

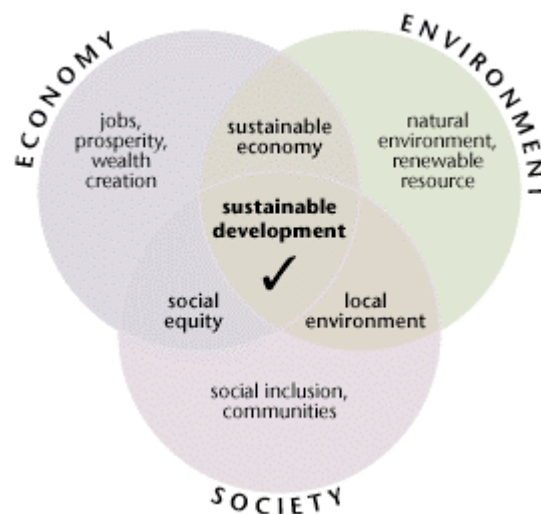
THE CONSORTIUM – SUSTAINABLE DEVELOPMENT POLICY – April 2005

The Consortium has integrated economic, social and environmental policies to ensure a better quality of life for everyone, now and for generations to come. Our aims are:

- To support social progress which recognises the needs of everyone
- To effectively protect the environment and make prudent use of natural resources
- To maintain high and stable levels of economic growth and employment

Our Sustainable Development Policy supports in full the United Nations Global Compact and are committed to the universal principles in the areas of human rights, labour standards and environmental sustainability.

The interlinking themes of **environment, economy and society** that contribute to **sustainable development** can be visualised in a simple diagram:



The Social Dimension

Health and Safety

The Consortium complies with the Health and Safety at Work Act ,1974, and seeks to improve Health and Safety performance with an active Health and Safety task force. We are accredited to OHSAS 18001:1999, the European standard for Occupational Health and Safety Management.

Supporting local communities and charities

The Consortium has adopted Cancer Research UK as its nominated charity. We run a work experience programme with Critchill school providing an entire learning experience for 6 special needs children each year. We actively support Care International UK by providing teams for Challenge events and have raised over £30k in the last 3 years.

Workforce development

The Consortium is a fully accredited Investor in People and we recognise that to be a successful ‘best in class’ organisation we need to employ high quality people who are committed to the achievement of the Company’s business plans.

Ethical trading initiatives

The Consortium aims to eliminate all forms of forced and compulsory labour, to abolish child labour within our supply chains and eliminate discrimination in respect of employment and occupation. We support and encourage suppliers whose conduct, policies or output lead to improvements in human welfare and avoid abuse or exploitation at any level.

Fair dealing with customers and suppliers

The Consortium believes in dealing in an honest and fair way with its customers and suppliers. Our brand values reflect the culture and standards that we expect from all employees and all of our relationships with external contacts. The Consortium is in the process of mapping its third part relationships and we aim to engage with partners within these networks in a collaborative manner which we believe will maximise the benefit to our organisation.

Human Rights

The Consortium supports and respects the protection of internationally proclaimed human rights within its sphere of influence and we endeavour to ensure that we are not complicit in human rights abuses. We recognise the right to employee collective bargaining where necessary.

The Environmental dimension

ISO14001

The Consortium is implementing an Environmental Management System in line with the BS:EN ISO 14001 standard and supports a precautionary approach to environmental challenges.

Embrace principles of producer responsibility – ‘cradle to grave’ responsibility

By December 2006 we plan to have established the entire environmental and sustainable credentials of the majority of products and services that we sell.

Prudent use of natural resources

We continuously review our energy efficiency, distribution solutions, waste management and transport plans to reduce our impact on natural resources.

High and stable levels of economic growth and employment

Successful business plan

Detailed business plans are reviewed quarterly and provided for the next 12 months. We use a balanced business scorecard approach to translate the strategy into objectives for all staff in the organisation. Key performance indicators are used to monitor performance against the business plan and corrective action taken if necessary. The Consortium is implementing the EFQM model of business excellence to achieve growth and deliver improved performance in the future and has an integrated Business Management System.

