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From Philanthropy to Essential Business Investment - the evolution of CSR at Boots UK

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Head of CSR – Boots UK

Alliance Boots – the company



- July 2006 Alliance UniChem Plc merges with Boots Group PLC to form Alliance Boots plc
- June 2007 Alliance Boots is acquired by AB Acquisitions Limited (privately-owned)
- £23.3 billion turnover*
- Over 3,200* health and beauty retail outlets
- Supplying over 160,000* pharmacies, doctors, health centres and hospitals from over 370* warehouses
- Over 115,000* employees in more than 25* countries
- Two Divisions: Health & Beauty, Pharmaceutical Wholesale

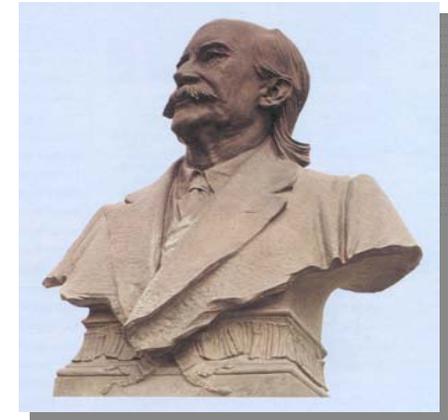
* for the year ended 31 March 2011 (including share of revenue of associates and joint ventures)



Boots UK – the business



- Formed in 1849 by the Boot family
- Jesse Boot was the catalyst
- Retailer, product developer and manufacturer
- £6 billion+ turnover*
- Over 63,000* employees
- Around 2,500* stores
- A combination of Boots and Alliance Pharmacy
- A major re-branding programme



