

Taking good care

Corporate Social Responsibility in our business

Our Corporate Social Responsibility (CSR) programme is aligned with our vision to be the food specialist for everyone. We are committed to acting sustainably, protecting and nurturing the valuable resources on which we all depend. We believe that by taking good care of what we do today, we can make a real difference for tomorrow.

Go to www.morrison's.co.uk/today to view our full 2008/09 CSR report.

Managing CSR

Championed by our Chief Executive, Marc Bolland, the CSR programme is governed by a Project Team of senior Directors reporting into the Board. It is structured around three principal areas:

Environment

Taking good care of our planet. Carbon, waste and sustainability.

Society

Taking good care of our shoppers, our colleagues and their communities. Work, communities and healthy, balanced lifestyles.

Business

Taking good care as we go about our business. Sourcing, supply and engagement with stakeholders.

Each area has a cross functional Steering Group, chaired by a member of the CSR Project Team, which is supported by a number of working groups.

Identifying issues and managing CSR risks

Processes are in place to capture and address issues important to our key stakeholders. Each issue is considered for material risk or opportunity to our business, and how best to meet our responsibilities. The key issues for our business have been rated in terms of strategic and business impact. The issues with the highest impact rating are therefore most important to our business and are the prime focus of our programme.

Policies

We have a range of policies, available to all stakeholders, relating to aspects of responsible business practice. They are regularly reviewed through our CSR governance structure to ensure they remain accurate, relevant and up to date. Our CSR policies are available on our website at www.morrison's.co.uk/today

Stakeholder satisfaction

Stakeholder engagement is vital in ensuring our CSR programme remains relevant and effective. It enables us to identify issues and be responsive to changing needs by incorporating views and feedback into the development of our programme.

Let's Grow

In September 2008, we launched our 'Let's Grow' campaign. Aiming to help schoolchildren learn more about fresh produce, the scheme ties into the national curriculum and supports the government's 'Growing Schools' initiative. Let's Grow inspires children to follow a healthier lifestyle through learning about growing fresh fruit and vegetables at their own school. Vouchers were given to shoppers for every £10 they spent with us, which could then be redeemed by schools for new gardening equipment. The campaign was an outstanding success with over 18,000 schools enrolling nationwide.

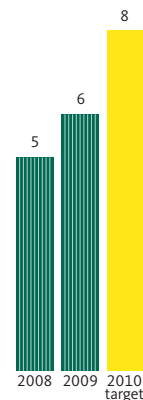
CSR Key Performance Indicators

We have a number of commitments, which are supported by over 70 targets. Further details can be found in our 2008/09 Corporate Social Responsibility Report, which is available on our website at www.morrison's.co.uk/today

Key Performance Indicators

Group energy use

(% cumulative reduction)



We aim to reduce our Group energy use by 8% per square metre by 2010 (based on 2005 usage). To date, we have reduced energy use by 6%.

Carrier bags

Target exceeded!

We set a target to reduce the environmental impact of our standard carrier bags by 25% by the end of 2008. We reduced our usage by 32%, the equivalent of 505 million bags saved.



Local and seasonal sourcing

We are dedicated to providing the very best fresh produce, at great value. Following research indicating that 74% of our customers wanted opportunities to buy more regional produce in store, in 2008 we introduced the new 'From My Farm' range.

The products available change with the seasons. All produce is grown and packed within the East of England and the range is labelled with the name and location of every grower. Packaging is minimised, by using small tags, or is recyclable and compostable. A penny from each pack purchased is donated to the Growing Trust, with the money raised going towards selected good causes within the East of England.

100% British

In 2007, we were the first of the top four supermarket chains to commit to selling 100% British fresh meat throughout the year. In 2008, we extended our commitment to British farmers by ensuring all our own-brand fresh milk is sourced regionally. We already sell Scottish and Welsh own-label standard fresh milk. We also began to establish producer groups for dairy, beef and poultry farmers, to develop closer links with those farmers. Through the producer groups, we aim to share and increase knowledge and understanding across our supply chain, driving quality and efficiency, and helping secure the long term viability of British farming.

Reducing waste

We work hard to prevent waste. This year, we have reduced the volume of our waste to landfill by a further 2,886 tonnes, achieving a cumulative reduction of 17% since 2006. In 2008, we trialled a new waste segregation project at two stores, which, if successfully rolled out to all stores, could result in further significant reductions in waste sent to landfill. We are also investigating the best means of generating renewable energy from our waste.

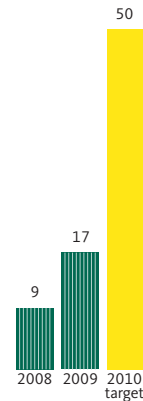
Carrier bags

In May 2008, and again in December, we urged our customers to help reduce carrier bag use by giving a free reusable carrier bag to every shopper. On each occasion we gave away 10 million reusable bags (one for each of our customers), made from 100% recycled material and larger than standard bags. We encouraged our customers to use the reusable bags on every shop. We have achieved a 32% reduction since 2006 (4,502 tonnes), the equivalent of 505 million bag units.

Key Performance Indicators

Waste to landfill

(% cumulative reduction)



During the year, we reduced the volume of our waste to landfill by 2,886 tonnes.

Amount raised for our Charity of the Year partnership Help the Aged and Childline

£1m*

Each year, our customers and employees choose a charity for national fundraising and for 2008/09 our Charity of the Year was a joint partnership with Help the Aged and Childline.

We aim to raise over £1m for our Charity of the Year through collections and fund-raising events.

* Amount raised from April 2008 to March 2009

Cutting our Carbon Footprint

We have cut our Carbon Footprint by 36% since 2005, being ahead of our 2010 target. Our reduction strategy is based on:

- energy efficient and low emission technologies;
- carbon and energy monitoring, management and control;
- sourcing and generating renewable energy;
- transport efficiency;
- colleague awareness and 'good housekeeping' policies; and
- numerous energy and carbon saving projects.

In June 2008, we were among the first of only 12 companies to receive the prestigious new Carbon Trust Standard, for reducing carbon emissions. The accreditation scheme is the world's first carbon award requiring an organisation to measure, manage and reduce its Carbon Footprint and make real reductions year-on-year.