Supporting local industry

Where possible The Consortium utilises local businesses to support its business activities. In addition we have several major local customers who work with the Consortium as a result of the desire to support local companies. We are active members of the Wessex Chamber of Commerce and the local Institute of Directors networking groups.

The Global Compact



In an address to The World Economic Forum on 31 January 1999, United Nation Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labour and civil society to support ten principles in the areas of human rights, labour and the environment. The Global Compact’s operational phase was launched at UN Headquarters in New York on 26 July 2000.

The ten principles are:

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
2. make sure that they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. eliminate discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies

Anti Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery

The Social Dimensions

Health and Safety

In recognising their responsibilities under the Health and Safety at Work Act 1974, the Chief Executive and Board have appointed a person to act as Health and Safety Coordinator. They have also ensured that there are two NEBOSH qualified persons acting as technical support to the co-ordinator and the company at large. The Company was accredited to the British Standard OHSAS 18001:1999 for Occupational Health and Safety Management in November 2004.

The management of Health and Safety is the responsibility of all employees within the company and the Health and Safety Coordinator and committee ensure that managers and staff carry out their obligations under the Act. Health and Safety performance is monitored on an ongoing basis and aspects of control include:

- Purchasing policy
- Fire safety
- Health and Safety training
- Work equipment
- Occupational Health (including First Aid)
- Environment
- Contractors
- Financial provision for Health and Safety
- Continuous risk assessment
- Employee consultations

Supporting local communities and charities

In 2004 the Consortium continued its support for Critchell School who we have worked in partnership with since 1991, providing opportunities for young people with learning difficulties to visit a business and experience work as part of the school curriculum.

Critchill School first visited The Consortium in the early 1990's, to enable students with learning difficulties to observe and experience a warehouse and distribution operation. This annual event continued and in 1995 Simon Bowditch, Assistant Head Teacher at Critchill, approached The Consortium with the idea of a work experience project. The Consortium agreed and the first year of students applied to the programme in 1995. 2004 represented the sixth anniversary of the Work Experience project for Year 11 students. This successful project won The Somerset Education Business Partnership Award for 1999/2000 and continues to develop.

Gina Holland, People, Support and Development Manager at The Consortium explains how the programme runs:

“We were very pleased to be asked to run a work experience programme with Critchill School, but we were very eager to ensure that it allowed exposure to a real work environment, rather than it being a token scheme.

The programme now runs annually for up to seven young people, who join us one day per week for a ten week period. Each year Critchill provides us with a resume of the young people, including any special requirements. We then match these young people to a member of The Consortium, who will act as their mentor. We expect the students to be prompt, appropriately dressed and willing to work as part of a team.

The programme has been a tremendous success and the relationship between the young people and their mentors is a very rewarding aspect of the project. Some mentors still keep in touch with the students, as they develop into the working world.”

The work experience project is a real opportunity for Critchill's young people to be exposed to the world of work, with students completing the following:

- A job application
- An interview
- Completing written tests and attending induction
- Taking part in training, including health and safety

- Working within a team of employees, with a mentor

Simon Bowditch, Critchill School's Assistant Head Teacher comments on the project:

"The Consortium have shown a commitment to helping us develop the potential of our students by running this programme. Work experience opportunities of this quality are extremely rare and it is the dedication of The Consortium's staff that has ensured the continued success of this programme.

The Consortium provides a supportive but challenging environment for the young people, to enable them to experience working within a large organisation.

Students work across all functions of the warehouse and must complete daily diaries and activity records to demonstrate their learning. The mentor scheme is an essential part of the programme, as we have students with conditions across the spectrum of learning difficulties. Mentors provide reports on the young people, which have on at least one occasion assisted a young person in gaining work.