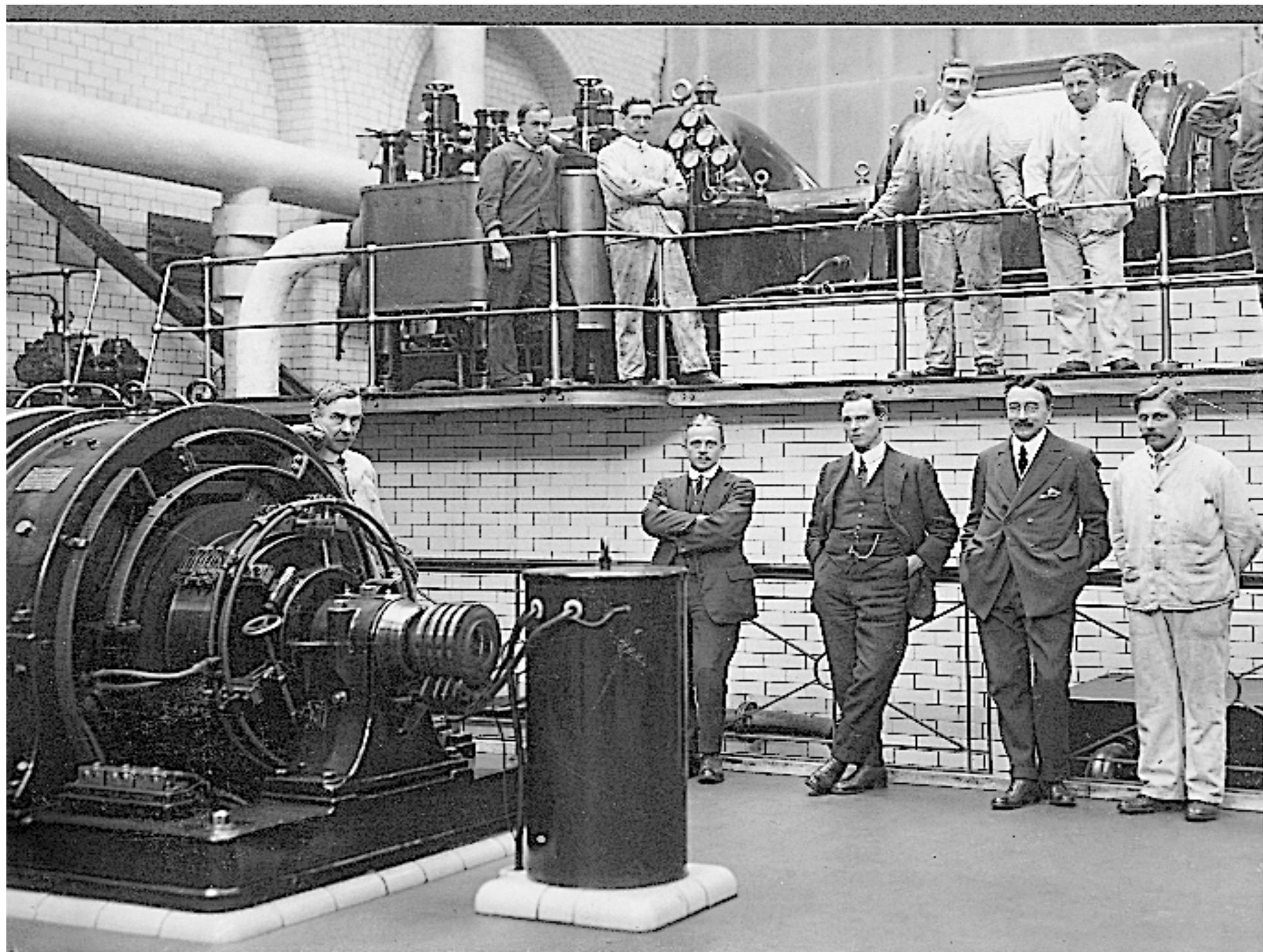
* for the year ended 31 March 2011



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An entrepreneurial heritage

- It all started with Jesse Boot
- His principles became embedded in all Company actions and activities
- 1888 Minutes taken at the first meeting of the Directors of the Boots Pure Drug Company – 20 years before law decreed such accountability
- 1894 reduction in prescriptions prices – 20 years before the National Act introduced uniform tariff
- 1911 Eleanor Kelly appointed first full time staff welfare worker
- 1915 First Combined Heat and Power energy centre
- 1920 Boots Day Continuation School (later Boots College)





An entrepreneurial heritage



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- 1924 Boots female staff outing to the Empire Exhibition at Wembley
- 1925 First day and night store opened at Piccadilly Circus
- 1930s Boots invests in recycling machinery
- 1934 Five day working week introduced
- 1940s Bottle salvage operation begins
- 1970 Boots Charitable Trust established as a registered charity
- 1972 Appointment of first senior environment manager
- 1977 Social Responsibilities booklet for staff



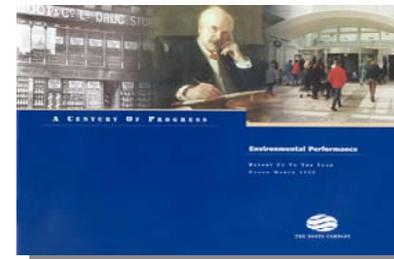
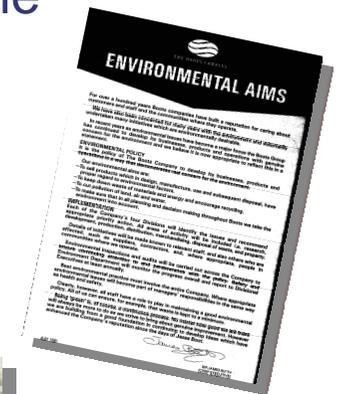
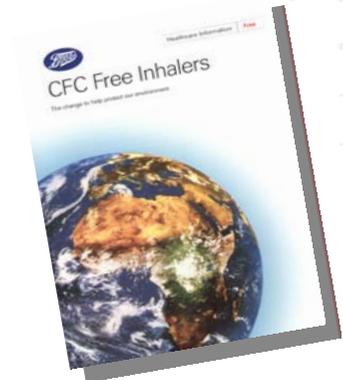


An entrepreneurial heritage



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- 1988 Amongst industry leaders in product CFC reduction
- 1991 Environmental Aims policy statement issued
- 1992 Founder member WWF95+ Group, leading to FSC certification process
- 1993 Environmental awareness auditing of suppliers
- 1994 Award winning Energy efficient stores lighting scheme
- 1997 New D200 CHP energy centre
- 1999 Published first external environmental report
- Trust in the Boots brand - MORI, Most Trusted Brand surveys
- But not just heritage, there is a sound business case

