

STORE SUPPORT:

3m

retailer calls
handled by Smiths News
every year

MAGAZINE TITLES

2,800

NEWSPAPER TITLES

669

SMALLEST WEEKLY INVOICE

£19.00

STORES VISITED DURING 2007/08

10,586

LARGEST WEEKLY INVOICE

£27,000

RETAILERS SERVED

22,000



▼ Corporate Responsibility

▶ Corporate Responsibility Review

Smiths News takes a positive approach to corporate responsibility. We take pride in the way we work and the benefits we bring to the communities we serve. We recognise too that responsible practice brings efficiencies and commercial benefits.

We have clear policies that ensure our day-to-day operation meets agreed standards. These are supplemented by initiatives that aim to improve targeted areas.

Governance and management

A Corporate Responsibility (CR) Committee oversees the management of our CR programme, working to achieve clear objectives which are reviewed annually. The committee reports to the Executive Management Team and gives the Board regular updates on any significant issues. The Board considers a full progress report every year.

The Committee comprises managers with responsibility for our focus areas: community, workplace, marketplace and environment. Its objectives are aligned with those of our day-to-day operation. This approach ensures that CR is an integral part of how we operate.

Marketplace

Smiths News has a unique role to play in bringing news and information to communities across the UK. We recognise that in the majority of our areas we are the sole distributor of newspapers and magazines and that this confers responsibilities with social and cultural implications. Meeting the needs of smaller retailers is an essential requirement, especially those in remote and rural areas, which would be, in many cases, uneconomic to serve.

Industry best practice

The Newspaper Code of Practice (the Code) is a series of voluntary undertakings that apply to the supply of newspapers throughout the UK. In practice, many aspects of the Code are also applied to the supply of magazines.

We are strong supporters of the Code and apply its principles in all our territories. A key element of the Code is our commitment to supply any retailer, subject to a minimum level of supply. In practice we supply many retailers at sales levels that are below the minimum requirement of the Code. This helps ensure that newspapers and magazines are one of the most widely available consumer products.

In addition to the Code we work actively to develop best practice across the supply chain, playing a prominent role in the work of the Joint Industry Group and fully supporting the Industry Standard Service Agreement, which embraces industry-wide standards for newspaper and magazine distribution.

The newspaper and magazine supply chain is a complex operation that requires a degree of cross-industry collaboration in order to maximise efficiency. This year we supported the industry's efforts to reduce waste and unsolds, playing an active role in a number of trials and research projects.

Customer service standards

We believe in transparency of performance at all levels of the supply chain, and nowhere is this more applicable than in meeting our service commitments.

We measure our service on a daily basis, posting results on our intranet and sharing relevant performance data with publishers and retailers. Our scanning and tracking processes mean we can analyse performance issues quickly, pinpointing areas that might be a problem.

There are, of course, occasions when things do not go to plan. This year we supported the introduction of a fast-track restitution process for retailers; the scheme provides compensation for lost sales in the event that distribution is delayed for reasons within the control of wholesalers or publishers.

Supporting wide availability of news and information

Wholesalers play a vital role in the supply of news and information, particularly to consumers in remote and rural areas where the local newsagent is often one of the focal points for local communities. Our standards ensure that retailers receive a quality service, regardless of their size or location. Industry surveys show that consumers in over 95 per cent of postcodes have access to newspapers and magazines within five minutes travelling time. We take pride in the contribution we make to this remarkable achievement.

Confidentiality and business best practice

Our sales and marketing systems hold information that is potentially commercially sensitive to our publishers and retailers. We have strict guidelines to ensure robust compliance to confidentiality and wider competition law; training is provided where appropriate. This year we established a compliance committee to ensure we assess carefully our practices and review them on a regular basis.

Workplace

Smiths News is an equal opportunities employer and we select staff solely on merit, irrespective of race, sex, sexual orientation, age, disability, disfigurement, marital status or religion. Our equal opportunities policies outline our commitment to the principle that all employees should be treated with respect and dignity, and that differences should be valued and recognised in everything that we do.

We encourage all employees to contribute as much as they can to the business, and we are committed to providing a comprehensive training and development programme. The training and development department helps staff to develop their skills and supports the development programmes that are designed to help people to reach their full potential.

We have an employee forum with representation at local, regional and national level. This forum is supported by training and communication and is used to consult and communicate with staff.

Customer Service



Training



Health and safety

The Company is committed to maintaining high standards of health and safety in the business. We work constructively with staff, union representatives and relevant authorities to find ways of reducing risk. This year we strengthened our Health and Safety team by appointing an experienced Environmental Health Officer to provide specialist advice on regulatory issues. All our depots are audited on at least an annual basis to ensure compliance with national guidance and best practice.