Some Pupils comments are:

"The best part of the work experience was working with my mentor, Jackie, but the eight sessions were just too short"

"If I could change one thing at my work experience I would make sure that we could go there for longer"

Critchill School Teacher's comments:

"All students performed exceptionally well. Given the unfailing patience and understanding of The Consortium mentors, no task proved beyond their abilities."

"It was a privilege to have been able to work closely with the team at The Consortium, for whom nothing was too much trouble and who willingly went the extra mile for our pupils."

The Consortium has always sought to enable and empower our students, build their confidence and provide a life and work experience that will potentially change their lives."

Cancer Research

The Consortium has adopted Cancer Research UK as its nominated charity. In 2004 as a result of both company donations and initiatives undertaken by the staff we raised over £10,000 for this charity. In 2005 The Consortium will donate 20p to Cancer Research for every box of Consortium branded photocopier paper that is sells.

Care Peaks Challenge

For the last four years The Consortium have entered teams into challenges organised by Care International. Significant sums of money have been raised for charitable organisations at the same time as providing an opportunity to develop our staff and team relationships.

We started with a three peaks challenge in 1998 and culminated in 2003 year in a 24 Peaks Challenge. This event tests participants to the limit and requires them to climb 24 Lake District mountain peaks in 24 hours. During the weekend, the team covered a distance of 51km and climbed a total of 4,054m and this year good weather made the task more pleasurable.

The event started on the Saturday morning with a steep ascent up Red Pike near Keswick. The first day then continued with climbs up a further nine peaks including High Stile, Great Gable and Scafell Pike. On Sunday, the ascent of Red Screes started the day's climbing and a further 13 mountain peaks followed.

The Consortium team raised over £10,000 for CARE International UK. Care International UK are part of CARE, one of the world's largest private international humanitarian organisations.

Supporters of local sports teams , schools and clubs

The Consortium support local sport in their community supporting Westbury Wasps , a local ladies volleyball team and Heytesbury mens football team.

We regularly provide free gifts to support local charities or fund raising events and are currently developing a proactive sponsorship policy.

Workforce development

The Consortium is a fully accredited Investor in People. The Consortium gained this certificate in 1997 and has chosen an annual reassessment period to ensure the standard is maintained.

In order to be a successful "best in class" organisation the Company needs to employ high quality people who are committed to the achievement of its objectives.

Recruitment

We will recruit high quality people to perform roles which are specifically defined to meet the current and future requirements of the Company's Business Plan.

Reward

It is a fundamental philosophy that people working here should benefit financially from their contribution to the organisation's success.

Training and Development

All employees will receive a planned and effective induction into the organisation which will ensure that their skills, expertise and commitment are harnessed to make an effective contribution as soon as possible. All employees will be appraised at least twice a year to review their performance and agree their training and development needs.. Any requests for training will be properly evaluated at the outset and the results assessed afterwards by the trainee's manager.

Employee Relations

All employees will be made aware of the Company's mission, business plan and their role in achieving them.

On an ongoing basis The Consortium uses a process of Employee Value Management to measure its people results and take the learning from this process to increase the overall motivation of all staff.

Ethical Trading Initiatives

We support and encourages suppliers whose conduct, policies or output lead to improvements in human welfare and avoid the abuse or exploitation of any person. To support this policy we are currently reviewing all tiers of our supply chain to determine the global implications and impacts of choosing our current sourcing partners.

Fair dealing with customers and suppliers

Customers

The Consortium believes in dealing in an honest and fair way with its customers. Our brand values reflect the culture and standards that we expect from all employees and all of our relationships with external parties.

These are:

Value Identifiable	Quality Innovative	Customer focussed Integrity	Dynamic	Exceeding expectations
We have no hidden charges - free delivery, no quibble or charge for returns , no minimum order charge and operate a Price Matching guarantee for all our products.				