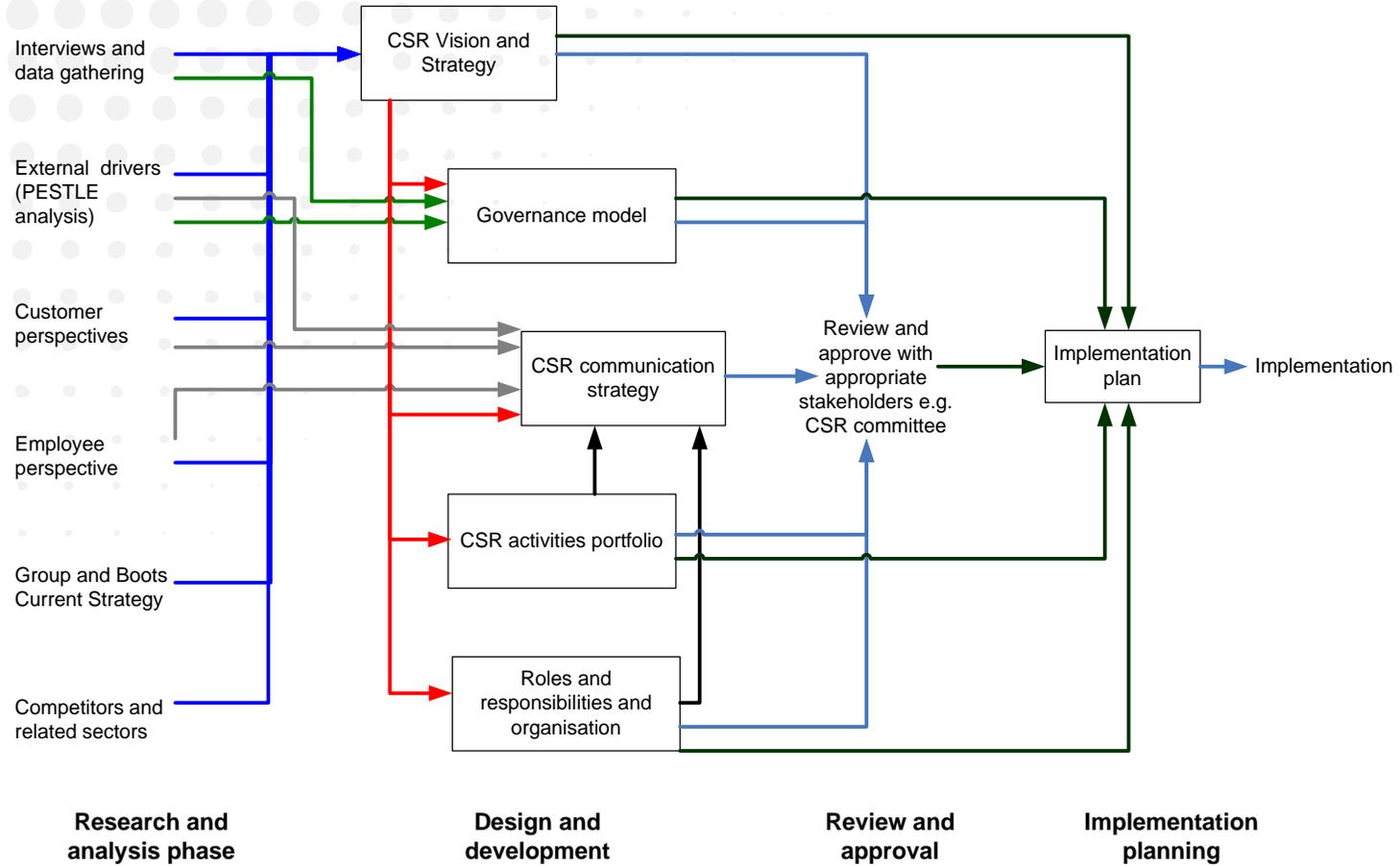


CSR today



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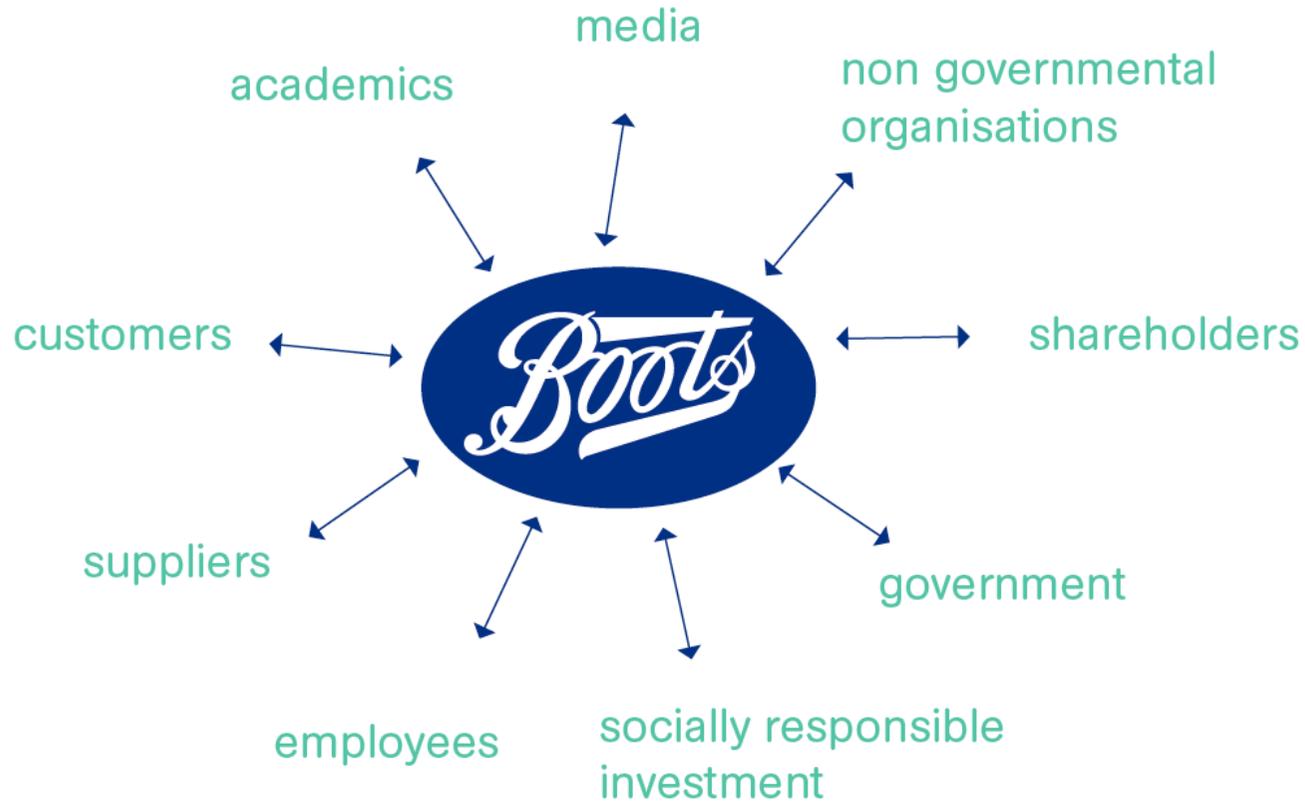
CSR strategic review – project phases



Stakeholder-led



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Our mission purpose & values



Mission

To become the world's best pharmacy-led health & beauty retailer

Purpose

To champion everyone's right to Feel Good

Values

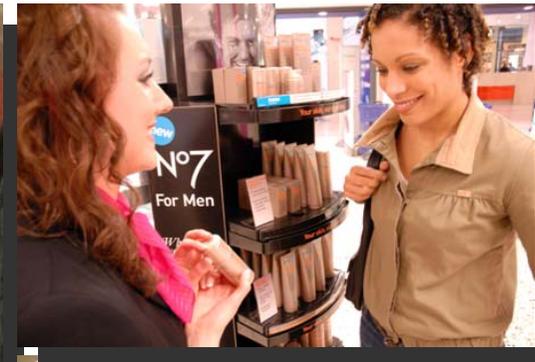
Partnership

Trust

Service (care)

Entrepreneurship

Simplicity



