

**Boots The Chemists application
For the BitC Eco-efficiency Award 2007
Summary**

**A journey to sustainability
Boots eco-efficiency initiatives**

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1. Boots The Chemists the organisation

Boots The Chemists (BTC), part of the Alliance Boots PLC, is the UK's leading retailer of health and beauty products. BTC is made up of 2 principle groups, around 1400 shops in most locations in the UK and the Republic of Ireland and Boots Manufacturing (BM) that develops and manufactures many of the company's own brand toiletries and beauty products. Head Office, manufacturing and warehousing functions are located on a 350-acre site in Nottingham. The company employs around 63,000 people and has a turnover of £5,027 million. In our own factories we make around 93 million plastic bottles and over 509 million product units p.a.

2. Summary of eco-efficiency activities

Boots has consistently demonstrated eco-efficient management processes for around 100 years and this application shows how today the business continues to drive towards sustainability through its ongoing commitment to innovation and resource efficiency. The application focuses specifically on packaging minimisation, waste minimisation and recycling.

From the use of a CHP energy plant back in 1915; glass recycling in the 1930's; reusable transit packaging in the 1950's; through to modern day innovations such as the use of recycled and recyclable flat-pack display units; Boots has continued to prove that good environmental practice makes good business sense.

Our current recycling rate of 50% delivers around 67% saving in waste costs.

A holistic approach to environmental management, specifically considering "cradle-to-cradle" aspects, is important to Boots and we are uniquely positioned as a manufacturer and retailer to maximise the eco-efficiency processes and materials use from the design stage through to the products manufacture and beyond (Figure 1 Boots Product Journey)

Figure 1: "The Product Journey" used when developing Boots brand product shows this cradle-to-cradle approach and shows how eco-efficiency principles are embedded into the business.

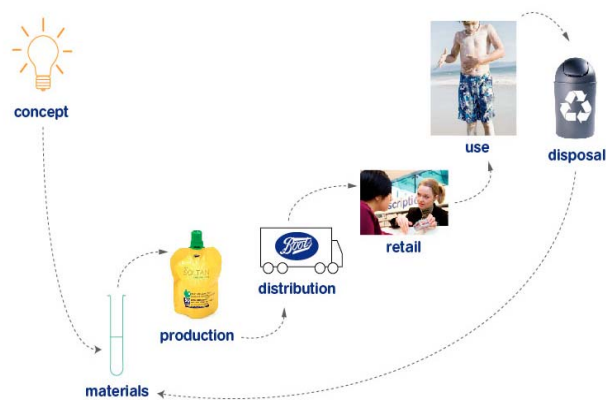


Figure 1: The Product Journey

2.1. Company eco-efficiency targets

Boots has set eco-efficiency targets for over 30 years. These have been long term targets set and monitored through our Corporate Social Responsibility (CSR) management processes. Today, reducing the company's reliance on landfill and increasing the sustainability of products and product packaging form part of our targets to become more eco-efficient. Current targets for landfill reduction product packaging are shown below:

- To further reduce waste sent to landfill by 20% by 2008.
- To further reduce single trip packing by 10% by March 2006
- To reduced single trip packing by a further 10% by 2010

2.2. Innovative eco-efficiency activities and initiatives

Through effective management and innovation, Boots eco-efficiency initiatives in material use, waste minimisation and recycling are delivering a positive impact on the environment and generating clear business benefits.

Boots was one of the first retailers to implement recycling to its business and has been recycling cardboard since the 1970's. Today we recycle and reuse over 17 different types of material which otherwise would be disposed of to landfill. The company also has an extensive programme of making its products more sustainable and prides itself in developing products and packaging, which are not only innovative but push the boundaries in terms of product sustainability.

Key initiatives that support previous and current targets are: -

- Maximising recycling through Backhauling "waste" from our shops
- Mixed plastic recycling introduced from all shops
- Monitored Dosage Service packaging reduction
- Recycled material used on "Basic" toiletries range
- Developed a 100% recyclable free standing display unit (FSDU)
 - This innovative project reached the final of the national recycling awards in 2006.
- Introducing plastic bottle recycling during manufacturing
- Recycling redundant shop fittings

Details can be found within the submission.

2.3. Impacts on waste reduction and recycling

Boots recognises absolute waste reduction is difficult to achieve in a dynamic and growing retail business. Therefore our strategy has been and continues to be to minimise waste at source whilst still reducing our reliance on landfill.

Figure 2 shows the annual percentage reduction since 2001.

