

Voice of the Next Generation



TNT AND THE UN WORLD FOOD PROGRAMME PARTNERSHIP

Mail, express and logistics company TNT and the United Nations World Food Programme (WFP) have entered into a partnership aimed at a single common goal: to help eradicate hunger amongst the poorest people in the world. By becoming the largest corporate sponsor of the world's largest humanitarian aid agency, TNT is committed to making its people, skills, systems and assets available to support WFP.

Across the globe, 800 million people go to bed hungry every day. And every five seconds a child dies from hunger or hunger-related causes. Yet our planet produces more than enough food to provide for its entire population. In emergency situations, logistics is one of the major challenges. As one of the leading logistics companies in the world, TNT has the expertise to support WFP's activities and therefore, in a modest way, to help tackle the problem of world hunger. By using its core skills, TNT aims to further enhance WFP's ability to feed the world's hungriest people.

Following a careful study of many charities and humanitarian organisations, TNT decided to partner WFP for a number of reasons. TNT and WFP have similar transportation and logistics core activities. Furthermore, both organisations have common values of speed, reliability and efficiency, as well as a 'results-based' culture. WFP also has the lowest overheads of any UN organisation and ensures that \$9 out of every \$10 goes straight to feeding the hungry. Finally, both TNT and WFP have truly global operations.

The TNT and WFP partnership focuses on five initiatives: Joint Logistics Supply Chain, Emergency Response, Private Sector Fundraising and Transparency & Accountability. The fifth initiative, School Feeding Support, is the focus point for fundraising activities by all TNT employees. Funds raised will benefit WFP's Global School Feeding Campaign. WFP aims to reach 50 million children by the end of 2007 – half of the 100 million primary school children who are not getting an education. For an average of \$34 – or 9 cents a day – a child can be fed and educated at school for one year.

Voice of the Next Generation

 supports  to feed the hungry



Introduction

Wise men don't need advice.

Fools won't take it.

Benjamin Franklin

Four decades after Marshall McLuhan first coined the phrase, the global village is still expanding and the world remains in flux. With its ever-changing and seemingly intensifying conflicts and challenges, managing a business effectively in this environment is more complex than ever. In addition to balancing territorial or political aspects, a wide range of religious, ethnic or cultural views now weigh more heavily within the expanding corporate landscape than ever before.

Yet in addition to the added responsibility and new roles to be played out by world politics and business, there are new opportunities up for grabs. These opportunities, if nurtured and given a mature status within business, may help to nullify or at least reduce differences, and bring people closer together. Sustainable development, for years the private domain of governments and organisations such as the United Nations, must now become part of the corporate brief. There are new chances for public private partnerships, with or without NGOs, to work on new forms of participation. When implemented effectively, they can reduce poverty, social injustice, insecurity, hunger, and a wide range of other humanitarian problems. In this vein, TNT launched a ground-

breaking partnership with the UN World Food Programme in December 2002 with a single common objective: fighting world hunger. Our partnership with WFP forms the cornerstone of TNT's commitment to corporate sustainability on a global scale.

Around the time of the 2004 World Economic Forum in Davos, the Wall Street Journal ran a front-page article highlighting the issues various CEOs felt were important for controlling business risks. With the exception of terrorism, none of the humanitarian issues we have been confronted with in the last century, and which are part of the daily news, were included in their top 10. I personally find this hard to come to terms with, as the world has been struggling with the same problems for years, and they plainly influence the way in which businesses are run. There is a clear need for people at all levels, and in particular business leaders, to change their attitudes.

To take stock of the current state of affairs, TNT recently commissioned a survey amongst the upcoming generation of managers to discover their views on current global risks, and those that will impact us most over the next 10 years. The timeframe was based on the initiatives taken at the World Economic Forum. We wanted to learn whether the ideas behind the Global Compact and the Millennium Development Goals are part of the next generation's mindset, and how these future managers, perhaps in contrast to the implications of the Wall Street Journal article, rank those challenging initiatives. Our partnership with the UN

World Food Programme has given us the hands-on experience and knowledge that much more support is needed to fight world hunger. We were therefore also keen to learn which type of support is trusted by this next generation.

The results of the survey reveal a distinct gap between those issues considered a threat by the current generation of CEOs, and the opinions of their potential successors. However, the recent tsunami disaster in the Asia, and the huge amount of support I have witnessed from within TNT and associates, convinces me that we, and millions of others of our generation, are nevertheless at least somewhat in line with the views of the next. We have the chance - now - to demonstrate that we care structurally about humanitarian development. It will help our business and therefore society as a whole. Business can, and should, make a difference.

We hope the results of this survey will strengthen the mechanisms of public private partnerships. When discussed and understood fully, they provide a picture of our future leaders, and possibly even some keys to solving the ongoing humanitarian problems that impact far more than just the people involved. These issues influence each and every company, the way in which the world sees business, and the way in which we see ourselves. The list of conflicts to be solved may be daunting, but people brought us to where we are, and only people can bring us back on track.

Peter Bakker CEO TNT

Views of the Next Generation

- Top 5 threats:
 1. Wars and conflicts;
 2. Terrorism;
 3. Environmental threats;
 4. Economic problems and inequality;
 5. Global hunger.
- The NG is unaware of the Millennium Development Goals.
- Pessimism with respect to achieving prime MDG threat: eradicating poverty and hunger.
- Complete lack of trust in companies when it comes to taking care of the environment.
- As an employer, humanitarian organisations are preferable to global companies.
- Informing and allowing stakeholders to decide where to invest does not benefit CSR.
- Political lobbying is bottom of the list for ensuring corporate commitment to CSR.
- Mixed feelings with respect to the Global Compact initiative.



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Highlights

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- When asked spontaneously, the NG defines the top five current global threats as: wars and conflicts (20%); terrorism (15%); environmental threats (11%); economic issues and inequality (both 6%); global hunger (5%). When asked to choose from a limited list of threats, poverty and climate change receive a higher ranking (see page 10).
- When asked spontaneously, the main global risks for the coming ten years are the same as for the present, although environmental threats become more relevant (20%). The environmental threat is also important when prompted (36%), but wars (47%) and terrorism (39%) remain the greatest issues, followed by climate change at (31%), ensuring the quality and supply of water (17%), poverty (25%), and global hunger (21%) (see page 10).
- The NG considers 'global terrorism' the prime threat as far as companies' growth is concerned, while this ranks only sixth in the 2004 CEO survey. The CEOs' top issue, 'over-regulation', comes in way down in sixth place on the NG's list. Only 'increased competition' and 'loss of key talent' are ranked in the same place in both rankings, in second and fifth place respectively (see page 14).
- The institutions most trusted to have the power, means and skill to solve global issues are humanitarian organisations, followed by environmental and international institutions. The least trusted are global and national companies, trade unions, and religious institutions (see page 18).
- Among the humanitarian organisations, the International Red Cross is most highly regarded, closely followed by UNICEF, Médecins Sans Frontières, the World Food Programme, and Save the Children. The United Nations is the most trusted international organisation (see page 18).
- Companies are increasingly being judged on Corporate Social Responsibility (CSR), in which there are various areas of action. The three most important areas are local and global environmental quality, product and worker safety, and equal opportunity/access to food, health and education (see page 15).
- When asked which companies they would like to work for, 'corporate values and purpose', as well as 'enterprise development' are ascribed high importance. These two elements of CSR increase most when compared to the score they give to companies in general. Some other areas are nevertheless higher in the ranking (see page 15).
- The most effective approach for ensuring companies commit to CSR is providing consumers with information about company practices, and subsequently allowing them to decide which companies they wish to buy from or work with. Enforcement via laws is next, followed by the company's own initiative. Informing stakeholders and letting them decide which companies to invest in is considered the least efficient way of ensuring engagement in CSR (see page 16).
- The best way to show a company's commitment to CSR is to produce environmentally-friendly innovations and products. Employee and customer involvement is ranked second and third respectively. Political lobbying comes in bottom of the ranking (see page 17).