Our CSR mission and purpose



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Mission

To become the world's best pharmacy-led health & beauty retailer

Purpose

To champion everyone's right to Feel Good

CSR

To be the UK's most socially responsible retailer in the health and beauty market

By

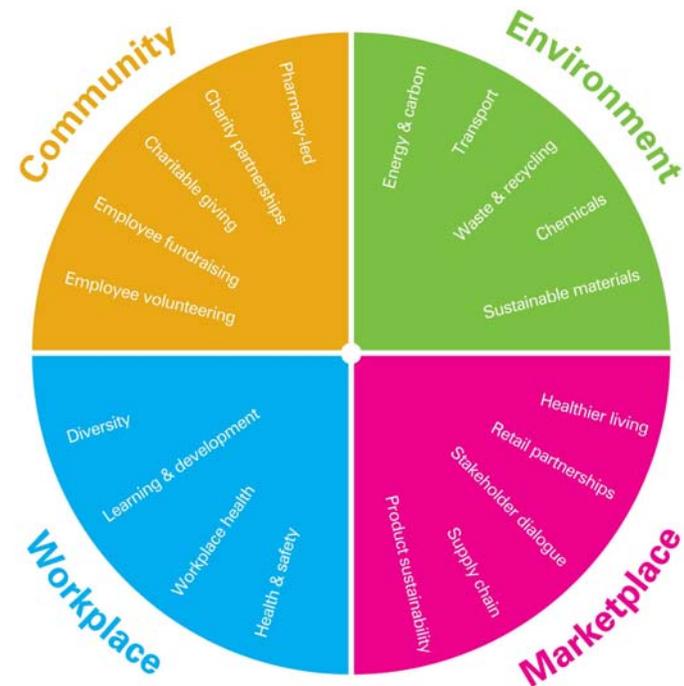
- improving the health of our customers and their communities,
- protecting the environment,
- leading the development of sustainable products, and
- having our customers and colleagues at the heart of our business.