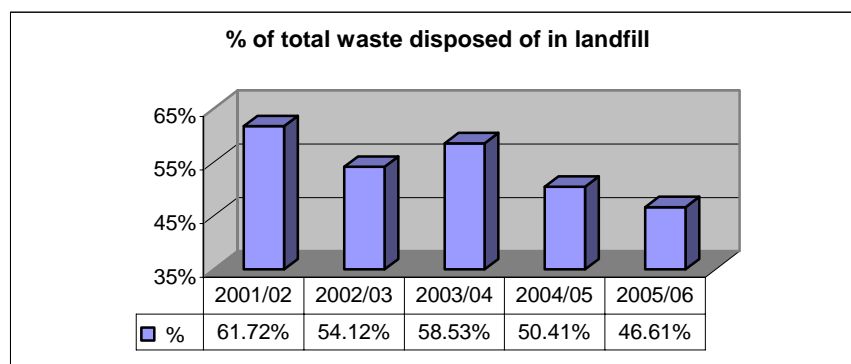


Figure 2: Percentage of total waste disposed of in landfill

2.4. Working with Suppliers

We influence our suppliers towards greater eco-efficiency by, for example, running innovation and design workshops for show material and display aids suppliers and supporting the Envirowise "supplier programme". This has brought financial benefits of £675,000 to our suppliers over the last 5 years and increased our eco efficiency by producing more sustainable products / display aids e.g. recyclable free standing display unit detailed in 4.1.2 and 4.2.5

3. Impact

For over 30 years Boots has realised the business and environmental benefits from eco-efficiency initiatives, whether this is reducing the volume of resources used in making our products, or recycling the waste that cannot be eliminated from our manufacturing or retail operations. Some examples of the projects completed or initiated to deliver these performance improvements are highlighted below.

3.1. Environmental benefits.

In addition to the financial benefits described above our ongoing sustainability initiatives deliver significant environmental benefits.

3.1.1. Impacts on waste reduction and recycling

Boots has been highly successful in delivering its waste minimisation and recycling strategy. Since 2001/02, while total waste within the business has grown (as the company has expanded and grown); landfill has reduced: and recycling has increased. This shows landfill has not been used for the additional tonnage. Table 6 shows our disposal routes and waste tonnages over the last 5 years.

Disposal routes	2001/02	2002/03	2003/04	2004/05	2005/06
Recycling	13251	15367	15356	20966	23071
Incineration with heat recovery	200	200	316	655	683
Incineration without heat recovery	246	338	415	481	626
Landfill	22082	18758	22709	22469	21288
Total waste	35779	34663	38796	44571	45668

Table 6: Disposal routes and waste tonnages

In our March 2006 CSR report we reported on our successful progress to date against our 2003 target - to further reduce waste sent to landfill by 20% by 2008 (see Figure 9 below) and for this financial year we expect to see a further reduction in landfill.

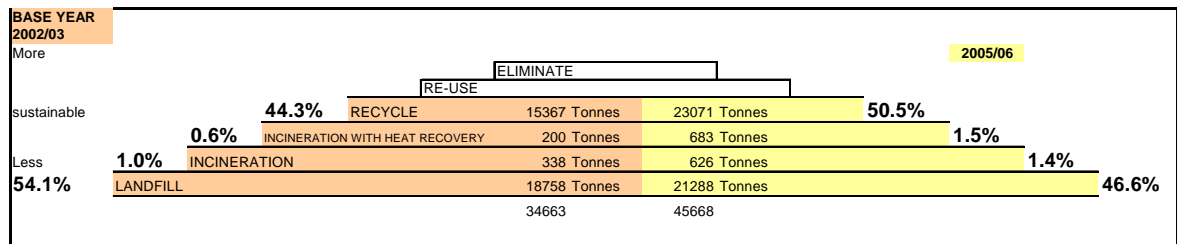


Figure 9: The Percentage of Waste shown by disposal route 2005/06

3.1.2. Recycling streams

Since the early 70's Boots has used the spare space on its returning store delivery and trunking vehicles to maximise the recycling capability of its shops. Today these vehicles collect over 13 different types of "waste" from our shops Table 8 shows our recycling tonnages

Recycling Streams 2005/06	Tonnage
Cardboard	15,000
Photo Chemicals	3000
Single use cameras (approx 2 million)	149
Glass Bottles	243
Metal	314
Office paper	349
Soft Plastic	942
Charity Donations	138
Aerosols	14
Light fittings	25
Other included Hard Plastic	407
Other including wood pallets; printer cartridges; sandwich trays; pallet pads and spines	Not measured

Table 8: Waste streams recycled from shops

Over the last 5 years Boots has continued to seek new outlets for waste which otherwise would be sent to landfill. Figure 10 below shows the recycling improvement over the last 5 years.

