

Stephen Johnson
Green Chemistry & Commerce Council (GC3) Retailer Webinar
Thursday, April 5, 2012
Boots UK



Alliance Boots

Pharmacy-led health and beauty group



- Alliance Boots is a **leading international, pharmacy-led health and beauty group** delivering a range of products and services to customers.
- Alliance Boots is privately-owned
- Employs over **115,500* people**.
- Its wholesale and distribution network **serves over 160000* pharmacies, doctors, health centres and hospitals** from over **370* pharmaceutical wholesale distribution centres**.
- We operate more than **3,280* health and beauty retail stores**, of which just under **3,180* have a pharmacy**.
- Have a presence in **over 25* countries**

*as of 31st March 2011

Boots UK

A member of Alliance Boots

- Our purpose is to help our **customers look and feel better** than they ever thought possible
- We are **trusted** by our customers many of who visit more than one of our stores every week
- We are committed to offering our customers **innovative and fantastic new products** we do this through our **brand expertise** along with our strong product development and sourcing capabilities
- Many of our product brands, such as **No7 skincare and cosmetics**, **hold market leading positions in the UK** and are growing fast in both profile and market penetration



Influences to move beyond compliance

- Brand values & company policies
- Company expertise
- Availability of alternatives and proven safer alternatives
- Regulations around the World
- Other brands
- **Customer research**
- **NGOs**
- **Media**



Selection Of Results From Boots Consumer research

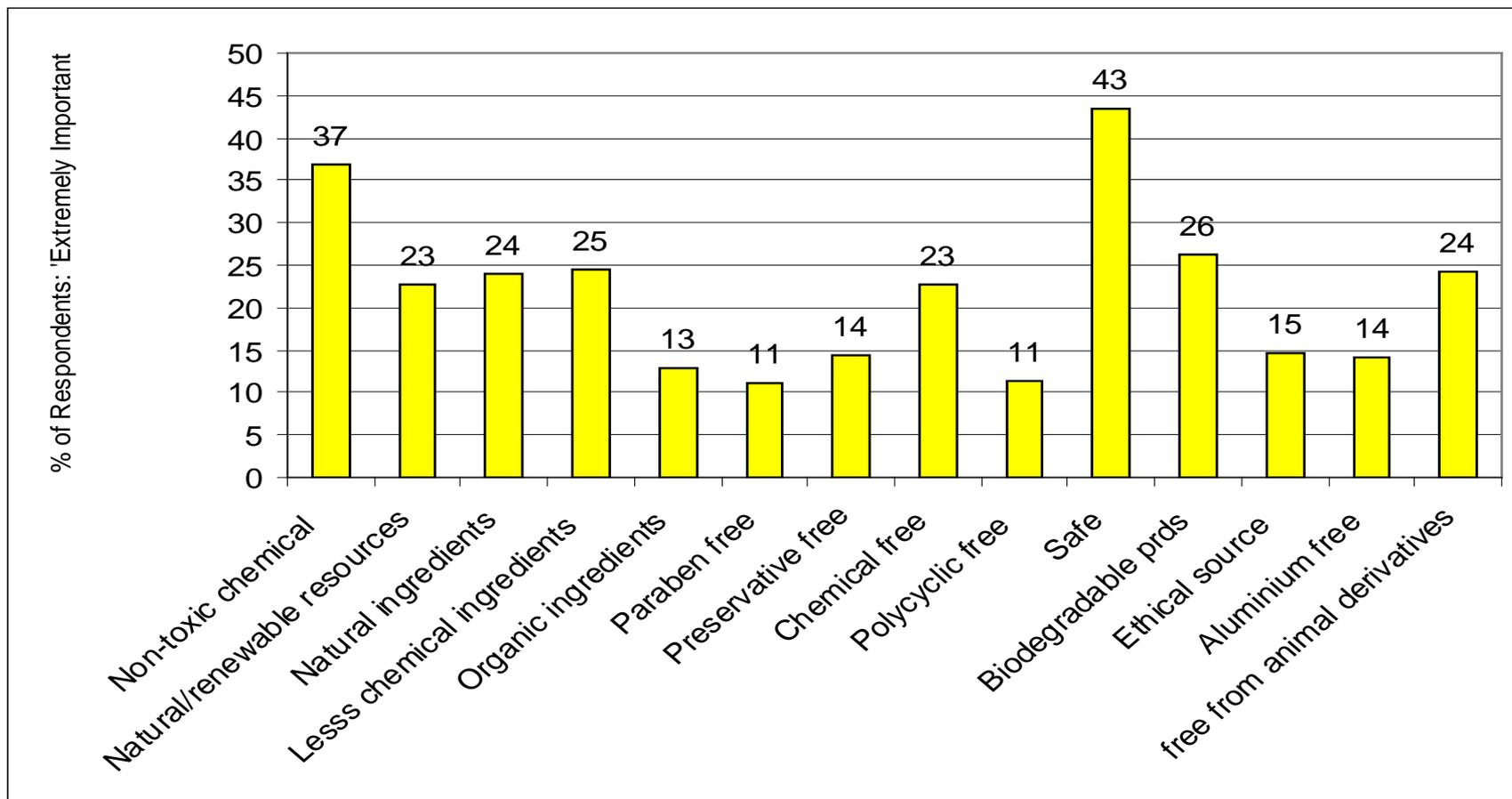
- Nationally representative sample of 1005 adults
- On line survey via TNS