The NG worries about (humanitarian) threats that are in no sense a priority for current business leaders. (Inter)national business organisations are not trusted to solve humanitarian problems. In addition, the NG would prefer to work for humanitarian organisations as opposed to businesses.

- In the future, the NG would like to work for a humanitarian aid organisation, or secondly for an international organisation. Summarising the various scores, equally large groups tend to choose an international or humanitarian aid organisation (45%), or some kind of (commercial) company (46%). The company's commitment to CSR is important, but less so than a job with career opportunities, secondary benefits, and the chance to contribute to society (see page 30).
- Only 4% of the NG can name one of the UN Millennium Development Goals. The most important goal to be achieved in the next millennium is to 'eradicate poverty and hunger'. 'Environmental stability' comes in second place. When asked which goals will be met, these two goals come in last – a clear demonstration of pessimism as to their fulfilment (see page 24).
- Only 3% of the NG really knows what the Global Compact initiative is about. Their attitude is ambiguous, but optimistic. While positive about the fact that it aims to solve the negative aspects of globalisation, they are sceptical about the initiative's effectiveness, and about companies' real commitment (see page 28).



The NG is unfamiliar with the UN Millennium Development Goals. When presented with them, they are pessimistic about the most important goals being achieved. Eradicating poverty and hunger, and environmental stability are ranked top, also as the prime threats for the next ten years.

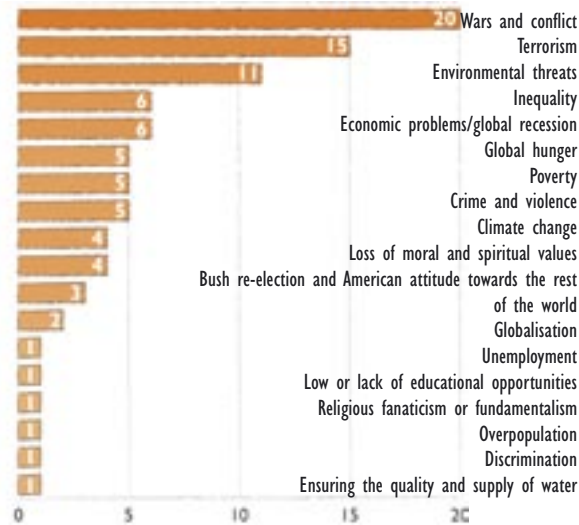
■ Main global threats

Two questions were used to measure the next generation's opinion as to the main global threats. In the first open-ended question, respondents were asked without prompting to express what they believe are the main threats facing the world. In the follow-up closed question, they were asked to select the five main global problems from a list of 33 issues.

In response to the first question, the main global threats were:

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Spontaneous response when asked about the greatest global threats • Base: all (n=1,322)

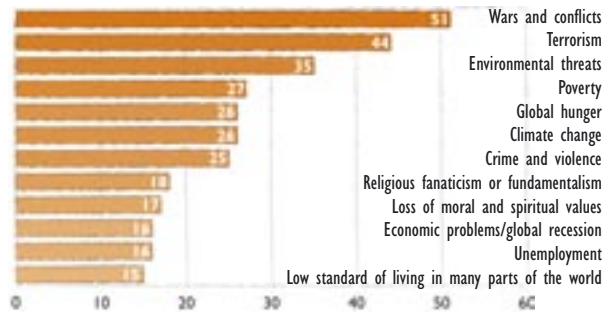


War and conflict in general, and the war in Iraq more specifically, are mentioned most often as the NG's spontaneous prime concern, followed by terrorism. Environmental problems such as pollution, abuse of the planet, lack or exhaustion of natural resources come in third. Economic problems and social and wealth inequality were fourth, with global hunger; poverty and crime and violence in fifth place.

When asked to select the five most important global problems facing the world at this moment from a list of 33 threats, the NG chose the same top three: wars and conflict, terrorism and environmental threats. These were followed by poverty, climate change, and global hunger.

Clearly, the world's top five global threats at this moment are quite similar. The only difference is that social and/or wealth inequality and economic problems are a bigger 'spontaneous concern' for the next generation, while climate change scores higher when presented the (prompted) framework of a list of several other possible concerns.

10 greatest threats facing the world at the moment, when prompted in % • Base: all (n=1,322)



Regional differences

When compared, there was a certain amount of variation amongst the NG in different countries, both in the 'spontaneous' and 'prompted' concerns. Japanese respondents worry far more about war and conflict than those in other countries. In those countries that have recently suffered from terrorist attacks, such as the USA, Spain, and Thailand, terrorism is more often mentioned as a top concern than in other countries.



In South America, inequality, poverty, and the low standard of living in many parts of the world are of greater concern than in other regions. In Brazil and Spain, respondents indicated global hunger as a far more relevant issue than respondents in other countries.

Socio-demographic differences

Younger people (18-24) are more worried about global hunger than the older group (25-30), while the latter is more concerned about climate change.

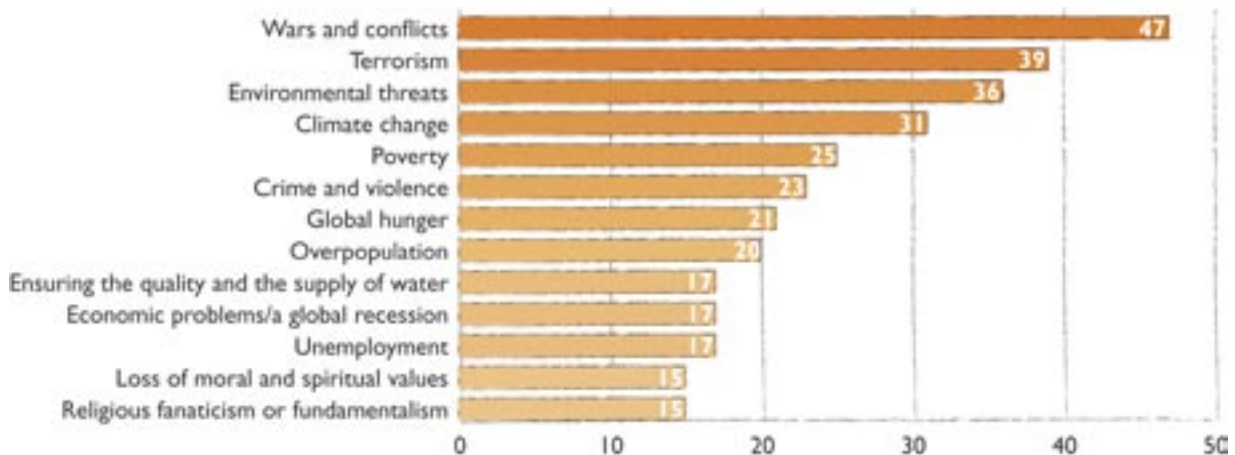
Those with high school education or still attending university consider global hunger a greater threat than those who have finished university. The latter group believes environmental issues, climate

change, and loss of moral and spiritual values are more relevant. Women showed greater concern about violence, war, and terrorism than men.

