



Great strides in sustainability

UK high street giant Boots believes that greener business is better business and, as chief executive **Richard Baker** explains, it is making serious headway in its efforts to reduce its impact on the planet.

Why would customers trust us with their health if they saw us harming the planet? From the search for safe and sustainable ingredients and generating its own energy-efficient power to reducing packaging waste, Boots understands that what is good for the environment is good for business.

Even the simplest Boots product may contain many ingredients, not just in its formulation but also in its packaging. Boots takes the greatest care choosing and combining the right ingredients to ensure optimum performance at every stage of the product journey – from factory to store to customers' homes and then to disposal or, preferably, recycling.

Many people believe that consumer goods are unnecessarily over-packaged. However, from a sustainable development point of view, packaging can have positive and negative aspects. Concerns over resource use and waste disposal are well known, but packaging can be beneficial by preventing product damage and ensuring a longer life for perishable products. Achieving the right balance is known as packaging optimisation.

OPTIMALLY PACKAGED

Product development teams at Boots work to ensure that only the optimum amount of packaging is used. Its aim is to provide aesthetically pleasing and easy-to-use Boots products that have the right amount of pack protection.

At the same time, Boots ensures that the environmental impact is minimised and that at the end of its life it can be efficiently recovered or recycled. As well as considering the environmental impact of packaging for new products, Boots regularly reviews existing ranges for improvement, taking every opportunity to introduce initiatives and new materials that will provide environmental and consumer benefits. Wherever possible, Boots uses recycled materials or materials that can be recycled.

EFFICIENT TRANSPORTATION

In its distribution network, Boots has minimised packaging by transporting products in reusable containers. Its long-distance trunking fleet now includes 23 dual-fuel vehicles, running on

a mixture of liquefied natural gas and diesel; compared with 2004–05, this has saved around 1,200t of CO₂.

An even bigger improvement has resulted from the introduction of double-deck trailers. So far, Boots has 16, which saved 1.4 million kilometres of road travel in six months. New wagon-and-drop vehicles – with a towbar and trailer – have saved a further 200,000km in six months. This is projected to increase to around 1.1 million kilometres this year.

Boots has also continued to reduce the amount of time it spends on the road through its policy of backloading, using its delivery lorries to pick up goods from its suppliers on their return journey. By April 2007, Boots expects these initiatives to have reduced its CO₂ emissions by 4,600t annually, representing around 13% of its commercial transport emissions.

And it is aiming for further improvements by training its drivers in techniques for conserving fuel and reducing emissions, and also by analysing its fleet to optimise the size of vehicle being used on all delivery routes and runs.

SUSTAINABLE SOURCING

With certain natural ingredients bought in bulk commodity markets, it is very hard to trace their origins to ensure that they have been sustainably sourced. Palm oil is a good example. It is widely used in all kinds of products, from cosmetics to confectionery. But unsustainable growing practices are resulting in the destruction of vast areas of rainforest.

In January 2006, Boots took an important step when it became one of the first UK retailers to join the Roundtable on Sustainable Palm Oil, an alliance of producers and manufacturers working together to find ways of making palm oil production more sustainable and transparent. Boots sees this as not just highly desirable in its own right, but also as a means of setting standards that it will be able to apply to other commodity ingredients, such as soya.

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Richard Baker believes it is important to regularly review Boots’ product lines to see where further waste savings can be made.

RECYCLING IDEAS

Having begun recycling at its head office site over 70 years ago, Boots believes that its track record in this area compares favourably with that of any major UK retailer. Today, Boots recycles a wide range of items, and it is constantly working to reduce the amount of waste it produces for disposal.

In 2002–03, it set a target of reducing like-for-like waste for disposal by 20% within five years. By the end of 2005–06, it had achieved a 7.5% reduction – with 47% of its waste currently going to landfill.

A particular focus during the last year has been reducing the amount of packaging used in transporting goods safely to stores. Where possible, Boots has reduced transit packaging on Boots-manufactured goods. In addition, around 80% of all goods supplied to its stores is now delivered without any transit packaging – most of it having been stripped off at the warehouses and distribution centres – making Boots’ recovery and recycling operations even more effective.

