



Comprehensive report on environmental performance to be published in Autumn 1999

Key initiatives

BTC transport mileage cut by over 3.6m km

BTC fuel costs cut by £450,000

BCM water consumption cut by 3%

Nitrogen oxide emissions from energy centre cut by 80%

Packaging management saved £600,000

Over the past year preparations have continued for the launch of the first Boots annual environmental report. Although the company has prepared internal reports on its environmental performance for some years, this is its first commitment to regular external publication. Preparations have included the development of a set of Key Performance Indicators to provide a consistent basis for tracking performance improvement year on year.

Boots has long recognised that environmental sense and business sense go hand in hand. The company has a long history of environmental management: it built its first combined heat and power plant in Nottingham in 1915, introduced bottle salvage in the 1930s, packaging and office paper recycling in the 1950s and reusable transit boxes also in the 1950s. The company appointed its first senior manager with exclusive responsibility for the environment in 1972.

Today the gap between environmental and business efficiency is closing as governments in the UK and abroad introduce 'polluter pays' measures such as landfill taxes and higher fuel duties. Boots will continue to enhance its environmental performance accordingly, with each business setting its own targets and reporting annual progress against them. Last year we described progress in the use of energy and packaging; this year we focus on transport and water.

Transport The efficiency of BTC's distribution operation improved by over 8 per cent (measured as litres of diesel used to distribute a cubic metre of stock). The significant improvement was due to a combination of: improved vehicle routing and utilisation, increased load consolidation, more efficient use of existing and new re-usable transit packaging, and better fuel

efficiency. Over 850,000 litres of fuel were saved, equivalent to a reduction in fuel costs of £450,000, with total fleet mileage reduced by over 3.6 million kilometres. Halfords has developed a new cycle distribution centre, eliminating the need for third party warehouse space and reducing delivery fleet journeys by some 1 per cent a year.

In Nottingham the company's Green Commuter Strategy continues to play an important role in citywide attempts to reduce the use of vehicles. Measures include car share schemes, a subsidised bus service, free shuttle buses, an intranet site to help employees plan their routes to reduce the environmental impact of travel and the introduction of a Bicycle User Group.

Water After reducing water consumption by 17 per cent in 1997/98, BCM achieved a further 3 per cent saving last year through initiatives such as improvements to cooling tower controls. Further substantial savings are anticipated this year after the completion of a project at the Airdrie factory which separates product in pipes and thereby reduces the need for water flushing during pipe cleaning.

Other initiatives Other important environmental initiatives include the installation of improved burners at the headquarters site energy centre. This has cut the amount of nitrogen oxides (NO_x) being discharged from the gas turbines by 80 per cent, preventing around 280 tonnes of NO_x from being released into the atmosphere each year.

In 1998, for the first time the company had to meet recycling and recovery targets under UK Packaging Waste Regulations. A proactive management approach to these regulations saved over £600,000 on the cost of compliance.

The company's first annual environmental report will be published this Autumn. To reserve a free copy, please call free on 0800 0280367. The report will also be published on the company's website.