Corporate social responsibility



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- Balanced scorecard
- 19 issues; 4 priorities
 - Community healthcare (Macmillan Cancer Support)
 - Carbon management
 - Sustainable products
 - Workplace health
- Platinum benchmark
BitC Corporate Responsibility Index



Strategic CSR priorities



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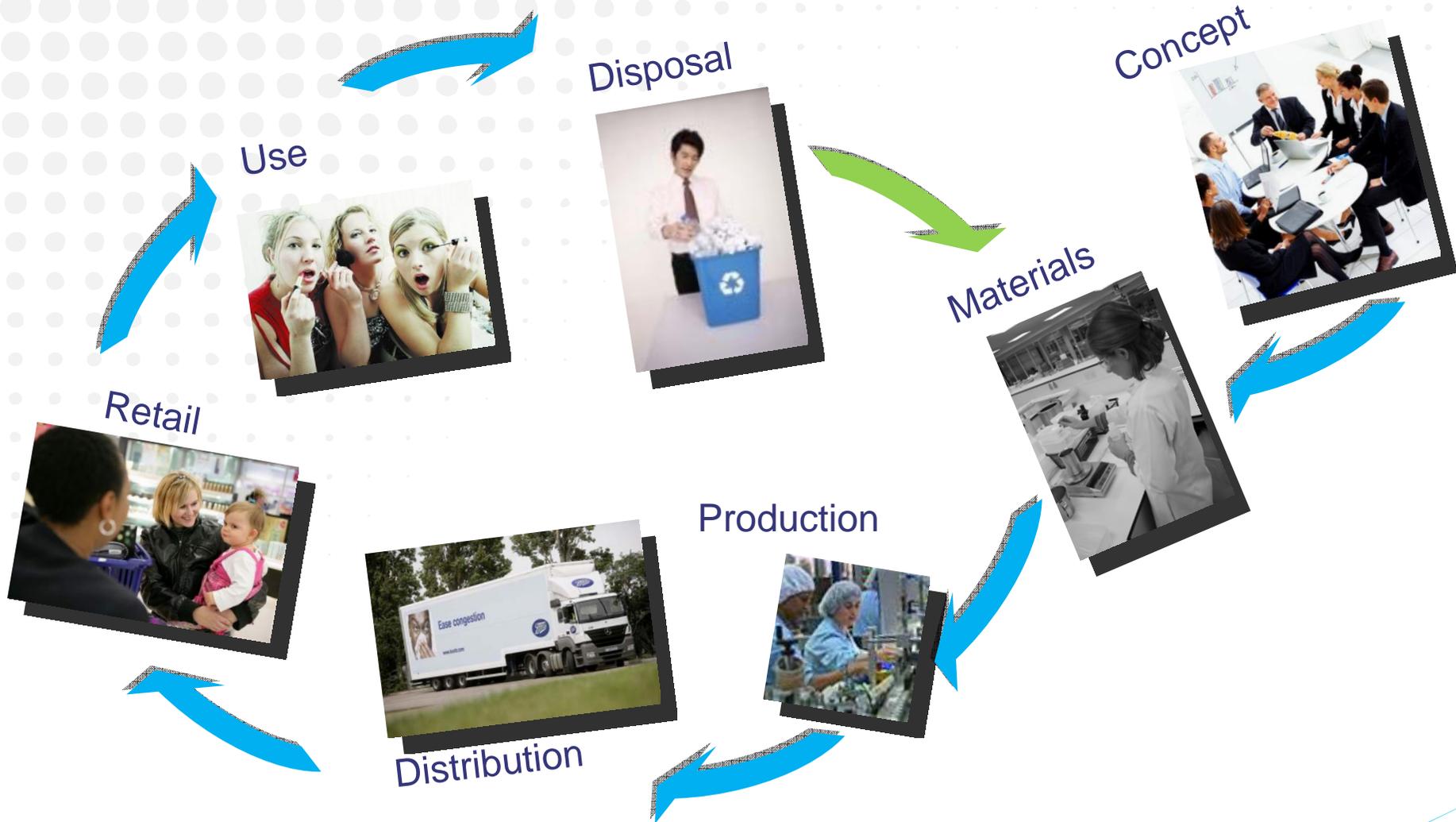
1. Product sustainability



The product journey – our impacts



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Understanding the impacts



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- Impacts vary by product and by supply chain throughout the product journey
- 10% reduction by using recycled plastic bottles
- Another 10% reduction through supply chain improvements
- But our direct control only covers 7% of the product journey emissions
- 93% of emissions occur in the home

You can help too. Using cooler water to wash your hair cuts CO₂ emissions, reduces your energy bills and is actually better for your hair