Aims:

- To assess consumers' awareness of general environmental issues affecting them and their family
- To determine their awareness of issues around the packaging of, and the ingredients in, toiletries and beauty products, and the relative importance of these
- To track awareness and importance of these issues over time

Consumer Research

Importance of Issues about Ingredients in Toiletries/Beauty Products

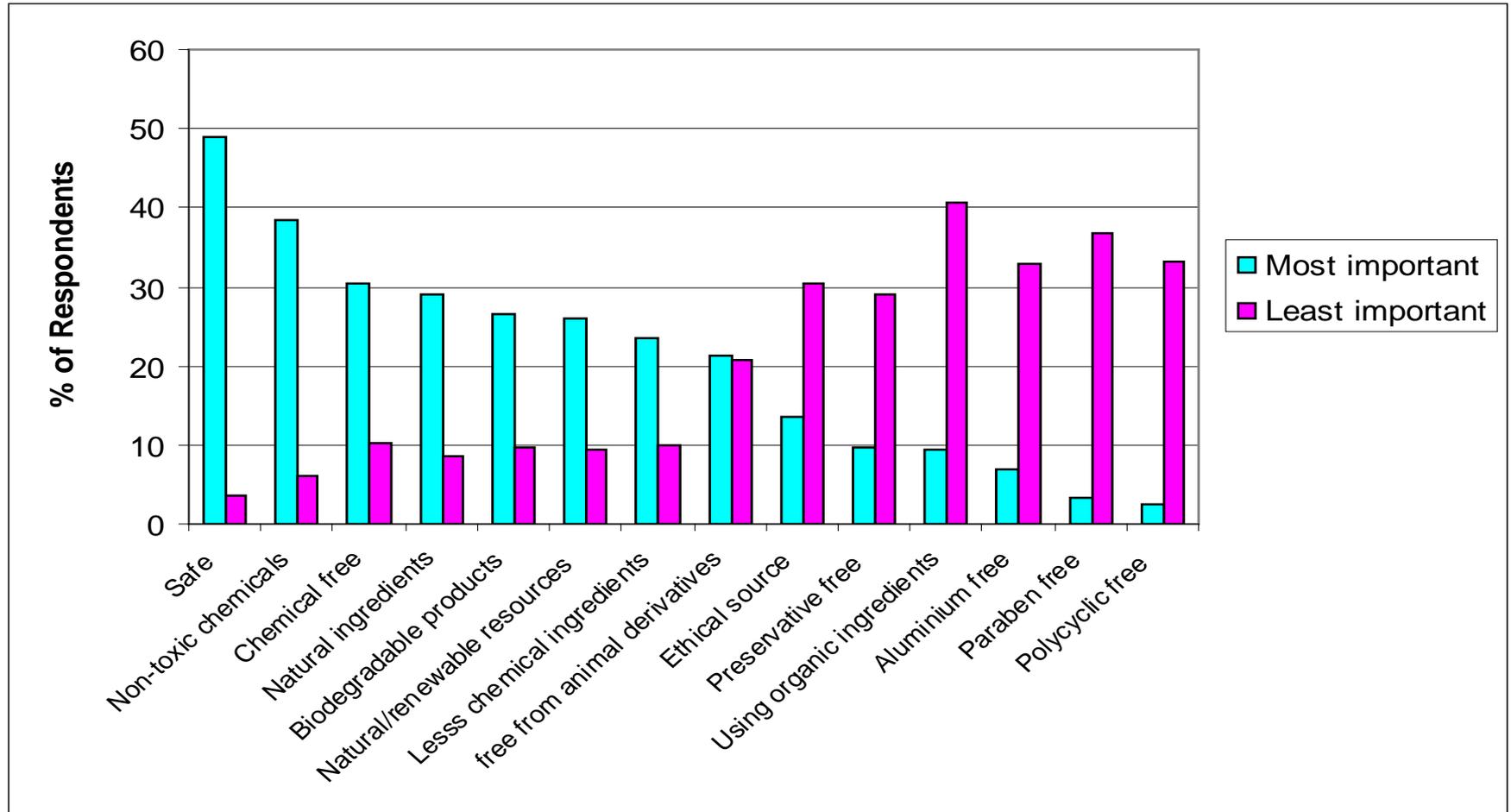


Consumer Research

Importance of Issues about Ingredients in Toiletries/Beauty Products

- Very few issues mentioned spontaneously – 65% of respondents could think of nothing.
- When prompted – safety most important general concern,
- Paraben free and Polycyclic free had the highest number of “don’t know” answers

The Most/Least Important Ingredients Issues



The Most/Least Important Ingredients Issues

- **Top two issues remain the same. Chemical free products – increased importance**
- **Organic ingredients least important overall**

Conclusions

- Topics widely reported in the media – main ones top of mind for consumers
- Consumers less able to spontaneously think of ingredients and packaging issues that concern them
