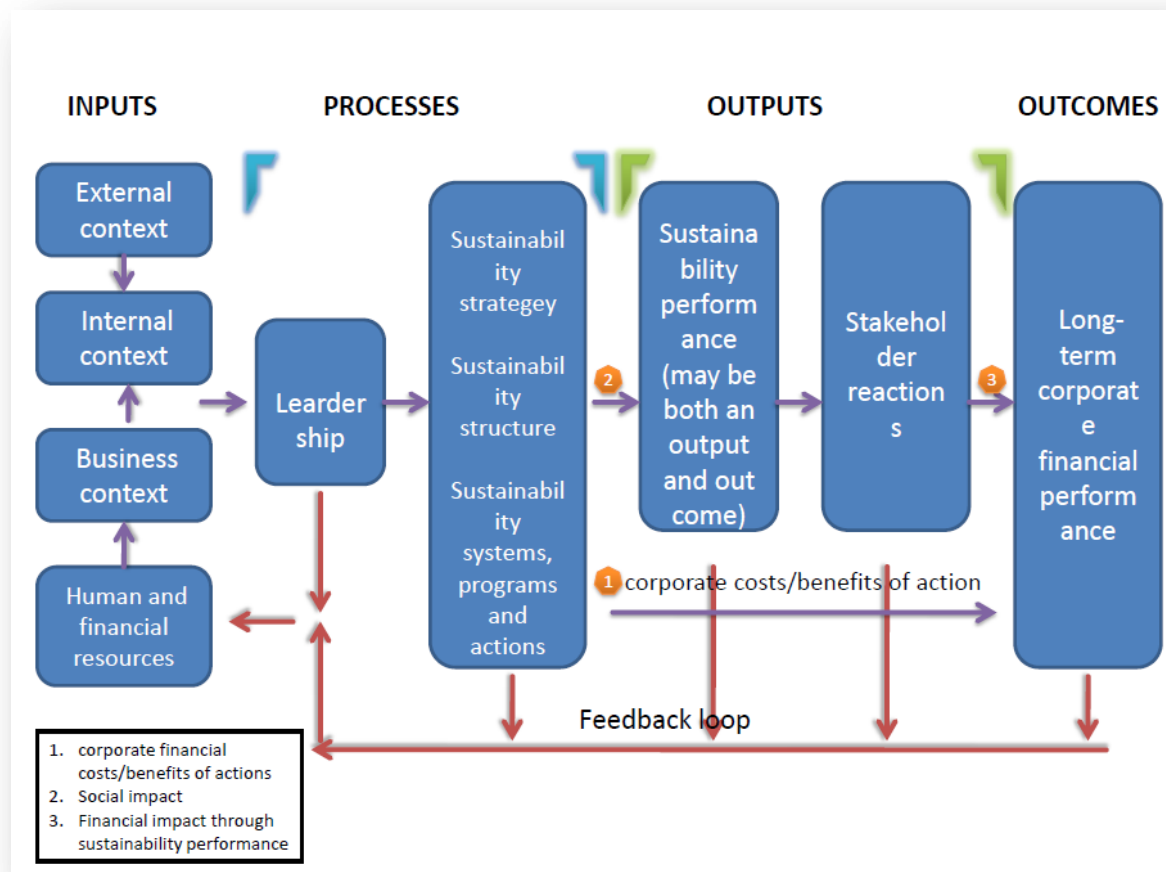




Methodology

This is the framework which I am going to use for the quick scan. This model integrates most aspects which are interesting for us: Stakeholder's perspectives, quantitative & qualitative indicators and strategic & operational levels. The "input" is more related to the external conditions, where the company has not been involved yet. Accordingly, it is not interesting for the performance assessment of the company, so I decide to analyze and evaluate from the "process" stage, or operational level. The evaluation of the process will mainly be based on the desk research of the company (annual report, Sustainability report, the TNT website, etc.). In order to have an insight of the current situation of sustainability within the company, I will use a descriptive method to evaluate four different aspects: leadership, strategy, structure and systems. A combination of desk research and questionnaires will be the method used to evaluate the outputs & outcomes. For instance, the financial performance will be assessed according to the data supplied by the annual reports or other sources. The employees' reactions (part of the stakeholders' reactions) will be summarized by results of questionnaires. At the end, all evaluation will be presented in a score card as the conclusion for the quick scan of the company.

Processes (Internal analysis)

Leadership

It is important for leaders to consider all of these inputs if they want to formulate effective sustainability strategies. If the leaders are not knowledgeable enough about sustainability to motivate their subordinates or institute the proper strategy, structure, or systems, then sustainability actions are unlikely to be successful. (comments of the Chief Executive Officer/CEO in annual report can be analyzed)

Sustainability Strategy, structure and systems

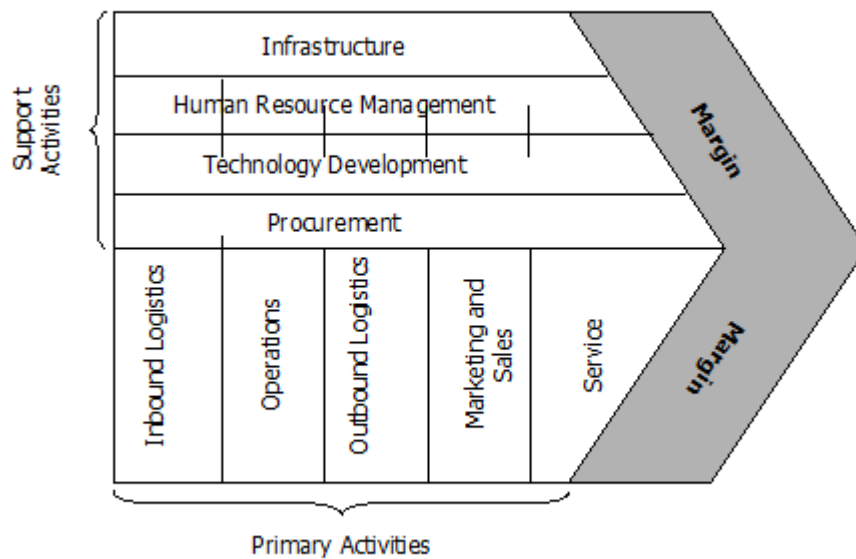
There are lots of examples which we can assess for those three different factors:

