

Halfords is committed to managing its business in a socially responsible manner. Our corporate social responsibility ("CSR") programme is designed to address the important CSR issues that we face, to facilitate appropriate management behaviour and be aligned with the Group's business strategy. Our aim is to continually improve our management of the social, environmental and economic issues within our control or influence throughout the business and our supply network.

We believe the management of CSR is not only the right thing to do, it also makes good business sense, and we see it as a core business consideration as it gives us strategic, commercial and reputational benefits. We aim to achieve standards of responsible care across a number of key areas, including: customers, trading, health and safety, the environment, employee welfare and the community.

Our customers are more likely to enter our stores because they trust our advice and our offer. They are more likely to buy from us because they trust us to provide products of the highest quality that are safe and easy to use and that have been sourced in an ethical manner ensuring that no community associated with such sourcing has been abused or destroyed, and that the effect of our products on the environment has been minimised as far as possible. Prospective and current employees are more likely to join and stay with us if they feel valued, are treated fairly and equally and feel that their contributions are recognised and rewarded and that they are helped to realise their potential.

The Group is currently reviewing its ongoing CSR policy to ensure it meets the changing nature of the markets and communities in which it operates and that the associated Key Performance Indicators ("KPIs") accurately reflect the Group's success or otherwise in implementing this policy. The policy commitments will be translated into actions using quantifiable objectives and targets. Paul McClenaghan, Director of Trading, takes the lead in ensuring that the policy supports the strategic objectives of the business. The Halfords executive will monitor performance with regard to these objectives and targets via an internal report. It is however, the Board's responsibility to ensure that the Group operates in a responsible manner, and the Board will review the policy and our performance against that policy annually.

CUSTOMERS

Overview

We market high quality products that meet or exceed the requirements of appropriate legislation, international conventions and codes of practice. Where external guidance does not exist, we apply our own exacting standards. With a complex product range of over 10,000 items, we talk with our customers every day to ensure that our range meets their requirements and that they understand how to use our products safely.

The quality of our products is fundamental to the continued growth and success of the Halfords brand. Our aim is to ensure that our product offer exceeds customer expectations in terms of safety, performance and value for money. Through fresh insights and innovation driven by our customer focus we also seek to offer customers new products that are stylish, imaginative and which provide effective solutions.

Our products are manufactured to consistently high standards, meeting our own internal standards and complying with local regulatory standards. We also aim to develop a programme to manage materials used in own-brand products, and to influence, where possible, the same for proprietary products. We will identify products containing ingredients which, whilst not illegal, are designated as chemicals of concern by non-governmental organisations and work with suppliers to develop or substitute these with lower risk alternatives.

Halfords strives to achieve rapid introduction of new and improved products by adopting a disciplined and customer focused approach to product development. We recognise the importance of keeping abreast of new concepts and technologies within our chosen product ranges and we are keen to work with suppliers who continually bring forward innovative and exciting new concepts. For example, in April 2008 we launched the first in-dashboard satellite navigation system for under £400.

Service

We are committed to putting our customers first. Our store managers are accountable for delivering consistently high service in our stores, giving our customers complete peace of mind, fully supported by a dedicated Customer Service team based at our Head Office in Redditch where our customers are able to contact us by phone, email, letter or fax. This year we enhanced our support by increasing our availability to seven days a week.