- When prompted, consumers are looking for products containing ingredients that are safe and use less chemicals
- Recycling is very important – packaging should be recyclable

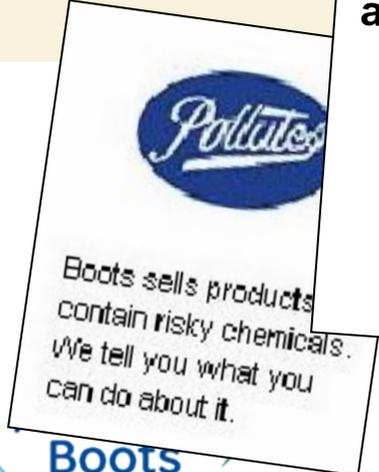


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WWF & Boots work together calling for strong chemicals legislation

Posted on 27 October 2006 [SHARE](#) [f](#) [t](#) [e](#) ...

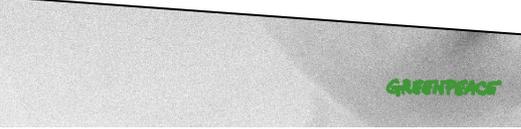


Retailers, like Boots, purveying products containing thousands of chemicals to consumers, have an enormous responsibility. In seeking to strictly manage chemicals in the supply chain Boots should be acknowledged and applauded. Other high street retailers need to do the same.'

Elizabeth Salter Green
Director Toxics Programme
WWF-UK



The BUAV is urging UK consumers to support its campaign by writing to their local MEPs to ask them to vote to prevent this new 'mascara massacre' from being passed into law.



Media....

Lack of trust in science....

Scientist have not always helped!

Science?

- BSE (mad cow disease)
- GMOs (genetically modified organisms)
- MMR (measles mumps rubella vaccine)
- Chemicals
- Nanotechnology revolution

Not just science!

- Maverick Doctors
- School bullying and gang culture
- Relationships

CONFUSION!