Strategy

1. Develop a mission statement (sustainability- related mission statement from annual report)
2. Consider global and local regulations, as well as voluntary standard (ISO 4000, ISO4001, SA8000, ISO14031, Dutch law specified in environmental factors)
3. Consider the impact of social investors (Individuals, investment funds, nonprofit organizations, and others who want to invest in companies that achieve positive social, environmental, and financial impacts)

Structure

1. Integrated throughout organization; Manager access to top leadership; Effective use of human resources (Organizational structure)
2. Aligned with strategy (analyzed by Porter's value chain, scores)



Porter 1985

The porter's value chain can be a good tool to help analyze the organization part.

Systems

1. Costing and capital investment systems (Activity-based costing, life-cycle costing, full cost accounting, etc..)
2. Risk management systems
3. Performance evaluation and reward systems
4. Measurement systems
5. Feedback systems
6. Reporting and verification systems

Descriptive-method Analysis

Aspects	Check lists	Overall Scores
Leadership	-Does the CEO focus on the sustainable issues? -The priority of sustainability for leaders?	
Strategy	-Do they have clear mission statement for sustainability field? -Do they have those ISO certificates? -Do they have any social cooperation plan? (developing partnership with other non-profit organization)	
Structure	-Do they have sustainability department? -Is it effective to adapt the strategy into each department within current structures (By using porter's value chain as a tool)?	
System	-What kind of costing, risk management, sustainable performance evaluation systems are they using? - Are those systems effective and efficient for their sustainable strategy? - Are there any pros/cons?	

Outputs/ Outcomes

Sustainability Performance

As recommended by Mr. Jan. Jansen, I decide to use the weighted score card to present the measurement result. There will be four dimensions : Stakeholder Reaction, Economic, and Environmental¹, and several indicators or metrics will be selected under each dimensions. Moreover, we will assess the long-term financial performance in this research in order to get a relative objective result.

Dell, the global computer company, has grouped its stakeholders into four categories which can be helpful for our research:

- Authorizers (Government, Shareholders, Board of directors)
- Business partners (Employees, Suppliers, Subcontractors)
- Customer groups (Consumers, Business, Government/Pubic)
- External influences (Media, Community members, Issues Advocates)

¹ There is an overlap between social aspects and stakeholder's reaction, so we will use stakeholder's reaction instead of Social aspects.

From Appendix 2, there are sample metrics for success-sustainability performance, but only a few important indicators will be used in the weighted score card:

Dimensions	Perspectives	Weight	Score (0-4)	Weighted Score
PROCESS (3/5 of Weights)	Leadership	5		
	Strategy	5		
	Structure	2.5		
	System	2.5		
OUTCOMES/OUTPUTS (2/5 of Weights)	- ROI (Return on investment)	2		
	- Cost Saving from reduction in fuel costs	2		
	- Cost of capital investments for sustainability projects	0.62		
Environmental Factors	- Volume and cost of energy/fuel use	0.62		
	- Volume of emissions to air (CO2, NO2, etc.)	2		
	- Percentage of electric vehicle used	0.62		
	- Number of Sustainable lawsuits	0.3		
Stakeholders' Reactions	- Changes of Share prices	0.3		
	- Employee satisfaction scores	0.62		
	- Suppliers' satisfaction scores	0.3		
	- Number of people benefits from their social responsibility projects	0.62		
In total		25		

Appendix

Appendix 1. Stakeholder's Perspectives of TNT

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

Appendix 2. Sustainability Performance Indicators

Sustainability Performance Indicators

Economic factors:

Quantitative indicators:

- ROI (Return on investment)
- Cost Saving from reduction in fuel costs
- Cost of capital investments for sustainability projects

Environmental indicators:

Quantitative indicators:

- Volume and cost of energy/fuel use
- Volume of emissions to air (CO₂, NO₂, etc.)
- Noise levels in community
- Percentage of electric vehicle used

Qualitative indicators:

- Type of fuel used (97#, 93#, etc.)
- Type of Vehicles used
- Number of Sustainable lawsuits

Stakeholders' reactions

Authorizers (Government, Shareholders, Board of directors)

Quantitative

- Changes of Shareprices (maybe especially after the implements of the sustainability projects)
- Funds invested??

Qualitative

- Government awards
- Board of directors' satisfactions (maybe not possible)

Business partners (Employees, Suppliers, Subcontractors)

Quantitative

- Employee satisfaction scores (Sustainability related salary bonus, Number of lost work days, Percentage of increased wages)
- Suppliers' satisfaction scores (Funds invested by other partners(suppliers or subcontractors))

Customer groups (Consumers, Business, Government/Pubic)

Quantitative

- Percentage of increased Market shares

External influences (Media, Community members, Issues Advocates)

Quantitative

- number of positive news reported by media
- Do they support or support any social activities to return benefits to society?
- Do they have any partnership with other environmental organizations?
- Are there any awards related to social responsibilities?

Qualitatives

- Investments on social responsibility activities
- Number of people benefits from their social responsibility projects