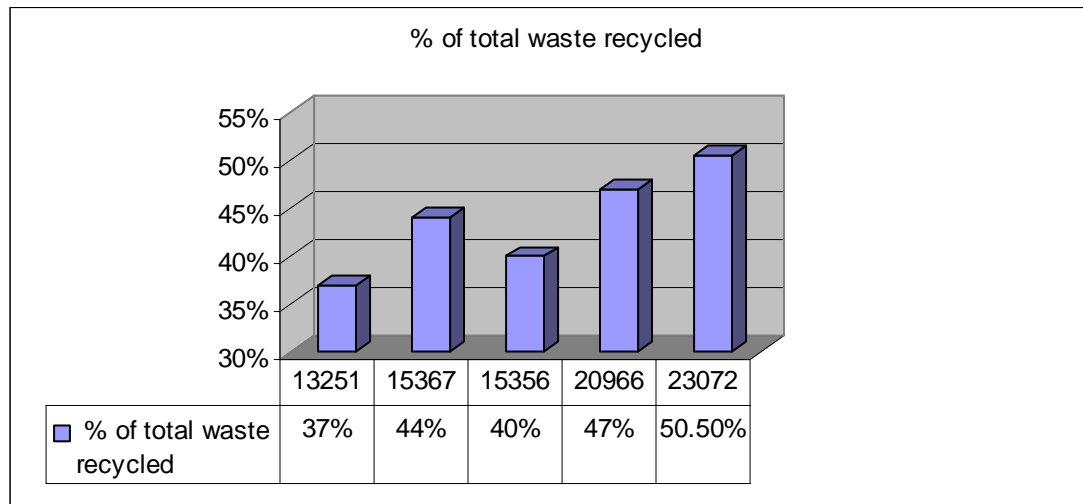


Figure 10: Waste recycled as a percentage of total waste

3.1.3. Decreased raw material use

Table 8 summaries the elimination and reduction in material use and the switch to more sustainable materials associated with the projects detailed in 4.2.4

Initiatives	Material switch / elimination	Tonnage p.a.
Free standing display units (4.2.4)	Reduction in cardboard packaging	83
Removal of plastic hook from shower gel bottles (3.5.3)	Plastic	16 t = 18% of the retail packaging weight
Compostable sandwich packaging (4.2.4)	Switch from plastic to cardboard	195
Monitored Dosage Service blister packs (4.2.4)	From PVC to a more sustainable plastic	70
Recycled material in toiletries bottles (4.2.4)	Virgin plastic to recycled plastic	20

Table 8: Raw material savings

3.1.4. Life cycle impacts

Mill Size Baling Machines

Additional environmental benefits were achieved by installing baling machines into our two Nottingham warehouses. Table 10 below shows the annual tonnage and the road miles saved

	From Dec 2004	2005	April to December 2006	Total
Baled tonnage	336	1952	918	3206
Equiv compactor vehicle trips	112	651	306	1069
Baled vehicle trips	19	109	51	179
Trips saved	93	542	255	890
Total miles saved	930	5420	2550	8900

Table 10: Road miles saved by cardboard reprocessor

FSDU's

Working with our supplier to develop the new recyclable FSDU has brought environmental benefits on a number of levels.

- 50% weight reduction from 2kg per unit to 1 kg per unit
- Annually saving 83 tonnes of cardboard.
- Diverts 429 tonnes of waste from landfill
- Saves over 9000 pallet spaces on our store delivery vehicles.

MDS blister packs

Boots Monitored Dosage Service blister packs were made from a PVC sheet 0.275 mm thick. After a redesign the new APET (amorphous polyethylene terephthalate) sheet reduced in thickness to 0.175 mm. Annual savings 70 tonnes of plastic.

Compostable sandwich packaging

In April 2007 Boots will be introducing fully compostable packaging to Boots sandwiches.

- Switches around 195 tonnes from plastic to cardboard and PLA (corn starch based plastic)
- Will facilitate composting of food waste arising in our shops

Photochemical waste

Working with our specialist waste processor we have reduced the environmental impact of our photochemical waste.

Once collected the waste is: -

- Re-used to wash old X-rays and other film
- Silver is extracted and sold to jewellery trade
- Other solids are used as filter cake biomass in landfill sites
- Liquid is sent to treatment works

Despite this reuse and recycling activity we are still trying to reduce the final volume of liquid we send for treatment and in the last few years have moved to more concentrated mixes therefore reducing final water volumes.

Recycled plastic

30% recycled plastic (rPET) was introduced into our "Ingredients" range of toiletries bottles. This makes Boots the first retailer in the UK to use recycled material in toiletries packaging.

We have to date:

- produced 4 million bottles;
- saved £2100 in reduced material cost;
- used 20 tonnes less virgin plastic;

and the business is now introducing this 30% mix into its Botanics and other toiletries ranges.

Mixed plastic recycling introduced at all shops in 2003

With the introduction of this initiative our waste costs reduced 30% and over 600 tonnes of plastic has been recycled each year.

Introducing plastic bottle recycling during manufacturing in 2006

A process for the recovery of damaged plastic bottles within our manufacturing factories diverted 20 tonnes of waste from landfill to recycling and produced an income of £1400 p.a.

Recycling redundant shop fittings - 2006

1000 pallets of unused display aids, made from multi material needed to be disposed of. The different materials on each item were separated and recycled. The operation recycled 100 tonnes of cardboard, plastic and metal and saved £15,000 in landfill costs.