Suppliers

The Consortium is committed to conducting all business in accordance with the C.I.P.S. Code of Ethics (Chartered Institute of Purchasing and Supply) as detailed below. The Managing Director is a Fellow of the Institute and all senior purchasing staff are graduate members. Employees shall always seek to uphold and enhance the standing of the Purchasing and Supply profession and will always act professionally and selflessly by:

- a. maintaining the highest possible standard of integrity in all their business relationships both inside and outside the organisations where they work;
 - b. rejecting any business practice which might reasonably be deemed improper and never using their authority for personal gain;
 - c. enhancing the proficiency and stature of the profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
 - d. fostering the highest possible standards of professional competence amongst those for whom they are responsible;
 - e. optimising the use of resources which they influence and for which they are responsible to provide the maximum benefit to their employing organisation;
 - f. complying both with the letter and the spirit of:
 - i. the law of the country in which they practise;
 - ii. Institute guidance on professional practice;
 - iii. contractual obligations;
2. Employees should never allow themselves to be deflected from these principles.
3. In applying these principles, employees should follow the guidance set out below:
- Declaration of interest - Any personal interest which may affect or be seen by others to affect a member's impartiality in any matter relevant to his or her duties should be declared.

1. Confidentiality and accuracy of information - The confidentiality of information received in the course of duty should be respected and should never be used for personal gain. Information given in the course of duty should be honest and clear.
2. Competition - The nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.
3. Business gifts - Business gifts, other than items of very small intrinsic value such as business diaries or calendars, should not be accepted.
4. Hospitality - The recipient should not allow him or herself to be influenced or be perceived by others to have been influenced in making a business decision as a consequence of accepting hospitality. The frequency and scale of hospitality accepted should be managed openly and with care and should not be greater than we are able to reciprocate.
5. When it is not easy to decide between what is and is not acceptable, advice should be sought from the employees manager, another senior colleague or the Chartered Institute of Purchasing and Supply as appropriate. Advice on any aspect of the Code is available from the Institute.
6. We support and encourages suppliers whose conduct, policies or output lead to improvements in human welfare and avoid the abuse or exploitation of any person

Engaging with stakeholders

The Consortium is in the process of mapping its third party relationships, with a view to assigning responsibilities for ongoing development and communication to Board members and the Management team.

Our strategy is to engage with partners within these networks in a collaborative manner which we believe will maximise the benefit to our organisation.

The Environmental Dimension

ENVIRONMENTAL POLICY

The Consortium recognises a responsibility to act in an environmentally aware manner and to help its customers make the most environmentally positive purchasing decisions.

Objectives:

- Seek to purchase the least environmentally damaging products and those where the least environmentally damaging production techniques have been used.
- Seek to purchase those products which have been recycled and/or are reusable.
- Seek out new environmentally sound products and encourage early introduction.
- To publicise the Consortium's environmental policy to its customers.
- Promote our customers' purchase of environmentally friendly products through education and awareness.
- To meet the requirements of relevant environmental legislation.
- To work with our supplier base to develop a full database of product 'cradle to grave' data indicating both recovery and recycling metrics and processes.
- Seek to reduce and minimise the cost of packaging produced by suppliers.
- Seek to reduce the quantity of waste produced by the Consortium.
- Encourage energy and water efficiency throughout our own operation and those of our customers.
- Ensure all staff understand the environmental policy objectives and associated code of practice through relevant training.
- To pursue certification to ISO 14001 by end of April 2005.

ISO14001

Our Environmental Management System (E.M.S) provides the framework for managing environmental responsibilities so they become more efficient and more integrated into overall business operations. An E.M.S is based on standards, which specify a process of achieving continuously improved environmental performance and compliance with legislation.

ISO 14001 is an international standard that specifies a process for controlling and improving a company's environmental performance.

ISO 14001 consists of:

- General requirements
- Environmental policy
- Planning
- Implementation and operation
- Checking and corrective action
- Management review

This means we:

Identify elements of our business that impact on the environment and gain access to the relevant environmental legislation.

Produce objectives for improvement and a management program to achieve them, with regular reviews for continual improvement.