When the NG is asked to select the most relevant global problems for the next 10 years from a closed list of 33 threats, the main issues for the near future are similar to those mentioned for the present. However, two new issues are now included as a threat for the 'near' future: overpopulation and ensuring the quality and supply of water. Overpopulation is mentioned more often in the US and in Mexico, while the scarcity and quality of water is mentioned most frequently in China, Brazil, and Australia.

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10 greatest threats facing the world in the next 10 years, when prompted in % • Base: all (n=1,322)



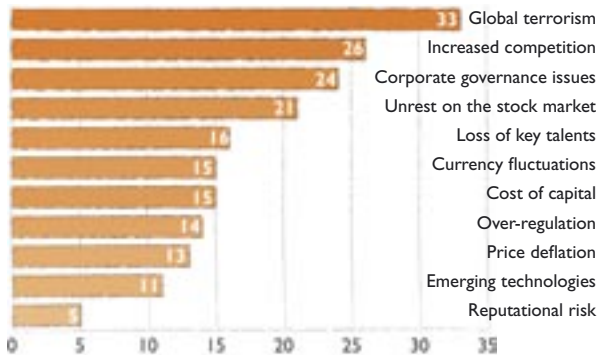


2 Threats to companies' growth

The next generation sees global terrorism, increased competition, and corporate governance issues as the top three potential threats to the growth of companies at this moment in time.

Potential threats to companies' growth at the moment - in %

Base: all (n=1,322)



to be (very) important. This is most relevant for the South American NG, less so for North Americans and Europeans.

Importance of buying or using products from companies committed to CSR - (very) important in % • Base: all (n=1,322)



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Regional differences

The French and Australian NG consider global terrorism a greater threat than their peers, while the Spanish and Thais are more concerned about increased competition. Corporate governance issues are mentioned more frequently by North Americans, and by the Chinese NG.

Socio-demographic differences

Females consider global terrorism a more dangerous threat for the growth of companies than the rest of the subgroups, while older members of the next generation (25-30) with a university degree and with a full-time job mention corporate governance issues more frequently.

Three out of four respondents consider buying or using products or services from a company committed to corporate social responsibility

Terrorism No Longer Tops Agenda for CEOs at Davos

Currency Swings, Deflation Rank as Bigger Concerns; Cheney Leads U.S. Group

By MARI CHAMBERLAIN

DAVOS, Switzerland—For the third year in a row since terrorist attacks rocked New York's twin towers in rubble in September 2001, security and risk dominated the agenda of this week's World Economic Forum, an annual meeting of the world's business and political elite.

But this year, security is not at the top of the agenda for the Forum's peering customers—around 1,000 business leaders from around the world, who now worry about more-traditional economic threats, such as currency fluctuations, trade and competition.

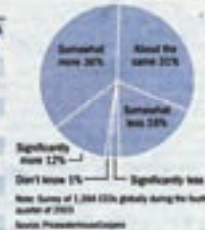
According to risk analysis, chief executives and economists, perceptions of the risks from global terrorism have changed sharply in the past two years, as compe-

Assessing Risk

What CEOs see as the biggest threats to their business

Threat	Percentage
Over-regulation	18%
Increased competition	17
Currency fluctuations	15
Price deflation	11
Loss of key talent	11
Global terrorism	10
Reputational risk	10
Cost of capital	8
Emerging technologies	6
Corporate governance issues	5
Stock market volatility	3

Nearly half of CEOs are ready to assume more risk than 12 months ago



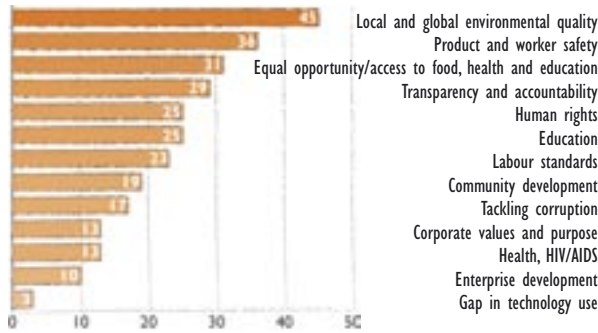
Front page Wall Street Journal Europe, January 21, 2004.

3 Importance of CSR

Areas of activity for CSR

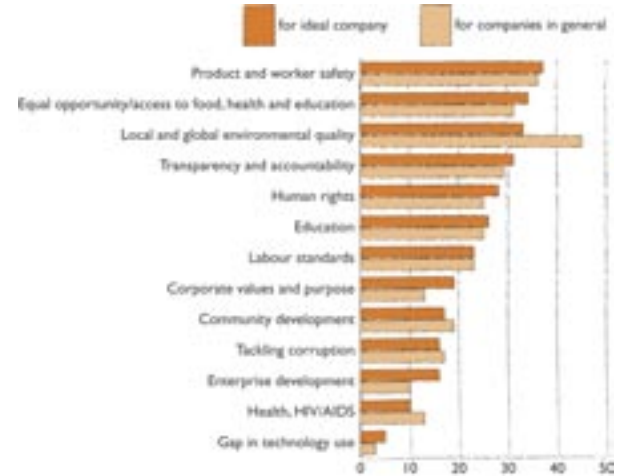
Companies are increasingly judged on corporate social responsibility. However, some CSR-activities are deemed more important than others. According to the NG, the three most important aspects of a company's corporate social responsibility are local and global environmental quality, product and worker safety, and equal opportunity/access to food, health and education.

Most important aspects of CSR for a company - in %
Base: all (n=1,322)



When asked on a more personal level which areas of activity their ideal, preferred company would be committed to, their choices change somewhat.

Most important aspects of CSR of preferred, ideal company to work for - in % • Base: all (n=1,322)



15

The same areas of action appear in their top three, but product and worker safety moves to the top of the list, followed by equal opportunity/access to food, health and education. Environmental quality drops to third place.

It is also important to note that the NG ascribes higher relevance to 'corporate values and purpose' and 'enterprise development' for the company they would like to work for: Other areas of action for CSR are higher in the ranking of the next generation, but these two elements of corporate social responsibility increase most when compared to the score they have for companies in general. In other words, these aspects are valued higher in their 'ideal' company than in companies in general.

