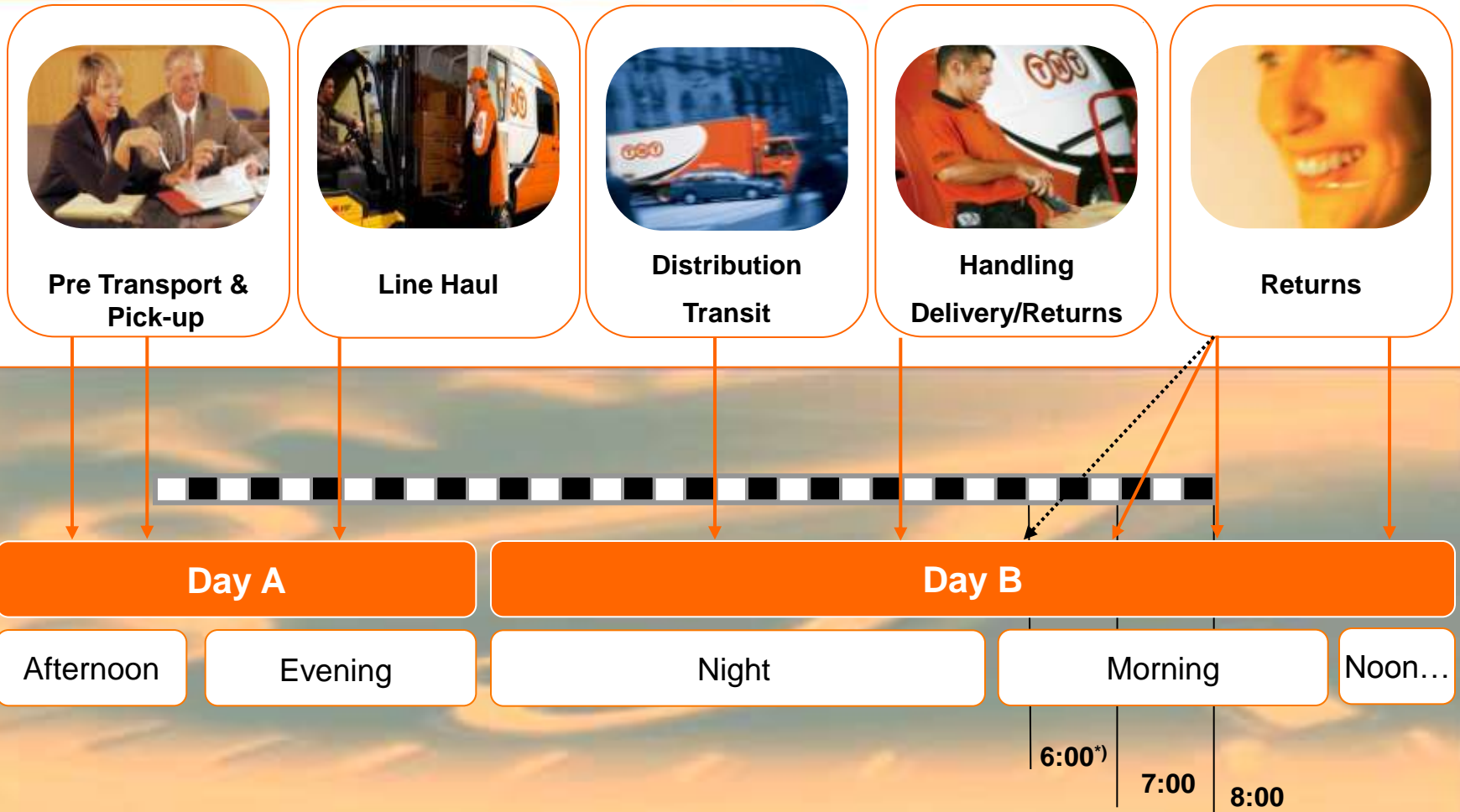


Green City Distribution - Breda



TNT Innight

Innight Service: The Value Chain



Conclusions:

- Elvis was right; A little less conversation, *a little more action*.
- Technology, collaboration and smart supply chains are 3 key areas to success.
- Innovation is required in all three areas.
- Government local and central can play a key role to provide the right policy framework. Subsidies often just delay the real city solutions.
- “National and International platforms” required to boost innovation and implementation.