The Consortium are implementing a 5-stage process that will deliver an effective EMS that will continually improve the business performance:

1. Develop the Environmental Policy

Our environmental policy states our commitment to compliance with legal and regulatory demands, continual improvement and the prevention of pollution.

2. Review and produce objectives

We are identifying the elements of our business that impact on the environment, establishing the relevant environmental legislation and regulations and producing objectives and targets for environmental improvement and a management program to achieve them.

3. Implementation and Operation

The key to implementation is the communication to and training of staff. During the implementation phase we are providing resources for personnel and clearly defining the roles within our organisation.

4. Gain registration

Once the Environmental Management System is embedded within the culture of the organisation we will be assessed by BSI and, if successful, will be recommended for registration.

5. Continual assessment

Once we have received registration and been awarded our certificate, we can begin to advertise our success. To maintain our registration, we will need to ensure legislative compliance, record information on the operation of our EMS and demonstrate continual improvement. This will be periodically checked by our registrar to ensure that our Environmental Management System continues to meet the requirements of the standard.

Best in class benchmarking

The Consortium will seek partners that we can share best practice methods with and learn from their experience. The Consortium's Environment Management System will be benchmarked against partners that we consider to be best in class.

Embrace principles of producer responsibility – 'cradle to grave' responsibility

The Consortium will evaluate all tiered suppliers within the supply chain. All suppliers will be evaluated for their environmental credentials. We will actively seek to work with suppliers who are able to demonstrate application of an effective Environmental Management System.

The Consortium plans by December 2006 to develop a product database that will:

Establish the source raw materials and its environmental and sustainable credentials
Determine the recovery and recycle processes and metrics.

This information will be made available to customers to assist them in meeting environmental criteria.

The Consortium has contracted with 'Envolve' to develop a method of measuring Sustainable credentials, deliverable by end Q1 2005, and look to evolve this method going forward.

Purchasing and selling 'green' products

The Consortium have been active in introducing environmentally-friendly products to its customers.

In September 1997 we made a strategic decision to only sell fully degradable refuse sacks to our customer base and were the first supplier in the UK to take this forward step.

We are currently working with Envolve to develop an authorised 'green' range of products that can be selected with confidence by our customers for their credentials.

Training and Cultural awareness of sustainable development issues

The Consortium has contracted with 'Carbon Data', an environmental consultancy, to run a series of workshops with the workforce in 2004 to develop the sustainability culture further. This ground-breaking initiative is designed to develop an 'emergent' culture within the organisation running in parallel with the programme to accredit The Consortium to ISO14001.

Award Winning Environmental Solutions

Currently a major step forward in the demonstration of environmental credentials has been the outsourcing partner chosen for distribution. The press release below details some of the benefits that this solution has delivered and resulted in The Consortium winning the Bath Chronicle Environmental Business Award 2003. Fighting off strong opposition, our entry centred around the implementation of the shared user distribution solution provided by Fiege. The awards event was organised by the prestigious National Business Awards Association and attended by over 250 people. Speaker for the evening was David Hempleman-Adams and the awards were presented by Chris Vacher of BBC Points West.

Cleaning Up The Environment

Environmental awareness, minimising our impact and looking to develop sustainable practices are things we should all be doing in both our personal and professional lives. The Consortium; suppliers of stationery, furniture and much more; take the environmental impact of their activities seriously and has worked hard to develop a number of practices aimed at minimising this impact. As members of Envolve, an environmental charity (and NCVO member) that promotes sustainable business practices, The Consortium has two central tenets of their environmental policy. Firstly to source products that offer the lowest levels of environmental impact and secondly to use the least packaging possible. In addition to this we discussed with them three other methods of minimising environmental impact.

In a further attempt to be more environmentally friendly, as well as offer improved delivery services to customers, The Consortium recently switched from a bespoke delivery fleet to a shared user network. This results in a reduction in the number of lorry journeys as vehicles can carry parcels from several different companies at once and on both outward and return journeys. "Increasing road traffic is a problem to us all, causing more delays, greater risk of accidents and more harmful emissions," explains Mark Barnett, The Consortium's Supply Chain Director. "Whilst product choice and packaging are important, it is transport which offers us the greatest scope for reducing our environmental impact."