To reduce further the amount of waste for disposal by its stores, Boots has redesigned all its freestanding display units, making them fully recyclable. This will result in an annual saving of 240t of waste to landfill. And by replacing foam board in point-of-sale materials with cardboard, Boots expects to make further savings.

Boots expects each of its stores to take a responsible attitude towards waste disposal, and monitors their performance closely. Its backloading policy means that its delivery lorries take away all cardboard waste for recycling and when it becomes aware of an individual store requesting more waste containers, it immediately challenges them on the reasons for this.

LESS WASTE

While Boots is proud of its recycling efforts, it believes that reducing the amount of waste it produces in the first place should be its highest priority. Plans for further improvements



Boots is reducing its carbon footprint through the implementation of efficient transportation practices.

COSMETIC PACKAGING

in this respect include reducing transit packaging on Boots brand goods manufactured in the Far East and increasing the use of recyclable materials in stores' display aids.

Around half of the own-brand products that Boots sells are designed, developed and manufactured by Boots. In this respect, it is unique among major UK retailers and it sees this as an enormous opportunity to take a truly holistic approach to new product development. It is in a position to take into account the entire product journey, from conception and production to delivery and customer use to ultimate recycling and disposal.

This is what Boots means by product sustainability – thinking innovatively about how to improve every aspect of how its products perform for its business, its customers and the environment.

DEVELOPING GREENER PRODUCTS

Crucial to Boots' approach is the belief that sustainable principles must be totally integrated into the new product development (NPD) process. Over the last year, Boots has continued to make important progress. Each NPD project now undertakes a risk



Cleaner, greener toiletries

Boots is constantly developing its health and beauty products. It is committed to ensuring that its products are produced in a responsible way, guaranteeing that safety, the environment and society are not compromised.

As part of this commitment, the bottles used in its Ingredients range of toiletries now include 30% recycled material, making Boots one of the first UK retailers to use recycled material in toiletries packaging.

As part of a project funded by the Waste & Resources Action Programme, Boots is working with London Remade and Closed Loop London to develop a scheme to collect, reprocess and reuse plastics. The reprocessed material is rigorously tested by Boots to ensure there is no negative effect on product quality. Indeed, the recycled bottles are indistinguishable in appearance from the previous packaging.

Utilising recycled materials reduces the amount of waste in landfills and saves resources for future generations. As such, Boots is investigating other opportunities for incorporating recycled plastics in its product packaging.

assessment, using a model that measures potential risk against sustainability criteria to enable improvements throughout the development process.

Boots' dedicated product bank team has also been exploring how new technologies can be incorporated into NPD, increasing sustainability while maintaining Boots' quality standards.

Boots consults and collaborates closely with the academic world on a range of CSR issues, including sustainable packaging design, diversity and climate change. It is a mutually beneficial relationship, in which Boots provides input and sponsorship for academic projects in return for valuable expertise and guidance.

Sustainable product development is, of course, a continuing quest – and one that presents many pitfalls and problems, as well as many exciting opportunities. Boots fully recognises the need to work in partnership with others who share its concerns.

Boots collaborates closely with other businesses and relevant government bodies. In particular, it seeks to form partnerships with centres of excellence in the academic world, including Loughborough University, Sheffield Hallam University and the University of York's Clean Technology Centre.

It is also engaged in external work on policy and standards for sustainability, including the Forum for the Future Business Programme and BS8900 Guidance for managing sustainable development, for example.

What next? Crucially, Boots believes that the need for sustainability in product development is not a constraint on its business but an opportunity for innovation – with important commercial benefits in terms of building trust in its brand and reducing costs.

As well as continuing to integrate sustainable principles into its NPD processes, it considers it a priority to spread the word, raising awareness among its suppliers, its people and its customers about why all our futures depend on sustainability. **pci**

Richard Baker



Richard Baker is the chief executive of Alliance Boots and was previously chief executive of the Boots Group. He was appointed to the Boots Group board when he joined in September 2003. He was formerly the COO and group marketing officer at Asda, and before that, worked for Mars, where he progressed through a series of roles, including national account management, brand marketing and head of sales for UK multiples.