4 Best way to ensure companies commit to CSR

The impulse or pressure to commit to corporate social responsibility can come from various fronts: the company itself, stakeholders, consumers, national laws or international laws. According to the next generation, the most effective way of ensuring companies engage in CSR is through the involvement of consumers; that is informing consumers about company practices and letting them decide on the basis of that information which companies to buy from.

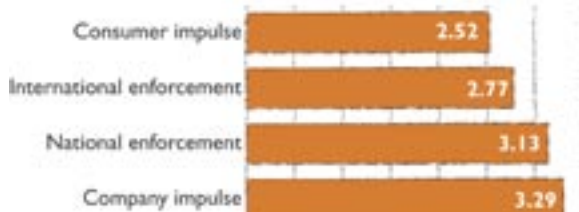
by consumer impulse, stakeholder impulse, national enforcement, and through the company's own initiative. Brazil ascribes far higher value to informing stakeholders than other countries (second in their ranking) and international enforcement far less (fourth in their ranking). Australia, USA, France, and China give a higher score to informing stakeholders than to company impulse.

Socio-demographic differences

As far as socio-demographic groups are concerned, the only difference is that those with a higher income, those attending university and those with a job, give a higher ranking to stakeholder impulse than the rest. For these subgroups, informing stakeholders comes in fourth in their ranking of the most efficient way of ensuring companies commit to CSR.

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Best way to commit companies to CSR-average position in ranking from 1 to 5 • Base: all (n=1,322)



As shown in the graph above, enforcement (via international or national laws) comes in second and third place, followed by the company's own initiative. The NG considers informing stakeholders about company practices and letting them decide which companies to invest in the least efficient method of ensuring companies commit to corporate social responsibility.

Regional differences

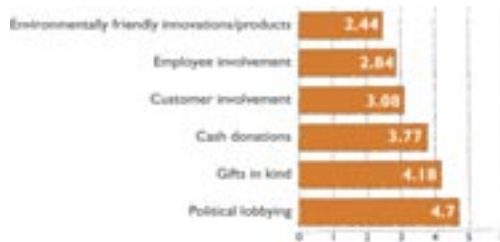
There are a number of differences between countries. In Japan, international enforcement is considered the most effective way of ensuring companies become more socially responsible, followed



5 Best way to demonstrate commitment to CSR

The next generation believes that the best way to demonstrate a company's commitment to CSR is to produce environmentally-friendly innovations and products. In second and third place they choose employee involvement and customer involvement, followed by cash donations and gifts in kind. Political lobbying comes in last.

Best way to demonstrate commitment of companies to CSR - average position in ranking from 1 to 6 • Base: all (n=1,322)



Regional differences

In South America, the NG is more in favour of employee involvement, and less inclined towards cash donations and political lobbying. They feel that direct staff participation is the best way of demonstrating a company's commitment to CSR. This is especially true in Chile, where employee involvement is considered the best method, even above environmentally-friendly innovations and products. At the opposite end of the scale, the Chinese and German NG consider employee commitment to CSR less important, although it still comes in second. Finally, in Spain, political lobbying is chosen above gifts in kind. Spain has the lowest score for gifts in kind and the highest for political lobbying.

Socio-demographic differences

There are no major variations in the ranking of the socio-demographic groups. However, males value environmentally-friendly in-

novations and employee involvement less than other social groups. Cash donations score lower for older members and for those with a university degree and who are working.



6 Trust in institutions

Among the next generation, the institutions most trusted to have the power, means and skills to help solve the world's problems are humanitarian aid organisations, environmental organisations, and international organisations. They are followed at a considerable distance by governments, legal systems, armed forces, and parliaments. Global companies, national companies, trade unions, and religious institutions come last.

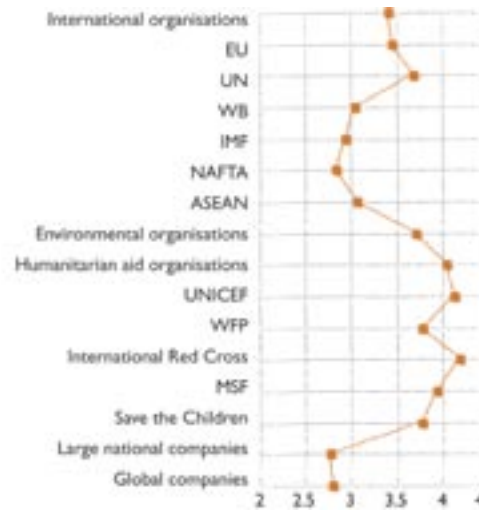
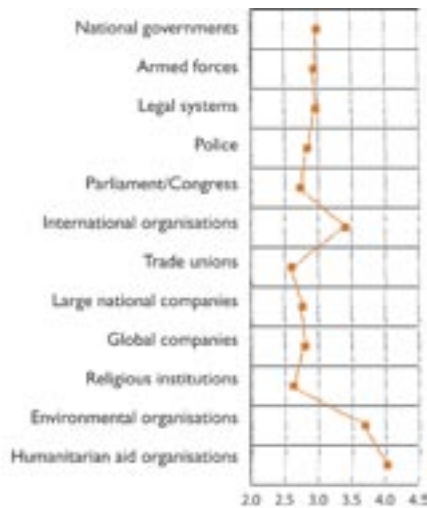
Cross is the institution most trusted to have the power, means, and skills to solve global issues, followed closely by UNICEF, MSF, WFP, and Save the Children.

The following graph shows the NG's degree of trust in various types of international, humanitarian, and environmental organisations, compared with the trust in global and national companies.

Most trusted institutions - mean score • Base: all (n=1,322)

Trust in different type of institutions - mean score • Base: all (n=1,322)

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Among the international organisations, the most valued as far as solving global threats is concerned are the United Nations and the European Union. The Association of Southeast Asian Nations (ASEAN), the World Bank, and the International Monetary Fund receive a lower score, while the North American Free Trade Agreement is the least trusted vehicle for tackling global threats.

Regarding humanitarian aid organisations, the International Red

Regional differences

South American members of the next generation have the least trust in their governments, legal system, armed forces and police, or, in other words, in their political structure. Conversely, North Americans show a higher trust in the institutions that run their country. The Asian NG places greater trust in global companies than their counterparts in other regions. Their faith in large national companies is slightly lower than in global companies, although this score is



still higher than that given to national companies by their European peers. This last group is also the one with the least trust in multinationals. International organisations are also considered trustworthy in the various countries. Only Argentina, and to a lesser extent Brazil, have less trust in the capacity of international organisations to help solve global problems. The United Nations is most trusted by the European next generation, and least by South Americans. The South American NG also thinks that international economic organisations such as the World Bank or the International Monetary Bank are less trustworthy than average.

Humanitarian aid organisations and environmental organisations are regarded highly across the board. These kinds of organisations are least trusted (but still more than other types of organisations) in Japan.