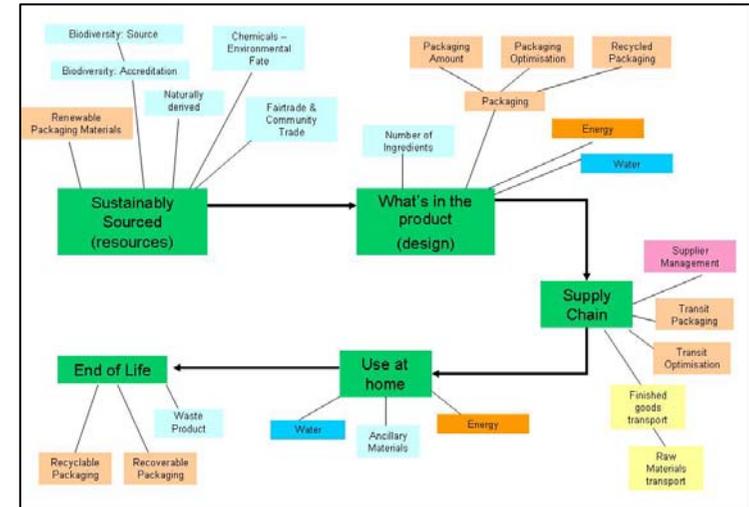


Our product assessment process

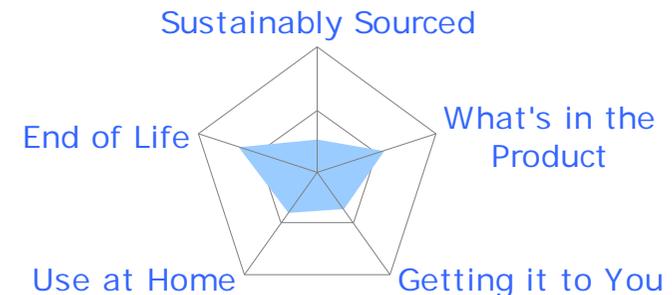


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Boots-developed, web-based tool that quickly and simply analyses and scores 23 sustainability indicators across the lifecycle of an individual product, including consumer use



Creates a sustainability profile “footprint” of a product to compare relative performance and identify “hotspots”





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Product sustainability

Examples of issues we're addressing to meet our commitment to sustainable sourcing include:



Palm oil, a common ingredient of soap, sourced sustainably to protect habitats and biodiversity.



Pole and line fishing methods, preventing other species being caught along with the tuna.

Product sustainability – the future



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- Reusing waste heat and carbon dioxide from our Combined Heat and Power Energy Centre to grow algae
- Partnership with Plymouth Marine Laboratory, Cognis and Carlton Power
- The vision? using renewable natural ingredients within products while helping to reduce emissions