The health and safety policy states that all employees have a responsibility for health and safety but that managers and supervisors have special responsibilities. The Operations Director is responsible for advising the Executive and the Board on health and safety issues, for reporting on compliance with our policies and for ensuring that suitable support is available.

We have a national health and safety committee that comprises employees' representatives, management, trade union representatives and officials. The management teams also monitor key safety performance indicators and updates are prepared for the Executive Management Team and Board on a monthly basis. A detailed report giving trends, performance and recommendations is presented, on at least an annual basis, to the Executive Management Team and Audit Committee, who then report to the Board.

Accidents and injuries			
	2008	2007	2006
Major injuries	1	5	6
Injuries resulting in over 3 days absence from work/hospitalisation	61	61	61
All RIDDORS*	62	66	67

*Reportable under the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations.

For the fourth consecutive year, the total number of reportable accidents has reduced. Each incident is taken very seriously and where necessary, measures are introduced to avoid similar occurrences. To support this, we have conducted training sessions at every depot, focusing on areas of risk that were particular to each location. Further training was provided in areas such as manual handling, risk assessments, transport and workplace safety.

Accidents by type	
1 September 2007 – 31 August 2008	
Manual handling	31%
Fractures	2%
Struck by moving / falling object	21%
Slip / trip / fall	35%
Other	11%

Health and Safety



NewstrAid



Environment

We are committed to improving energy and fuel efficiency, to reduce waste and increase recycling. This year, we made good progress in all these areas.

Energy

We have installed automatic meter readers at all but five of our 44 depots and offices. These provide accurate data on our energy consumption by the hour which is helping us identify areas where we can reduce usage. The sites without automatic meter readers have specific technical issues, but we plan to install similar equipment in the near future.

Total energy consumption for 2007-08 was 9,733,102Kwh of electricity and 16,816,616Kwh of gas. This equates to an equivalent of 8,388 tonnes of CO₂ emissions.

Our target for 2008-09 is to reduce like for like energy consumption by at least 10 per cent.

Transport

We have invested in route planning software for all our locations and we continually review our distribution profile to reduce mileage and costs wherever this is possible. This optimisation process means our routes can vary by day of the week and by time of year, but although this may result in increased complexity, we benefit from labour savings and reduced mileage. Our work in this area has been an important contributor to our cost control initiatives but it has also resulted in a significant reduction in our vehicle fleet and vehicle emissions.

We have considered the use of alternative fuelled vehicles but have decided not to invest in these at this time. The latest electric vehicles using Lithium-iron batteries provide much greater range than earlier models, but they are still not suitable for our operation. We will continue to monitor closely any developments in this area.

Employees



Charity



Waste

Newspapers and magazines are supplied to retailers on a sale or return basis. Those copies that retailers do not sell we collect and return to our distribution centres for credit. After checking and crediting, over 99 per cent of the returned copies are sent for recycling, the remainder being high value items that are returned to publishers. We also work closely with our waste collection contractors to improve the safety and efficiency of the recycling operation. At our Plymouth depot we have installed semi automated handling equipment that stores waste in large 'walking floor containers'. The use of large storage facilities reduces the number of vehicles needed to collect waste from the depot. It also minimises the use of skips and forklift trucks, improving safety in the workplace. The team at Plymouth were delighted to be the first news wholesaler depot in the UK to use this technology.

This year we targeted an improvement in the recycling of the packaging on bulk deliveries of newspapers and magazines that we receive from publishers. More than half our depots now have recycling compactors for plastic and cardboard; where these are not practical (mainly at our smaller locations) we are reviewing alternatives. Our target for 2008-09 is to increase the recycling of packaging waste by at least 150 per cent on current levels.

Community

We encourage our staff to take an active role in their communities and recognise there are benefits to the business in supporting charities and contributing to community needs.

We are an active supporter of NewstrAid Benevolent Society. The charity provides essential assistance to colleagues from across the news trade who are in personal difficulty and in need of special assistance. This year we helped raise in excess of £400,000 for the charity, through a combination of fundraising events and joint initiatives with our publishers and retailers. A number of our staff volunteer their time to visit NewstrAid beneficiaries and to act as local liaison for the society.

Our staff also support a wide range of local and national charities, organising fundraising events and sponsored activities in their local areas. Examples this year include teams walking the Jurassic Coast, cycling up Alpe d'Huez and running the London Marathon. We offer facilities for charitable giving through a Give As You Earn Scheme and have recently implemented a policy that supports staff wishing to volunteer time to charitable causes.

Our employee forum has adopted two charities for particular support in the coming year: Whizz-Kidz (a charity supporting disabled children) and Cancer Research UK.

The Company made direct charitable donations of £34,826 during the year (2007: £2,300).

Recycling



Community