The World Food Programme is more valued in Spain, Chile, and China, while Germany and Japan seem to have less trust in this aid organisation's ability to help solve global problems:



Trust in WFP per country - mean score • Base: all (n=1,322)



Socio-demographic differences

Socio-demographic subgroups show similar levels of trust for all types of organisation. The only significant difference worth mentioning is gender: Men have less faith in international organisations and humanitarian aid organisations than their female counterparts.

Other institutions?

Respondents were asked in an open question whether there were other institutions not mentioned in the previous questions that could help solve global issues. Sixty percent of the next generation were unable to mention any others. Forty percent mentioned other institutions, mostly country specific.

It is interesting to note that 3% of the next generation says that people themselves should help solve global problems. International organisations most frequently mentioned, and not included in the questionnaire, were Amnesty International, religious institutions, and the World Wildlife Fund (2% for all three).

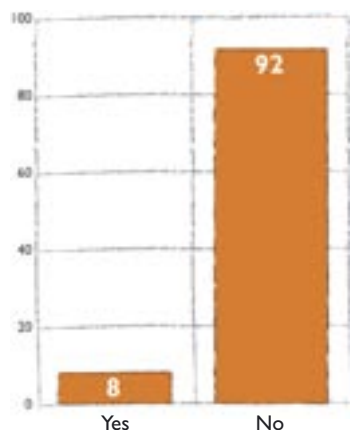


7 Awareness of UN Millennium Development Goals

Only 8% of the next generation claims to know what the UN Millennium Development Goals (MDGs) are.

Awareness of UN Millennium Development Goals - in %

Base: all (n=1,322)



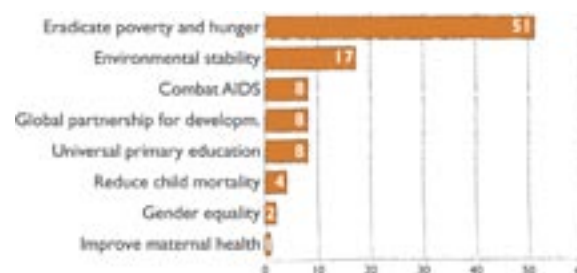
Europeans are least aware of the MDGs, while South Americans and Chinese claim to know them best (in China 27% know the goals). Males, young NG (18-24) and those still attending university have a higher awareness of the UN MDGs than the rest of the subgroups.

From those claiming to know what the UN Millennium Development Goals are, only half can describe them or name a specific goal. In France and Germany this is only one-third, while in the USA, Mexico, and Thailand, around three-quarters were able to give a reasonable description. Those still attending university and working part-time have a better knowledge of the MDGs. All-in-all, however,

only 4% of the total next generation really knows what the UN Millennium Development Goals are.

When asked to prioritise the MDGs, one out of two of the NG chose 'eradicate poverty and hunger' as the most important goal to be achieved in the next millennium. Environmental stability comes in second, followed by combating HIV/AIDS, achieving universal primary education, and developing a global partnership for development. Reducing child mortality, promoting gender equality, and improving maternal health come bottom.

Most important UN MDG – in % • Base: all (n=1,322)



Regional differences

In the South America region, more than 60% of the next generation believes that 'eradicating poverty and hunger' should be UN's top priority when confronted with scarce resources to achieve all the MDGs. In Asia, 'ensuring environmental stability' is more important than for their counterparts in other parts of the world. Europeans give a higher priority than the other two groups to combatting HIV/AIDS, malaria, and other diseases.



Socio-demographic differences

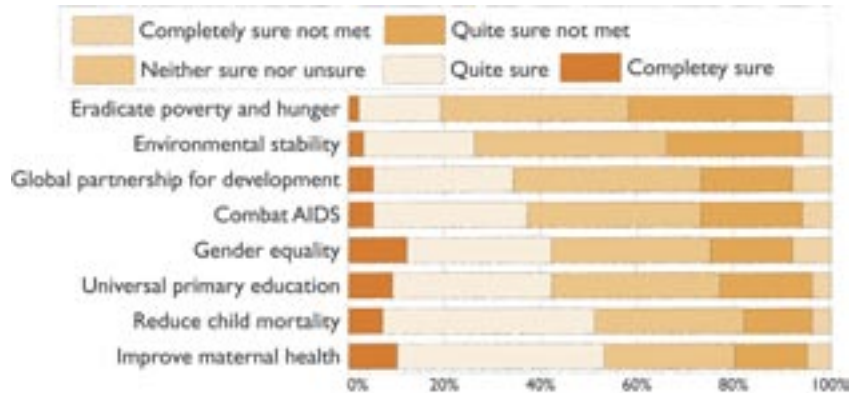
The younger members of the next generation (18-24) and those with a high school education also consider stopping the spread of HIV/AIDS and other diseases more relevant than other subgroups.

Will the MDGs be met?

When asked whether the UN Millennium Development Goals will be met, the scenario changes completely. The two top priorities 'eradicating poverty and hunger' and 'ensuring environmental stability', are also the two MDGs respondents believed least likely to be achieved. Half the next generation thinks that UN's goal of 'improving maternal health' will be met, although it was considered one of the least relevant goals given scarce resources. When the MDGs are ranked according to views about the possibility of the target being achieved, the order is reversed as compared to their stated priorities.

This result is even more relevant when we consider that poverty and environmental threats were also at the top of the list of global threats, both current and for the next 10 years. It therefore seems that those goals considered most relevant are also those about which they are most pessimistic with regard to their fulfilment.

UN DMGoals, will they be met? - % • Base: all (n=1,322)





8 Awareness of the Global Compact

The Global Compact is an international initiative by UN Secretary-General Kofi Annan, which brings companies together with UN agencies, corporate and civil society to support 10 principles in the areas of human rights, labour and the environment. The ultimate objective of the Global Compact is to advance responsible corporate citizenship, so that businesses can be part of the solution to the challenges of globalisation. The first question in this matter was how many of the next generation's members know what the Global Compact is.

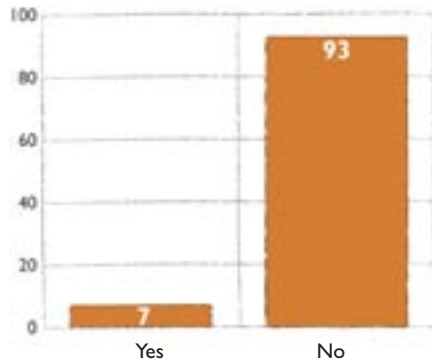
Seven percent of the next generation claims to know what the Global Compact stands for. The Chinese, and to a lesser degree the Germans, show a higher awareness, while the French next generation is least aware of this initiative.

There are no differences among the socio-demographic subgroups regarding awareness of the Global Compact.

From those who claim to know what the Global Compact stands for, only 35% of them can give a good description of what it is. In other words, only 2.5% of the total next generation really knows what the Global Compact is about.

