



The BSS Group plc

Group **Sustainability**



Economic and Social Commitment

As a distributor, the BSS Group plc is committed to offering its customers products which can promote energy efficiency and sustainability. Yet we know that we can make a huge impact directly by improving energy efficiency and reducing waste at our own locations.

The Group currently operates from over 350 locations within the UK and Ireland and we are working hard to ensure that our growing geographical presence has a positive environmental impact. Our latest PTS branch openings include buildings with solar panels fitted to the roof and our major distribution facilities and central administrative offices have all been upgraded to include intelligent lighting solutions.

The Group also recognises its responsibility to its employees and the local communities in which they live. Our commitment to diversity in the workplace has seen all employees undertake training to ensure full awareness of the

individual's social responsibilities in modern-day business. BSS Industrial is investing heavily in 2008 in recruitment and training to ensure the next generation of employees can continue the work begun by the current generation to grow our business responsibly.

Both the industrial and domestic divisions have also forged long-term partnerships with charities which directly benefit the communities in which they operate. PTS fundraising for Age Concern has realised over £150,000 during their two-year relationship and BSS's 2007 campaign for Rainbow Trust generated £50,000 and has been extended through 2008.

Group Sustainability

The natural environment now endures unprecedented stress from human development and the resultant climate change has become something every business as well as every individual needs to address.

The BSS Group plc is no different and we believe we should build on the strong foundations we have established for responsible business to ensure that our corporate social responsibility (CSR) strategy contributes to the global efforts to combat climate change.

We believe it is vital that our sustainability initiatives are not implemented and managed in isolation, but rather become integrated into the heart of our commercial

business. In this way, we feel we can continue to develop the effectiveness of these plans as the changing requirements of government legislation dictate, without compromising our economic and commercial growth.

This guide outlines what the BSS Group plc is doing to ensure we comply with the legal, social and ethical demands of a modern-day commercial business in a world that is changing forever.



Recycling and Waste Management

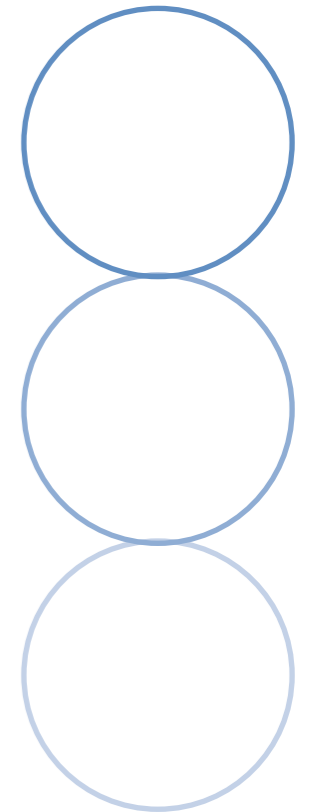
It's easy to think that direct energy consumption should be the key focus of sustainability policy, yet The BSS Group plc believe that a strong commitment to waste management and recycling is crucial to reducing the carbon footprint of our business.

As part of our commitment to achieving ISO 14001 accreditation, we have begun a comprehensive paper recycling scheme at our head office. A number of other consumable items including printer cartridges and mobile phones are also recycled and we have recently appointed an Energy & Recycling Manager with responsibility for ensuring we develop further waste management initiatives in 2008.

Currently a project is underway to recycle all cardboard and waste generated within each branch. All 115 PTS branches serviced by our Witton Distribution Centre already take part and this will be rolled out to all Divisions and branches by January 2009. During the first six months of 2008, we have recycled 30 tonnes of cardboard and plastic and substantially reduced bin collections

We are also committed to ensuring that our partner suppliers, whose products we sell, also demonstrate a commitment to waste management and the recycling of materials wherever possible. New systems such as LEED (Leadership in Energy and Environmental Design) and the more established BREEAM (Building Research Establishment Environmental Assessment Method) for rating buildings means increased pressure on distributors to ensure the products they propose can comply.

Both domestic and industrial markets will demonstrate an increased focus on sustainability in new-build projects, particularly in the build-up to the 2012 Olympics. The BSS Group plc is working closely with all its leading brand suppliers to ensure we only offer those products which meet the requisite environmental standard.