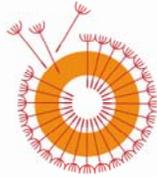
Strategic CSR priorities



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Business
in the

Community



THE PRINCE'S
MAYDAY
NETWORK

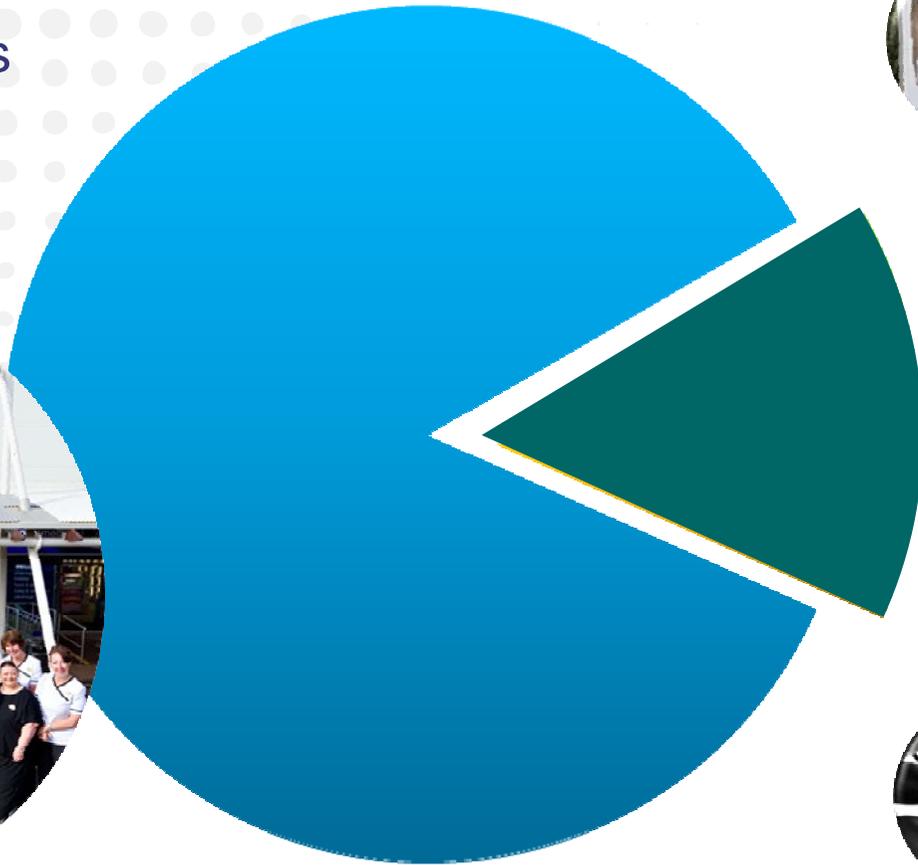
2. Carbon management



Our direct carbon footprint



Around
80% arises
from energy
use in
buildings



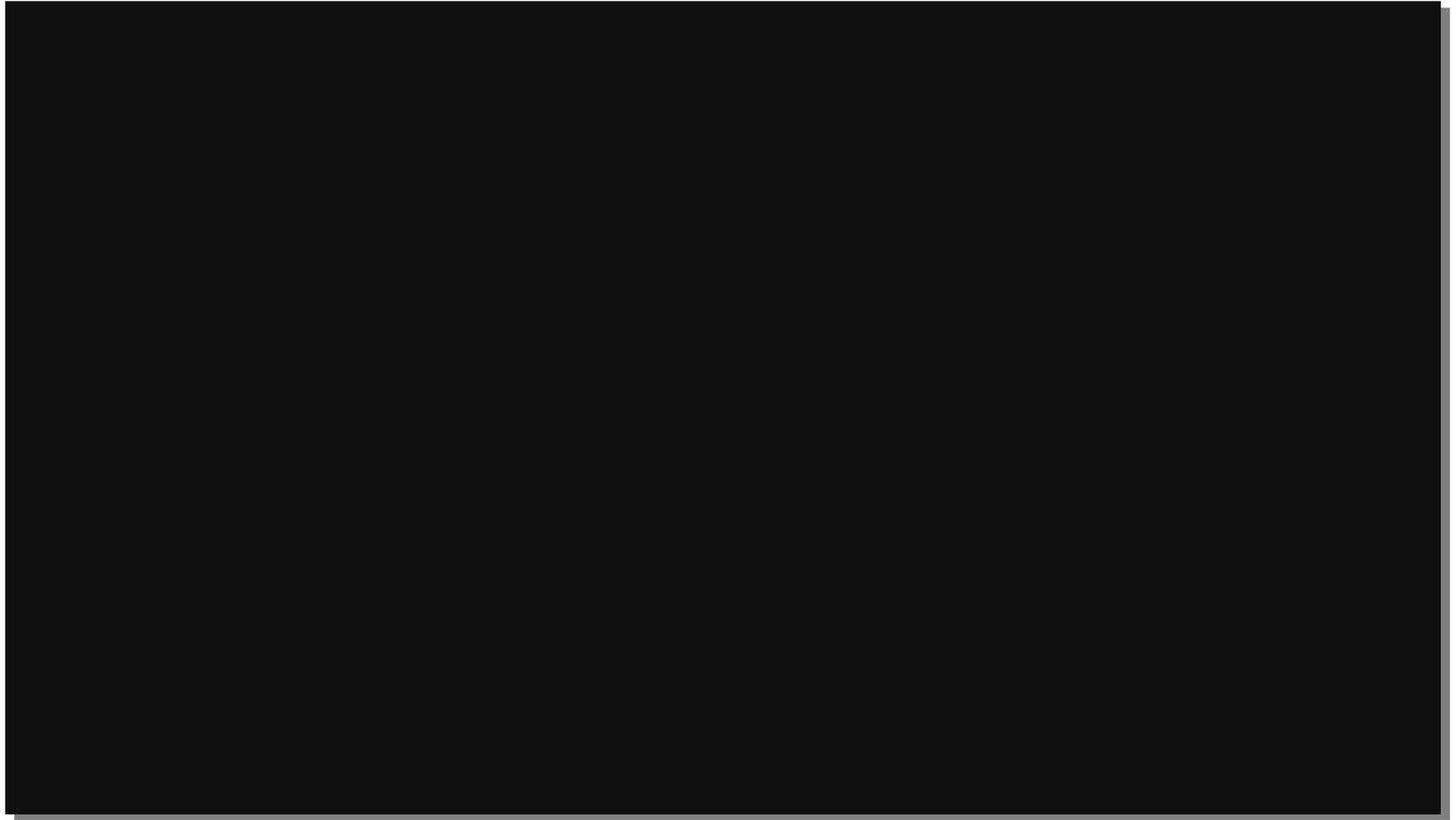
15% from
product
delivery
With the remaining
20% from transport
5% from
employee
business travel