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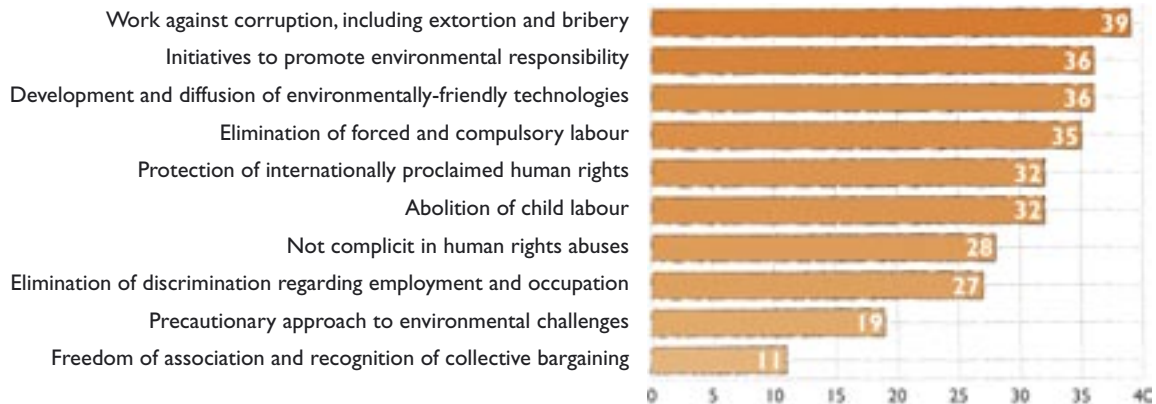
Awareness of the Global Compact - in % • Base: all (n=1,322)



Most important principles of the Global Compact

The three principles (from the Global Compact) that according to the NG are most important in guiding businesses are: combating corruption, including extortion and bribery, undertaking initiatives to promote greater environmental responsibility and encouraging the development and diffusion of environmentally-friendly technologies.

Awareness of the Global Compact - in % • Base: all (n=1,322)





These top three are followed closely by the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the protection of internationally-proclaimed human rights. Freedom of association and recognition of collective bargaining close the list, possibly because the next generation feels that those rights are already well institutionalised and are not threatened by globalisation.

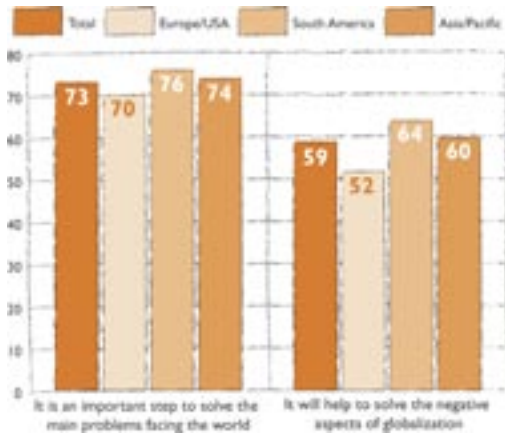
Attitudes regarding the Global Compact

The next generation has mixed attitudes towards the Global Compact. On the one hand they are optimistic. More than 70% feels that it is an important step towards solving the main global problems. They also think that it will offer specific help in solving the negative aspects of globalisation, although they are less positive about it (59%).

As the graph demonstrates, the NG in South America is most optimistic about the reach of the initiative, while Europeans and North Americans are less positive.

Attitudes towards Global Compact (1) - "agree" in %

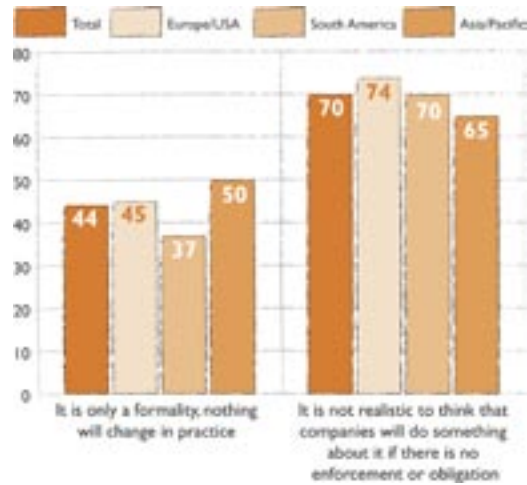
Base: all (n=1,322)



On the other hand, the NG is also sceptical about the effectiveness of the initiative, and about companies' real commitment to the Global Compact. This attitude is reflected by the fact that 44% believe that it is only a formality and that nothing will change in practice. They are also sceptical about whether companies will do anything on their own initiative, without some sort of enforcement or obligation. Seventy percent agrees that this is not realistic.

Attitudes towards Global Compact (2) - agree in %

Base: all (n=1,322)



As stated before, the NG believes that international or national enforcement is in general a more effective way of ensuring companies commit to corporate social responsibility than relying on a company's own initiative.

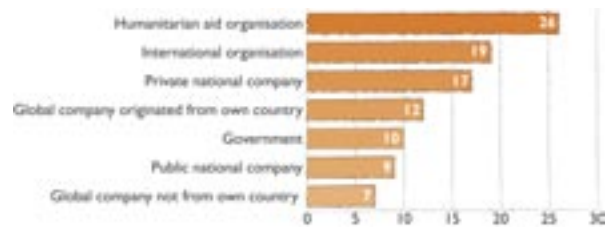


9 Preferred company and aspects valued in a job

One in four of the next generation would like to work for a humanitarian aid organisation in the future. Next would be an international organisation, followed by a private national company.

Preferred organisation to work for - in %

Base: all (n=1,322)



30

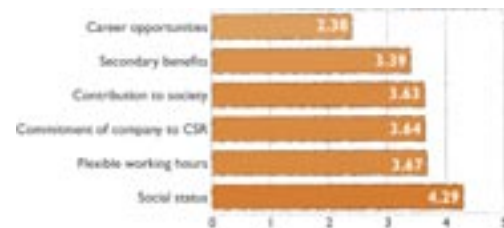
As the graph shows, multinationals not founded in their own country would be the last type of company they would choose as employer. If summarised, equally large groups tend to choose an international or humanitarian aid organisation (45%) or some kind of (commercial) company (46%), while 10% would opt for the government as employer.

The next generation of Europeans wants to work for a humanitarian organisation or a public company, while South Americans prefer international organisations. Older NGs and those with a university degree also mention that they would like to work for an international institution more often. Next generation men are more likely to select global companies, while women prefer humanitarian organisations.

When asked to rank the most important aspects in a job besides a good salary, the top two are 'practical' benefits such as career opportunities, and secondary benefits, such as pensions, extra holi-

days, paid leave. In third and fourth place, they mention the more 'social, philanthropic or non-economic' aspects, such as the contribution to society that they can make with that job, and the company's commitment to corporate social responsibility. Flexible working hours and the social status provided by the job come in last.

Preferred aspects in a job - average position in ranking from 1 to 6 • Base: all (n=1,322)



Those who value company commitment to CSR the most are mainly males, between 25 and 30 years old, with a university degree and working full time. They also consider environmental threats, global hunger, poverty, corruption, and loss of moral and spiritual values a greater global concern than average. They have greater faith in political, legal, and religious institutions, and less trust in global and large national companies as compared to their counterparts. International and humanitarian organisations are more trusted by this group.

