

Awards have also been granted in 2005, 2006 and again in 2007 when they were granted to approximately 640 colleagues to the store manager level and managerial grades in the UK Head Office, Republic of Ireland, Hong Kong and Czech Republic.

We also mirror to our own colleagues the Cycle 2 Work scheme that we provide to other employers (see page 29). The scheme offers significant savings, making use of the Government-backed initiative to increase more sustainable means of transport to work. This means that by sacrificing a proportion of their salary our colleagues can save income tax and National Insurance that would otherwise have been payable. Colleagues can also make use of their 15% discount to make it an outstanding scheme. This scheme was first made available in 2004 and has been relaunched annually. Each year we see approximately 300 colleagues acquire bikes through the scheme at overall discounts that can exceed 50%.

Feedback

Every year we run a colleague engagement survey to measure how successful our engagement improvement action plans have been. All responses are analysed and follow-up action will be taken forward, as necessary. In 2007, the overall engagement score was 63%, which compares favourably with the UK benchmark, which is also 63%. Action planning, at Group and local level is implemented, following detailed analysis of these results, to help drive colleague engagement. The 2008 survey will take place in October and November.

HEALTH AND SAFETY

Overview

Halfords is committed to operating high standards of Health and Safety, designed to minimise the risk of injuries and ill health to employees, contractors, visitors and others who come into contact with the business. The Group believes that Health and Safety is a fundamental ingredient to a successful business and we constantly review our standards for effectiveness, driving through and embedding a Health and Safety culture throughout the organisation. Regular audits are undertaken as part of the Group's improvement strategy to help benchmark against both legal requirements and the Group's procedures.

Risk reduction

Our philosophy is to enable confident proportionate occupational Health and Safety management and actively pursue targeted risk reduction measures.

We are encouraged by the successes from our risk-focused agenda throughout the year:

- A comprehensive site transport safety strategy has been applied and shared with our main haulage partner, waste collection company, third party carriers and direct delivery suppliers.
- Storage and handling at height has been made safer through supply chain initiatives, clearer storage disciplines, improved means of access and additional handholds on bicycle packaging.
- Fire detection, warning and evacuation measures in our older high street stores have been upgraded.
- Evacuation chairs have been retrofitted into super mezzanine stores to provide an additional means for prompt, safe evacuation of persons with limited mobility from the mezzanine area.
- A programme to upgrade water systems in stores with calorifiers and storage tanks was commenced to remove environments where legionella could proliferate.
- A new **wefit** canopy has been introduced incorporating safe construction and use principles.

Achievements

Our annual injury incident rate for colleagues remains below the industry benchmark.

We have put great emphasis on producing occupational safety documentation information for distribution and retail operational colleagues that is tailored for them to use effectively. Our first priority is for safety procedures to be suitable for the user rather than compliance with the textbook requirements. Over the past twelve months the following actions have been taken:

- The occupational safety and fire monitoring processes were combined into a “one stop” safety review tool.
- Risk specific training guides were issued for stores e.g. for working safely around large goods vehicles and with roll cages.
- A new induction process and DVD were produced for stores with extensive occupational fire and safety coverage.
- Occupational safety elements were integrated into new guides and DVDs and supplier training for store colleagues for **wefit** activities such as air conditioning checking and recharging, battery and bulb fitting.

Occupational and risk assessment workshops have been held for store and deputy managers, store safety coordinators and DC team leaders. The workshops have all included emphasis on analysis of corporate safety culture and individual safety behaviour to build the confidence to shift behaviour and challenge accepted practices.

We introduced our occupational safety risk management model to our store operational colleagues in the Czech Republic, which their safety consultancy wove into the Czech store safety management procedures.

We have continued to build on our relationships with our lead authority partners. We have liaised closely with our occupational safety lead authority partners at Stoke City Council on our risk reduction strategy. This has assisted us to ensure that our actions and timescales are appropriate. We have a unique tripartite lead authority partnership with Stoke City Council Building Control and North Staffordshire Fire and Rescue Service. This has enabled us to consistently and effectively improve fire safety management.

IN THE ENVIRONMENT

Overview

Our stores, offices, and fleet of delivery vehicles have direct impacts on the environment. We also know that there are indirect impacts caused by the production and use of our products.

Our commitment is to understand and to continually improve the performance and management of our environmental impact throughout the Halfords supply chain.

Good environmental performance demonstrates high standards of corporate responsibility and generates cost saving opportunities. We believe that every individual has an important role to perform in ensuring that environmental standards are properly applied. The Group has in place emergency procedures to minimise the environmental impact of potential incidents.

An Environmental Steering Group has been formed, consisting of senior managers from all operational activities of the business. The Group monitors performance in regard to our objectives, targets and indicators and provides advice and guidance ensuring compliance with relevant environmental legislation.

We aim to create a culture of awareness of the cost and impact of environmental issues across the business, including assessing the environmental impact of capital projects. The Group considers the environmental impact of the products that we sell, taking care to minimise the use of materials that deplete our natural resources, and recognises its responsibility with regards to the use of chemicals in our supply chain. We have developed an energy strategy and this involves evaluating alternative energy sources that we consider to be appropriate to our business needs. We operate a utility reduction programme, the results of which are tracked on a Carbon Trust funded database.

In managing our environmental responsibilities our overall objectives relate to the following key areas:

Natural resources and pollution prevention

We place emphasis on resource use, in order to understand and improve the efficiency of our use of raw materials, energy and water throughout Halfords operations, as well as our products and our packaging. Our goal is to minimise our potential for causing pollution to air, water and land as follows.