How Boots approach chemical management

- Chemical Stewardship Group
 - Scientific foundation for policy decisions
 - Representation from across our business both technical and commercial
- Precautionary approach
 - Customer is always our first consideration
 - Our brand is trusted “to do the right thing” and we need to continue to earn that trust

Inputs to Boots Chemical Stewardship Working Group

- Assessment is based on existing data sources from government, NGO and trade association groups
- SIN list and SIN list 2.0
- Assessment is based on information supplied by the supply chain & internal expert knowledge
- Assessment is based on risk assessment



Business benefits

- Early identification allows time to complete risk review, identify alternatives and plan for strategic substitution where merited
- Continue to delight our customers by keeping products available in our stores and delight our senior stakeholders by reducing stock recalls and write-offs
- Providing transparency and consistency of products and processes
- Enabling the setting of KPI's and provide the ability to report on progress.

Sustainability Assessment – Environmental Fate Modelling

- Identified future issue
- Limited expertise
- Low understanding
- Low risk products
- Partner organisation employed to develop strategic approach and carry out relevant modelling and testing
- Using QSAR algorithms to predict the environment impact of chemicals.
- Not a complete solution but provides us a priority to focus our future product development.



Sustainability Assessment – Environmental Fate Modelling

Boots Chemical Priority Tool





Red, Amber, Green Prioritisation Tool

<p>Substance Name <input style="width: 90%;" type="text" value="Example Substance"/></p> <p>Tonnage in EU <input style="width: 90%;" type="text" value="10000"/></p> <p>Log Kow <input style="width: 40%;" type="text" value="2"/> Henry's Constant (pa/m3/mol) <input style="width: 40%;" type="text" value="2"/></p> <p>Biodegradability <input style="width: 90%;" type="text" value="No Biodegradability"/></p> <p>Aquatic endpoint (mg/L) <input style="width: 40%;" type="text" value=".1"/> Soil endpoint (mg/kg) <input style="width: 40%;" type="text" value=".1"/></p> <p>Assessment Factor Aquatic <input style="width: 40%;" type="text" value="1000"/> Assessment Factor Soil <input style="width: 40%;" type="text" value="1000"/></p>	<p>PEC surface water (mg/L) <input style="width: 80%;" type="text" value="0.266"/></p> <p>STP Sludge (mg/kg d.wt) <input style="width: 80%;" type="text" value="9.12"/></p> <p>PECsoil agriculture (mg/kg) <input style="width: 80%;" type="text" value="0.013"/></p> <p>PECsoil grassland (mg/kg) <input style="width: 80%;" type="text" value="0.005"/></p> <p>PNEC aquatic (mg/L) <input style="width: 80%;" type="text" value="1.00E-04"/></p> <p>PNEC soil (mg/kg) <input style="width: 80%;" type="text" value="1.00E-04"/></p> <p>RCR aquatic <input style="width: 80%;" type="text" value="2.66E+03"/></p> <p>RCR soil <input style="width: 80%;" type="text" value="134.1"/></p>
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Sustainability Assessment - Holistic approach to measurement