Those who most value a company's commitment to CSR with respect to their job, also value particular aspects of a company's CSR more than others. This includes equal opportunity/access to food, health and education (second in their ranking while third on average) and human rights (fourth as opposed to sixth). This last as-

pect is even more important for their 'preferred, ideal' company. Human rights form the third most important aspect, after product and worker safety, and local and global environmental quality. Regarding the most efficient way of ensuring a company commits to CSR, this group ranks the same as the rest of the next generation, except for stakeholder impulse, which is fourth most impor-

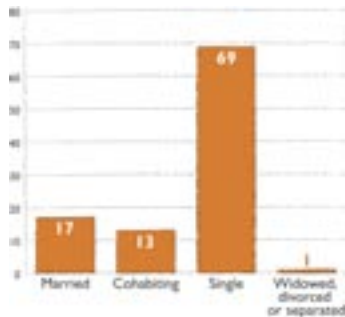
tant as opposed to the average fifth. In addition, although international and national enforcement still come in second and third (as they do for the rest of the NG), they ascribe a lower score to enforcement of both types. Finally, there are no differences between this group and the rest when ranking the best way to demonstrate commitment to CSR.



10 Background research audience

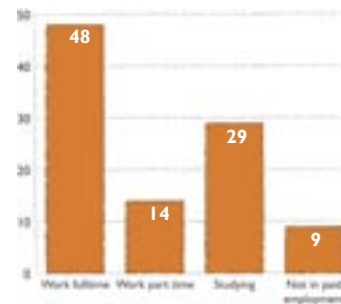
Seventy percent of the next generation is single, lives in households of four persons or more (42%) and works (full time 48% or part time 14%). For 30%, both parents have a university degree.

Next generation's marital status - in % • Base: all (n=1,322)



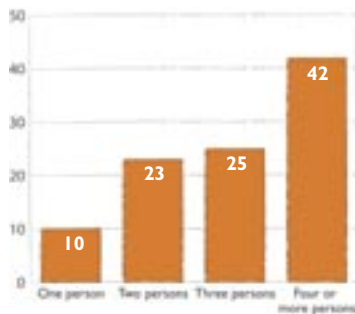
own or with one other person (16% live in a one-person household and around 30% in two-person households). In China, 42% lives in three-person households. In Thailand, most live in households of four persons or more (77%); the same applies, to a lesser extent, to Spain (54%).

Next generation's working situation - in % • Base: all (n=1,322)



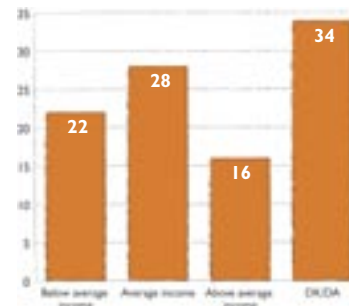
In China, Thailand, Chile and Argentina, many more NG members work full time (about 65% to 70%), while in Australia more work part time (30%). Half of the German and Spanish next generation is still studying, while 22% of the USA members are not in paid employment.

Next generation's household size - in % • Base: all (n=1,322)



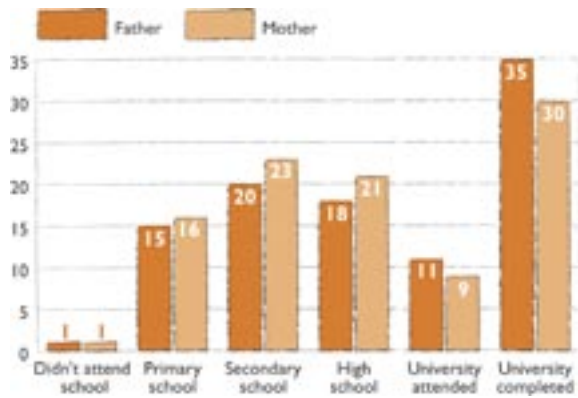
There are also differences among countries with respect to household size. In France and Germany, more respondents live on their

Next generation's household income - in % • Base: all (n=1,322)



The Japanese next generation has the lowest household income (32% below average), followed by the USA and Brazilian next generations (29% below average). In Thailand and China the NG's household income is highest (22% and 26% above average).

Parents' education - in % • Base: all (n=1,322)



Parents with only primary school education were most common in Spain and Thailand (around 30%). In Japan it was secondary school level (40%), in France and Australia high school education (around 30%), and in the USA and Germany around half of the parents of the next generation have a university degree.



Values of the next generation

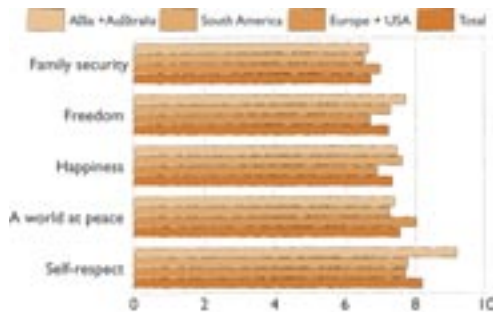
The results for determining values in this survey were obtained using Rokeach's Values Theory. This offers insight into human needs, and ultimately into the motivations that can influence consumer behaviour. The theory basically follows the notion that people's aspirations, their goals in life, are limited to 18 terminal values. In order to achieve these goals, people need a set of 18 instrumental values (tools). Respondents are asked to arrange the 18 terminal and 18 instrumental values in order of importance, with 1 being the most important and 18 the least important.

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The top terminal value for the next generation is family security (taking care of loved ones), followed by freedom (independence, free choice), happiness (contentedness), a world at peace (free of war and conflict), and self-respect (self-esteem).

Value rankings - 5 top Terminal values - mean score

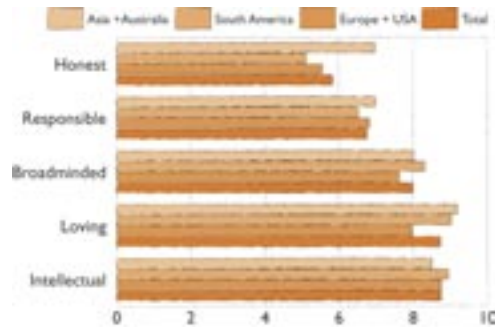
(The lower the score, the more important it is in the hierarchy of values)



The top 5 instrumental values are honesty (sincere, truthful), responsibility (dependable, reliable), broadmindedness (open minded), loving (affectionate, tender), and intellectual (intelligent, reflective).

