

## Corporate social responsibility

In recent years, many companies have come to recognise the importance of conducting their business in a socially responsible manner. Boots has been doing that for well over a century, since the days of Jesse Boot. Furthermore, over the past year we've developed a new, more systematic approach to reporting on, and measuring the results of, our many and varied corporate social responsibility (CSR) activities. The aim has been to improve our performance, and increase accountability; but a pleasing side-effect is that our standing in external ratings, such as the Business in the Community Social Responsibility Survey, has risen dramatically.



As part of our new approach, we've grouped our activities under four headings, reflecting the main arenas where we believe that Boots is making a contribution: community, environment, marketplace and workplace. In the first of these, our aim is to create a genuine sense of partnership in the communities we serve.

### Community

**Award-winning work for well-being** In summer 2003, Boots was presented with two awards for excellence by Business in the Community – the most prestigious UK awards recognising responsible business practice.

The Healthy Communities and Innovation awards were presented in recognition of our programme of health initiatives, developed in partnership with the NHS in Nottingham, with the aim of helping hospital patients to take control of their own health and recognise the value of taking time out for themselves. This includes the development of Time for a Treat workshops and a volunteer massage service for patients at Nottingham City Hospital, as well as 'treat' days for NHS staff. And we are now supporting a pilot for a permanent wellbeing service for staff at Nottingham City Hospital.

**Working together for happy healthy smiles** By the age of five, over 55% of all Scottish children have dental disease. Boots has been working in partnership with Action for Sick Children in Scotland to address this startling statistic with an innovative learning-through-play initiative.

Dental playboxes have been specially developed for use in primary and pre-schools. They contain safe dental equipment, mini uniforms, books and toys. Through play, children learn about how to keep their teeth healthy and become familiar with what a visit to the dentist is like – helping to reduce their fear. The project aims to reach 18,000 children in its first year.

**Sharing skills with the NHS** Ten Boots managers have been 'matched' with NHS managers, in a new initiative to share skills and experience. The Skills Sharing Initiative was developed jointly by Boots and the Improvement Network, which supports the learning and development of all NHS organisations and staff in the local area. Employees were matched with someone in a similar role within the NHS, in areas including business development, marketing, training and development, and IT.

Emma Brock, an HR Manager with Boots Healthcare International and Nicola Goodwin, an NHS Service Improvement Manager, were matched with each other. Emma commented: 'As Nicola and I come from different functional and career backgrounds we have been able to contribute to and complement each other's skills and knowledge from different perspectives. The discussions have stimulated much thought and learning around possible alternative approaches that each organisation could consider.'

### Environment

Dedicated as we are to the health of our customers, we naturally feel a passionate concern for the wellbeing of the environment. And, as with our products, innovation is the hallmark of our activities in this area.

**Taking a lead on chemicals** These days, every manufacturing or retailing business has a duty to consider the impact of the chemicals in the products it sells on human health and the environment. But as chemists, we believe that Boots has a responsibility to lead the way – both in highlighting chemicals for replacement and engaging with stakeholders to ensure that the position we take reflects their views.

Over the last 12 months, we've continued to develop our priority substances list, which highlights chemicals Boots are currently taking action on. We've also carried out independent research into the use of chemicals and debated with key stakeholders and opinion-formers across Europe on the proposed chemical legislation (REACH).



We continue to implement our strategy on chemicals (published in March 2003) across the whole of our business, and to ensure that we maintain trust in our brand, we'll continue dialogue with all our stakeholders, and our efforts to influence the legislative process of REACH.

**A new strategy for cutting CO<sub>2</sub> emissions** At Boots we're committed to minimising the climate change impact of our business, by reducing carbon emissions (principally CO<sub>2</sub>). And in 2003, we became one of the first companies in the UK to conduct a detailed study with The Carbon Trust to determine the carbon 'footprint' of our stores, offices and warehouses, and also of transport used by us for delivery and for business travel.

As a result, we've been able to produce a detailed carbon management strategy, which among other things identifies potential savings of around 10,000 tonnes of CO<sub>2</sub> per year through energy efficiency in our buildings and transport.

**Built-in sustainability, by Product Bank** Over the past year, we've made important progress in applying sustainable development principles to product design, linking up with external centres of excellence to bring new ideas and concepts into the business.

At a strategic level this included our involvement in Project Sigma; a joint initiative involving Bsi, Forum for the Future and AccountAbility. In 2003, the project culminated in the publication of a groundbreaking series of sustainable management guidelines.

For internally produced products, the innovative thinking needed about sustainability is supplied by Product Bank. This new team within the product and development department is dedicated to understanding new technological developments and progressing them to a point where they can be used in Boots products. The aim is to build sustainability into new Boots products right across our portfolio, taking into consideration such issues as the need to reduce packaging and increase accessibility to all sections of society including the elderly and infirm.