Boots Sustainability Product Assessment Tool

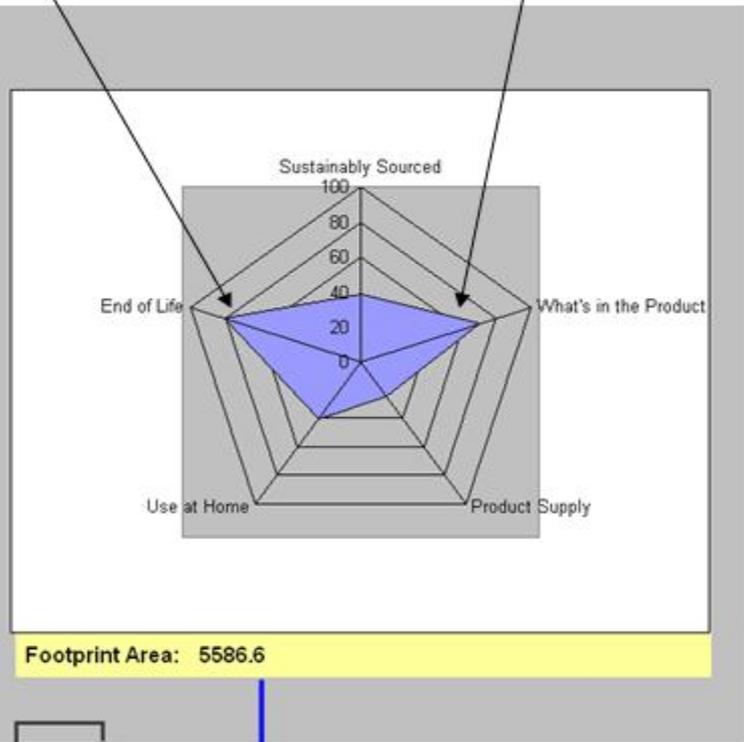
Botanics Organic Face Polish



**Packaging not recyclable and
Potential for product waste**

**No recycled packaging and
Packaging to product ratio high**

Product Information		
Product Name:	Botanics Organic Face Polish	
Product Code	2324830	
Group	Description	Score
Sustainably Sourced	Naturally Derived Ingredients	2
	Chemicals - Environmental Risk	1
	Biodiversity	1.7
	Biodiversity Source / Accreditation	0.87
	Fair / Community Trade	5
	Renewable Packaging	5
	Total:	15.57
What's in the Product	Number of Ingredients	2
	Water - Product	4
	Energy - Product	4
	Packaging - Impact	4.91
	Packaging - Optimisation	2
	Recycled / Accredited Packaging	5
	Total:	21.91
Product Supply	Supplier Management	3
	Transport - Raw Materials	2
	Transport - Product to Boots	1
	Transit Packaging	1
	Transit Optimisation	1
	Total:	8
Use at Home	Water - Product Use	3
	Energy - Product Use	2
	Ancillary Materials Required	1
	Total:	6
End of Life	Product Waste	4
	Recyclable Packaging	5
	Recoverable Packaging	3
	Total:	12



Individual Category Scores – the lower the number the more sustainable the product

Footprint Area – provides relative sustainability impact of product

Sustainability assessment - Assess the overall sustainability footprint of a product

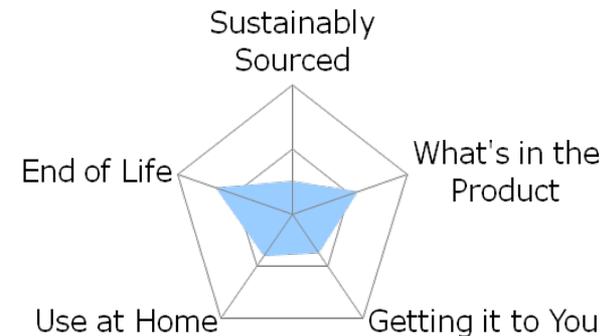
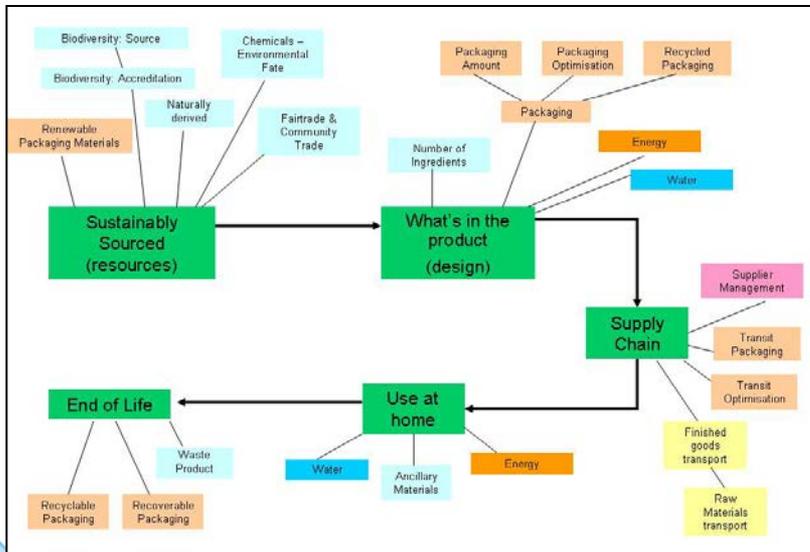
The Green Tick Product Model

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

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

Set improvement targets by product type or by brand

Manage a database of sustainability performance data for understanding opportunities, reporting & analysis, at an individual product, brand or total level



A member of
Alliance Boots

For more information:

On Boots Chemical or CSR Strategy Contact:
stephen.johnson@boots.co.uk or



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