Summary of environmental benefits of The Consortium's new shared-user network

- *Reduction of annual delivery mileage by over 200,000 miles or 12.5%*
- *A saving of 20% on fuel, which translates into 20,000 gallons per annum.*
- *Lower CO2 emissions with lower particulate levels.*
- *Less impact on rural and community roads with smaller, lighter vehicles.*

In addition to the environmental benefits, social considerations have played a part in the decision to outsource to Fiege, based in Westbury. Many supply chain employees have moved from The Consortium as part of the seamless transfer of the operation.

Trunking

Deliveries at the greatest distance from The Consortium's Head Office and Warehouse in Trowbridge are now trunked using high capacity double deck trailers to regional depots. In most cases, no new miles have been added for these trunk journeys, but instead attracts the benefits of backloading, i.e. trailers being full in both directions. These trunk journeys take place during the night, enabling the vehicles to travel at optimum speeds reducing fuel consumption and reducing traffic congestion.

Local Deliveries

Most local delivery vehicles used by the shared-user network offer fuel consumption at over 20mpg, compared with 14mpg from traditional vehicles. A major factor in the use of a dedicated fleet of vehicles by large companies is the opportunity for brand awareness and marketing via a moving advertisement for the company concerned. The Consortium puts its belief in environmental change before the marketing benefits of a dedicated, liveried vehicle.

Prudent use of natural resources

Energy efficiency

The Consortium monitors utilities (gas, electricity, water and sewerage) consumption and costs on a monthly basis. This is analysed in order to identify trends and anomalies. We employ an energy expert who ensures we are purchasing our energy at the best price from the best supplier.

Automatic doors have been purchased in the warehouse to reduce loss of heat from the building.

Freight distribution

The Consortium have outsourced their distribution solution and have had award winning success in reducing the environmental impact of its solutions as detailed previously in this document.

Green transport plans

We are currently investigating the feasibility of a travel plan for the site in conjunction with the governments Energy Efficiency Best Practice Programme.

Effective waste management

The Consortium complies with the Packaging Waste Regulations and has been members of a compliance scheme managed by VALPAK since 2001. Through working with suppliers to reduce waste packaging along with re-engineering our own packing process, The Consortium has seen a significant reduction in the amount of waste packaging generated.

Only certified collection centres are used for the disposal of waste paper/card, plastics and metals. The Consortium complies with the Packaging Waste Regulations

The Waste Minimisation teams have had considerable success in the last 2 years in reducing the volumes sent to landfill from 120 yards of skip per week to 20 yards per week.

Paper is segregated and collected as confidential waste for recycling purposes. Currently 24 tonnes per annum are recycled.

All cardboard is baled on site and recycled. All new boxes purchased are sourced from recycled product.

Plastic shrink wrap is also baled and sent for recycling.

Fluorescent tubes are recycled for a small charge.

Plastic cups are collected for recycling by Save-a cup.

Pallets are all recycled and sold to a third party for re-use.

Recycled plastic bags are used for box void fill to protect goods in transit.

All used toner cartridges are recycled.

High and stable levels of economic growth and employment

Successful business plan

The Consortium have a five year business strategy and detailed plans are reviewed quarterly and provided for the next 12 months.

We use a balanced business scorecard approach to translate the strategy into objectives for all staff in the organisation. Key performance indicators are used to monitor performance against the business plan and corrective action taken if necessary.

In 2003 we are demonstrating a level of performance in excess of the business plan objectives.

The Consortium is implementing the EFQM model of business excellence to achieve growth and deliver improved performance in the future.

Supporting local industry

If possible The Consortium will utilise local businesses to support its business activities. In addition we have several major local customers who work with the Consortium as a result of the desire to support local companies.

We are active members of the Wessex Chamber of Commerce and the local Institute of Directors networking groups.