## Marketplace

For Boots there has never been a contradiction between running a successful, profitable business and providing a socially valuable service. That's part of our heritage, which is clearly reflected to this day in our stores, our products and even our relationships with suppliers.

**A better deal for disabled customers** As part of our commitment to meeting the objectives of the Disability Discrimination Act (DDA), staff in all Boots stores, opticians and healthcare services practices have completed extensive disability awareness training. Our aim is not just to prepare for stage three of the DDA (which comes into force in October), but to make all areas of our service provision fully accessible to all our customers.

Our training programme was based on typical customer interactions. Focusing on each kind of disability in turn, it was designed to help our staff learn how to modify their usual behaviour where necessary, when dealing with disabled customers.

**Setting standards for our suppliers** For a major retailer, ensuring that all its many suppliers treat their workers fairly and show a responsible attitude towards the environment is an enormous challenge. But that's the goal Boots is working towards. An important step, in May 2003, was joining the Ethical Trading Initiative (ETI), an alliance of companies, NGOs and trade unions, working together to promote the observance of internationally recognised labour standards – in particular, fundamental human rights – throughout global supply chains.

As a demonstration of our commitment to the ETI, we've embarked on a programme of assessing all of our Boots brand product suppliers against our own Code of Conduct for Ethical Trading (see Boots-plc.com). We aim to complete the programme by April 2006.



Carried out by our own team of trained social accountability assessors, this process reviews suppliers' labour practices and environmental performance.

As a result of the assessments we've carried out so far, 20 small to medium-sized Boots suppliers have been put forward to take part in the Envirowise Supply Chain Partnership, a government-funded programme offering free advice on practical ways to minimise waste and increase profit. To date, total savings of over £600,000 have been identified from those Boots suppliers who took part.

**Working together to make a difference** Thanks to the hard work of our own people, and the generosity of our customers, our charity partnerships raised much needed funds for two very important causes last year.

Our 'be up front' campaign took us into our seventh year of support for Breast Cancer Care. New for last year, N°7 teamed up with Swarovski Crystal to develop an exclusive brooch sold in support of the charity. Combined with make-over marathons at over 200 stores, this helped us to raise over £300,000 bringing the total we have donated so far to Breast Cancer Care to over £1m.

With one in five households in the UK affected by asthma we were happy to join forces with the National Asthma Campaign last year. As well as raising awareness of asthma issues among our customers, we sold specially designed pin badges at all our stores, raising well over £400,000 for the charity.



## Workplace

Corporate social responsibility begins at home. That's to say, responsible employers recognise that caring for their own people is essential to the company's success, and its ability to meet its wider obligations.

**Getting in Shape, responsibly** As you've read elsewhere in this report, we cut around 1,000 head office jobs last year. This was a necessary step to make Boots a leaner, faster-moving and more efficient business; but, of course, we were very aware of the effect that this decision would have on our people, their families and the local community in Nottingham.

To minimise uncertainty, open and honest communication was essential. Chief executive Richard Baker announced the changes personally to everyone affected. And on the same day, each member of staff had an opportunity to discuss their own position, in a one-to-one session.

To achieve the majority of job losses through volunteers, we offered generous redundancy terms; and to help people find other opportunities, we used a professional outplacement service, as well the local Job Centre Plus. As a result, we succeeded in achieving virtually all the redundancies voluntarily.

**Back to the floor, for Christmas** At Boots, we strongly encourage our office people to spend time working in our stores, to keep in touch with the retailing realities on which our success depends. And at Christmas, with the stores stretched to their limits, we made a special effort to get as many people as possible back to the floor.

In all, around 2,000 people from head office volunteered to lend a much-needed hand. As well as helping our stores cope with Christmas, we've found this to be an invaluable way of bringing Boots people together, giving our store people a real sense of being appreciated and supported by their office-based colleagues.

**Listening to our people** Responsible employers learn by listening to their people. So we recently carried out a survey to find out what our people think about Boots, their jobs and their managers. Among the largely positive findings, we were very happy that 78% of those responding agreed with the statement 'I am proud to work for Boots.'

To give our people an opportunity to have their say about how we run the business, we relaunched the Boots Retail Forum last year. Already, this has started to provide us with very useful feedback about how people are feeling at grassroots level, and excellent suggestions about how Boots could serve customers better.

**Exceeding our safety targets** The health and safety of our people are, of course, an absolute priority for Boots. So we're pleased to report that our drive at Boots to reduce work-related accidents continued to deliver results. In fact, over the last two years, our performance in this respect has far exceeded the targets we set as part of our 10-year plan. There's been a major reduction in accidents across all our main operational areas, but Boots Manufacturing (BM) and Logistics have done particularly well, with improvements of 48% and 56% respectively.

Finally, our annual Health and Safety Performance Report for 2001/02, published on our website in 2002, was identified as achieving an exemplary level of reporting, in research published by the Health and Safety Executive in 2003.

