

Expert Reviews



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Be the first to [comment](#) on this reviewReview of [Alliance Boots Corporate Social Responsibility Report 2012/13. Building a sustainable group for a better world](#) from [Alliance Boots](#).**Alliance Boots – an opportunity for more material reporting**By [Elaine Cohen \(BeyondBusiness\)](#) on January 24, 2014 at 09:30am.**Context**

Alliance Boots is an international, pharmacy-led health and beauty group which operates in nine countries and has over 3,100 health and beauty retail stores and 370 pharmaceutical wholesale distribution centres. The group operates mainly in Europe, with pharmacies in Thailand, China and the Middle East. Worldwide, Alliance Boots has over 108,000 employees in over 25 countries, and generated over £22 billion revenue in 2012/2013.

Content

The declared focus of Alliance Boots' business is *"helping people look and feel their best"* and this is reflected in the 2012/13 report. The community section of the report describes efforts to raise money for charities which address health issues, for example, supporting the creation and funding of a pan-European Biobank to help find new ways to fight cancer. Alliance Boots set a target of raising €5 million by 2016 and has raised €1 million to date through employee supported charity events. Alliance Boots' retail outlets provide health related information, advice and services tailored to address leading health issues in different countries, for example, training pharmacists in the UK to provide cancer support and providing mole screening services in Norway. Alliance Boots encourages employee volunteering and employee volunteer time was valued at £1.6 million in 2013.

In addition, the company supports responsible business practice through sponsorship of the European CSR Awards and other partnerships with Business in the Community to support local community empowerment. Of particular note is the support Boots in the UK gives to a project to help the High Street in different cities thrive and prosper. It seems that community engagement is definitely a cornerstone of the Alliance Boots approach to sustainability and reporting. In other areas, however, Alliance Boots' reporting has some gaps. For example, a lot is written about helping people *"feel their best"*, but on the *"look their best"* side, little reference is made to Alliance Boots' role in the beauty industry. The beauty industry is notorious for exploitation and misrepresentation of women, environmental issues, toxic chemicals, packaging waste and more, but none of this is apparently worthy of shelf-space in Alliance Boots' report, as a retailer promoting a wide range of beauty items.

In workplace section, despite declaring a commitment to equal opportunities and helping women maintain a place in Alliance Boots' talent pool, nothing is reported about the advancement of women. In a group with 68% women employees, only one woman sits on the 15-strong Board of Directors, and only 5 women are listed in a total of 20 corporate officers, none of whom are in core business roles but rather in enabling roles relating to communications, public affairs and tax. There is apparently a thick glass ceiling at Alliance Boots and, given the appeal of this business to women (we might reasonably assume that more than 80% of purchases from Alliance Boots are made by women), lack of reference to advancement of women appears to be an omission.

In the environment section, reducing the company's carbon footprint is stated as a key objective, with an aspiration to *"reduce the group's like for like CO2 emissions"*. The plan is to achieve this is through energy saving initiatives and reductions in business travel. Business travel represents only 5% of total carbon emissions, so the potential for big savings in that area appears limited. Energy generates over 60% of carbon emissions, but in 2012/13, these emissions increased by 0.6%. The actions to support reducing carbon emissions through energy saving initiatives appear to be LED lighting retrofits and reducing energy consumption when stores are closed. No estimate is provided of the potential savings in these areas.

Communication

Alliance Boots' report is in PDF format and available online. The report is structured in four sections; community, environment, marketplace and workplace. The report layout is clear and the use of colour coding and tabs helps navigation between sections. Key sections start with a review of performance against targets in the reporting year. A GRI Index is located online but not hyperlinked to the online report and disclosures reference the section titles only. This makes it hard, or even impossible, to locate certain disclosures. For example, LA8, activities regarding education about serious diseases, is noted as fully reported in the workplace section, but no specific response to this indicator could be located. Environmental indicators EN3 and EN4 are shown as fully reported in the *"Saving Energy"* section (which, incidentally, does not report any energy savings), but are not reported in detail in accordance with these indicator requirements.

Seven of the 24 indicators noted as fully reported make general reference to the company's Annual Report. No page numbers are given, so locating this information is a challenge, if it indeed exists in a way which meets GRI Indicator requirements.

Overall, use of the GRI Index in this report seems inadequate and whether this report would pass the GRI Application Level B check is doubtful, despite the fact that this has been specifically externally assured.

Credibility

Alliance Boots' report is called *"Building a sustainable group for a better world"* and while extensive charity work and other activities demonstrate positive intention and practice, this appears to be somewhat removed from the core business of Alliance Boots. The report's rather outdated structure of marketplace, workplace etc., aligns with an activity-based approach to CSR, rather than an impact-driven approach to sustainable business. However, the absence of focus, or

definition of material issues, appears to indicate an approach to CSR at Alliance Boots which is more communicated than embedded. Targets are qualitative and rather vague, and in general, do not give confidence that there are firm plans in place to achieve results in an accountable way. Reporting of performance against prior year targets is not always consistent and doesn't always provide clarity about actual results achieved. In other cases, new targets represent little stretch – for example, a recycling target of 50% in each principal business seems to be rather redundant as the group already reports a recycling rate of 50% for 2013.

As such a large group, with global leadership ambition, there is a massive opportunity here to drive sustainability throughout the group in a way which is more closely linked to the company's business activities. The opening messages of the Executive Chairman and the Chairman of the social responsibilities committee refer to charitable activities and good "global citizenship" but set no expectation that we will discover through Alliance Boots' reporting how the group is actually creating conditions for sustainable business and positive impact. Retail store management, construction, logistics and warehousing practices, raw material sourcing, use of chemicals, pharma waste, pharma issues relating to conflict of interest, marketing standards, detail of ethical practices and human rights in the supply chain, customer satisfaction, impacts on consumers and purchasing practices are all relevant retail-pharma-healthcare sector sustainability issues which barely receive a mention. There is an opportunity for Alliance Boots to make its reporting more relevant and material, with a focus on impacts rather than activities, and more meaningful public commitments to sustainable business.

Recommendations

1. Conduct a materiality analysis and focus reporting on material issues aligned to core business.
2. Review CSR/sustainability strategy, create quantitative targets and report more clearly on performance.
3. Report impacts rather than activities.

elaine cohen is the CEO of Beyond Business Ltd, www.b-yond.biz, a CSR consulting and Sustainability Reporting firm, working with global clients.

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