Carbon Footprint

It has become a household phrase and every company understands the importance of reducing its carbon footprint. We recognise the importance of responsible environmental management and the obligation to protect the environment.

Our target is to reduce energy usage by 5% during 2008 and also lay the foundations which will enable us to recycle 1,000 tons of waste per annum. In particular we focus on:

- Property: reducing the use of energy and water consumption
- Transport: minimising emissions from our transport fleet
- Waste: seeking opportunities to minimise waste produced in all parts of the business
- Working with our suppliers towards ensuring effective environmental supply chain management
- Where possible, specifying commercial vehicles that meet Euro V emission standards, a standard that does not come into force until 2009

- Remote monitoring of electricity, gas and water consumption at all major sites to focus on usage reductions.

Our Buck & Hickman business provides an online catalogue covering their entire product range of over 60,000 products, thus reducing the need for paper-based catalogues in their marketplace. Indeed, they now have many customers who trade exclusively online.

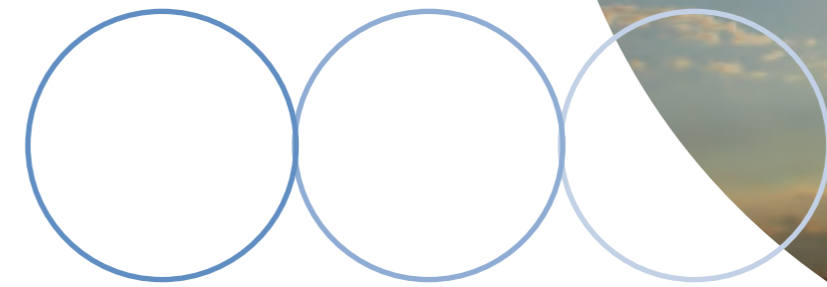
Health & Safety

Health & Safety is a key issue for the Group. We are committed to ensuring the health and safety of our employees, customers and visitors to our sites. Our in-house Health & Safety team provide advice and support to operational management and staff at all levels as well as monitoring & implementing Health & Safety policy and procedures.

Over the past year we have:

- Reduced our rolling 12 months lost time accidents by 13.5%
- Maintained an ongoing training programme for all levels of employees in line with health & safety policy requirements
- Provided 3,017 training days
- Continued to undertake regular and extensive H&S audits of our management systems and inspections of our branch, warehouse and office based activities
- Investigated all reportable (RIDDOR) accidents notified to us and implemented changes to procedures where appropriate
- Responded positively to any findings or observations by the HSE following inspections
- Continually assessed, maintained, monitored and improved safety performance

Our commitment to all is that we will create the safest possible environment and look to constantly review our processes and procedures to ensure continuous improvement in standards of health & safety.



New Initiatives

As our focus on Group sustainability increases, the number of new initiatives undertaken by our divisional businesses looks set to grow and grow.

PTS exhibits renewable energy products at a Green Energy Room in Nottingham and two further locations are planned in the North and South. This showroom offers advice to make an informed choice about being socially responsible and cutting household bills when considering heating and plumbing options.

Renewable energy solutions are considered and installed at new branches subject to landlord's consent and favourable physical conditions of the building. In addition, we are now monitoring intelligent lighting systems in branches and warehouses, a system which turns off lights automatically in areas which are not used for a period of time.

Buck & Hickman are now able to provide fully integrated e-catalogues which offer customers the opportunity to trade with them on a paperless transaction basis and can provide solutions to support e-procurement aspirations at every level.

BSS Industrial are currently developing a sustainable energy product portfolio for the emerging commercial and industrial renewable technology markets.

PTS have also registered the Group as a member of the Green Building Council, an organisation helping to forge a new partnership between government, industry and other stakeholder groups. As a member, the Group is demonstrating its commitment to dramatically improve the sustainability of the built environment by radically transforming the way it is planned, designed, constructed, maintained and operated.

Following the success of PTS's merchant Carbon Monoxide Awareness Week, the Group has provided all its employees with CO detectors. By ensuring its staff make their own homes a CO free zone, the Group is continuing to communicate the need for improved gas safety for the industry. From this it is hoped awareness can be passed on to the installer and to homeowners who may not have previously considered this hidden danger which claims 120 lives per year in the UK





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