VT

Eastbourne Store

Auto plays on next slide and auto advances
to following slide at end of VT



VT

MUD Trailer

Auto plays on next slide and auto advances
to following slide at end of VT



Strategic CSR priorities



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3. Workplace health



Employee Wellbeing



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- For Boots UK to “champion everyone's right to Feel Good”, this must include our employees
- 92% of Boots UK customers believe companies have a responsibility to look after the health of colleagues

Our current online and e-learning programmes:

- **Healthy Minds**
 - to reduce stigma and improve support of mental health
- **Healthy Backs**
 - to improve support for back conditions
- **Online Health Assessment**
 - Enter details about health and some measurements
blood pressure/ weight/ height
 - Receive score of your health compared to others
 - Individually tailored advice
 - Range of offers



Positive potential for employee wellness



Physical Health Benefits (cycling / walking to work)

- Better physical fitness
- Enhanced energy and vitality
- Reduced obesity



Psychological Health Benefits

- Physical exercise promotes emotional wellbeing
- Less stress by avoiding public transport
- Development of emotional resilience
- Feel-good factor of employer caring about our environment



Positive potential for employee wellness



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Social Health Benefits (Car sharing / public transport, etc)

- Opportunity for informal communication with colleagues
- Networking opportunities
- Development of social capital

Overall business benefit

- Enhanced employee engagement
- Linked with enhanced performance

Boots CarShare

Welcome to the Boots Car-share Scheme

This is a free service provided by Boots for all employees at the Beeston and Feltham Support Office sites.

What are the benefits of car-sharing?

- Saves you money - share the cost on fuel, maintenance and all other commuter associated costs
- Reduced the number of cars on the roads - on our site, and in our car parks
- Gives you more options - use this site to car share, or find a BUDI to walk, bike or ride in a taxi with
- Helps those that live in remote areas - if you live further, they'll be someone en-route you can share with
- Reduces the need for a private car - you can use it for business miles too and share trips to stores

So [register](#) and enjoy the benefits of car sharing today.

Strategic CSR priorities



CommunityMark
developed by Business in the Community



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4. Community healthcare

**WE ARE
MACMILLAN.
CANCER SUPPORT**

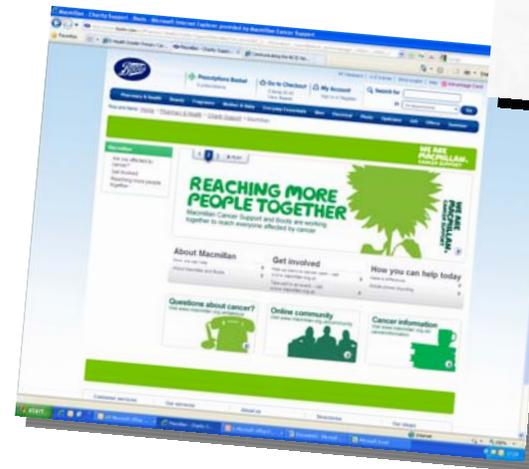


Community services

- Birmingham trial – Macmillan Information Zone
- Questions about Cancer leaflet in all stores
- Developed e-learning modules such as Working Through Cancer
- Created “Macmillan Week” in store with 100 stores having Macmillan Information Specialists present in store
- Permanent presence on Boots.com



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Employee engagement



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- 110,000 “Miles for Macmillan” completed by colleagues in 2010/11
- Macmillan cancer awareness training delivered to pharmacists and pre-reg students.
- No7 consultants trained in the visible side impacts of cancer treatment
- 600 pre-reg students completed a Macmillan based community health promotion day
- Macmillan based volunteering programmes launched, including 1 to 1 care for customers living with cancer, and senior management skills training



**MILES
FOR
MACMILLAN**

WE ARE
MACMILLAN.
CANCER SUPPORT



Fundraising

- Over £2.5 million raised for Macmillan Cancer Support in 2010/11
- Miles for Macmillan and employee fundraising
- Miles for Macmillan microsite developed, tracking miles covered, sharing stories, pictures, tips
- Sales promotions



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In summary

- A strong heritage – embedded in our business DNA
- CSR is at the heart of our business strategy – our customers expect nothing less
- Focused on strategic opportunities and impacts
- Driving business effectiveness
- Building value and brand trust

Effective CSR: a win-win for business



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Good for {
colleagues
the environment
business





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