Value rankings - 5 top instrumental values - mean score

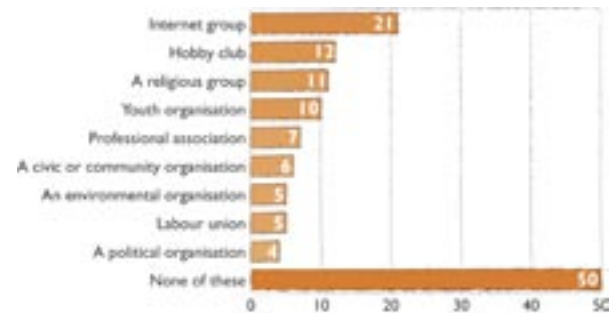
(The lower the score, the more important it is in the hierarchy of values)



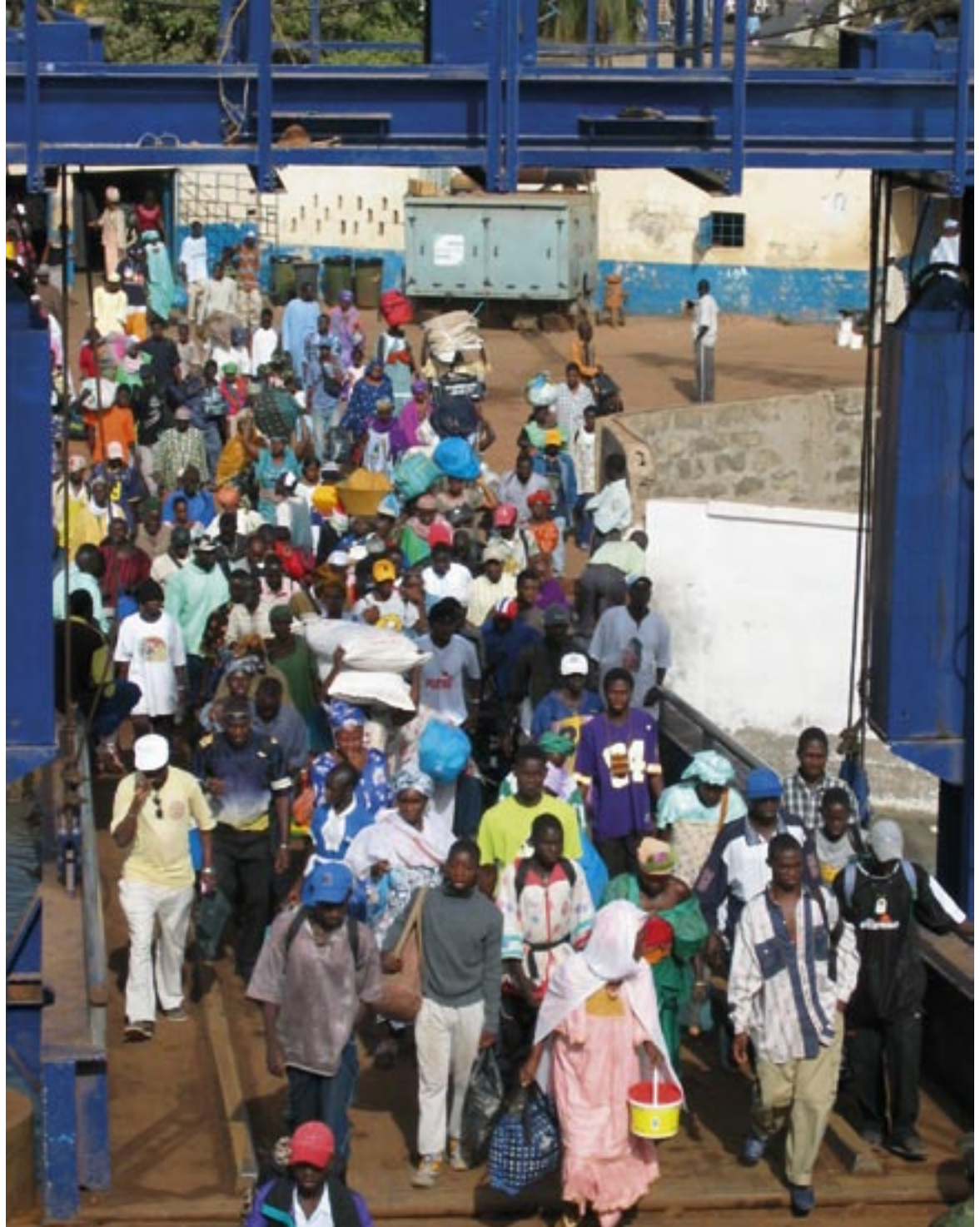
Participation in associations

More than 20 percent of the next generation is a member of an Internet group. Another approximately 10 percent are members of hobby clubs, and/or religious groups and/or youth organisations. Only 4 percent mentions being a member of a political organisation.

Membership in associations - in % • Base: all (n=1,322)



About 15 percent state that they perform volunteer work for youth organisations and/or civic or community organisations. Twelve percent has also volunteered in religious groups.



12 About the survey

Target Group

The target group for this study was individuals (male and female) between 18 and 30 years of age with a high school level of education or higher. This group of opinion leaders is expected to supply the next generation of managers. Their views are of great importance for the future of their countries, the regions they operate in, and therefore the world as a whole.

Sample size

The sample size of a total of 1322 interviews is both large enough for reliable quantitative analysis as well as segmentation purposes. The regions and countries selected reflect the voice of the next generation in the more developed countries. Three regions of the world were therefore selected in equal proportions. The participating countries were France, Germany, Spain, United States; Argentina, Mexico, Chile, Brazil; Australia, Thailand, China, and Japan. The master questionnaire in English was translated into seven languages: Chinese, French, German, Japanese, Portuguese, Spanish, and Thai.

Method

Given the nature of the target group, the option of an Internet questionnaire did not pose a problem. Respondents were sent an email by the research agency with an invitation to participate. The agency also supplied them with a link to the questionnaire located on one of their secure servers. The link not only contained a hidden password, but also an identification code to ensure that each respondent could participate only once. Fieldwork took place be-

tween 29 October and 8 November 2004. On average, it took respondents some 30 minutes to complete the questionnaire. The ranking of the prompted options to the relevant questions were rotated per questionnaire.

Objectives

The overall objectives of this research were as follows:

- To identify the global threats, both now and within the next ten years;
- To identify the level of trust in different institutions to help solve those problems;
- To determine the relevance of Corporate Social Responsibility (CSR), the views about the most effective way to ensure companies commit to CSR, and the best way(s) of demonstrating that commitment;
- To assess the awareness and attitudes about the UN Millennium Development Goals and Global Compact.

Research Agency

The research was organised and executed via Trendbox (www.trendbox.nl), which since 1997 has run a continuous survey into trends, attitudes, and consumer behaviour; called Life and Living. This survey is conducted in over 50 countries in Europe, North America, South America, Africa, and Asia Pacific. For more information go to www.lifeandliving.com.



Annex

List of prompted threats

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- Poverty
- Materialism
- Unfair world trade
- Ensuring the quality and the supply of water
- Child labour
- Global hunger
- Terrorism
- Environmental threats
- Low standard of living in many parts of the world
- Wars and conflicts
- Internet viruses
- Globalisation
- HIV/AIDS
- Economic problems/global recession
- Protecting endangered species
- Loss of moral and spiritual values
- Malaria, tuberculosis and other diseases
- Discrimination
- Crime and violence
- Human rights
- Corruption
- Climate change
- Overpopulation
- Power of companies
- Religious fanaticism or fundamentalism
- Illiteracy
- Lack of freedom/democracy
- Drugs
- Refugees
- Low or lack of educational opportunities
- Unemployment
- Genetic engineering
- Technology moving too quickly



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