

# Corporate Responsibility Review

We empower our employees to deliver good service.



We continue to integrate social, environmental and ethical initiatives into our business operations from design to disposal. We understand the need to make ethical practices sustainable and measurable in order for them to be widely and successfully adopted.

As a multi-channel electrical retailer our key accountabilities are in how we source, deliver and encourage responsible disposal of the goods we sell, how we empower our employees to deliver good service, and in how we help disadvantaged individuals and communities get the most from technology.

We remain a constituent member of the Dow Jones Sustainability and FTSE4GOOD Indices, and one of the Business in the Community Top 100 “Companies That Count”. During the year we were shortlisted for several awards for environmental sustainability including the National Energy Efficiency Awards and the Chartered Institute of Waste Management Awards.

During the year we reviewed our CR activities, in order to establish a detailed framework for our ongoing work. This review was supervised by our Group CR Committee, a team of executives from all key operational areas of our business who meet quarterly and who advise the Board on non-financial risks and progress. Kevin O’Byrne is the executive director with responsibility for CR matters. Visit [www.dsgiplc.com/crgovernance](http://www.dsgiplc.com/crgovernance) to see the Committee’s Terms of Reference.

We review and update our employee policies to comply with current regulations. Our overall principle is that no employees or stakeholders are discriminated against on the basis of age, gender, sexual orientation, nationality, ethnic origin, religious beliefs, disability, or for any other reason. This applies to the recruitment, training and career development of individuals. We are a member of the Employers’ Forum on Disability and have been awarded the “Two Ticks” Positive about Disabled People accreditation from Jobcentre Plus.

To aid us in improving the environmental effectiveness of our UK operations, and our supply chain in particular, an Energy Management Committee has recently been established.

There are five Key Performance Indicators (KPIs) in this CR review. Previous data can be found along with information on all our practices at [www.dsgiplc.com/cr](http://www.dsgiplc.com/cr)

## 1. Staff diversity: age, gender and ethnicity of employees

	2007/08	2006/07
Female	<b>33%</b>	33%
Male	<b>67%</b>	67%
Full time	<b>57%</b>	56%
Part time	<b>43%</b>	44%
Ethnic minority/non-national	<b>17%</b>	18%
Aged over 50	<b>8%</b>	8%
Average number of employees*	<b>40,730</b>	38,596

\* Full time equivalents, excluding employees related to discontinued operations

## Workplace

In December 2007 we welcomed our new Chief Executive John Browett, who was introduced to employees through face to face briefings, and DVD and podcast interviews. Regular Q&A sessions, a weekly employee blog and a well-publicised feedback email address, answered by John Browett personally, create a dialogue with colleagues and help to bring corporate vision and values to life.

We operate a balanced scorecard approach to drive employee performance and enhance customers' experience. This follows on from our previously reported "hothousing" initiatives that empower store teams to grow their own business and solve problems locally.

We are in the process of introducing a new selling model to store teams in the UK. The model is based on the structured sales process already used in our Nordic operations, and is designed to better establish customers' needs and help them make a more informed and complete choice.

In May 2008 we supported National Learning at Work Day, part of Adult Learners' Week, with a series of training events at our UK Retail Support Centre themed around personal development in and out of the workplace. Around 250 people took part.

We implemented a single Group-wide employee engagement survey for the first time during the period, replacing divisional surveys. This helps us compare results more effectively. More than 27,000 employees participated in the survey and managers were trained on how to share results with their teams and create action plans to tackle areas in which we could do better.

A record 50% rise in applications were received from UK and Ireland employees for our Sharesave scheme, under which employees save a set amount from their salary over three or five years and can opt

We are helping customers through the digital switchover.



to buy shares in the Company at the end of the scheme at a pre-set discounted price. As at 26 June 2008 more than 16,000 employees participate in our various share-based incentive schemes, including Sharesave.

## Marketplace

Customer satisfaction is one of our principal concerns and in March 2008 we were delighted to win a Retail Week Award for Customer Service for Currys' free in-store and home collection recycling service. This is detailed further below. We were also a finalist for PC World's TechStick – a device invented by a PC World employee that helps our customers "test drive" a PC or laptop before purchase.

Following our participation in the digital switchover trial in Whitehaven, Cumbria in which we supplied equipment to 450 homes switching over to digital television in advance of the UK programme, we have remained heavily involved in work to support the switchover. We are represented on the Spectrum Planning Group and the Digital Stakeholder Group. A summary of our activity can be found at [www.dsgiplc.com/digitalswitchover](http://www.dsgiplc.com/digitalswitchover).

We have joined the Electronic Industry Code of Conduct, under which global manufacturers and

## 2. Health and safety: employee accidents and injuries

	2007/08	2006/07
Number of accidents or injuries	<b>2,198</b>	2,372
Number of working days lost as a result of accidents	<b>4,813</b>	4,196

## 3. Performance on ethical supply chain audits

	2007/08	2006/07
Meets requirements	<b>20</b>	14
Minor improvement required	<b>66</b>	51
Major corrective action required	<b>5</b>	3
Delisted	<b>8</b>	3
Total factories audited	<b>99</b>	71

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retailers collaborate to ensure safe conditions, worker rights and environmental responsibility. Further to last year's update of our Ethical Purchasing Policy, our buying teams have received refreshed ethical sourcing training on supply chain best practice. We carry out audits of our suppliers' factories to certify they are meeting our ethical sourcing standards and, during the year, we delisted eight suppliers as they were unable to meet these standards.

## Community

In July 2006 we launched *Switched on Communities* – a three year community involvement programme funded by our registered charity, The DSG international Foundation. Through *Switched on Communities* we provide technology and training to disadvantaged communities, working with four main UK charitable partners. We also support smaller charities and encourage our employees throughout Europe in their volunteering and fundraising work.

Last year we funded 300 smaller charities and gave out 200 employee grants. We also offer employees volunteering options with our main charity partners, for instance 18 volunteers have trained as Eco-Assessors and visit Eco-Schools to help them with projects and assess who deserves green flag status.

## Update: charitable partners



The Foyer Federation has a network of 130 centres, giving homeless young people safe accommodation, guidance and access to learning and work. So far we have worked with 51 Foyers, improving the lives of more than 2,100 young people. Projects have included providing kitchen equipment and IT suites, and teaching life skills by methods including in-store work experience.

## Eco-Schools

This worldwide environmental award programme for schools encourages children to take responsibility for the environment. We have worked with 53 schools and reached more than 18,500 children. As a result, schools have developed gardening clubs, and fitted solar panels and wind turbines.



Using IT in home study can make a significant impact on the educational attainment of a child, but 1.4 million children in the UK do not have the use of a computer for their studies at home. Through the e-Learning Foundation we have funded 22 schools and 1,200 pupils. One school reported that 69% of pupils using laptops jumped three Information and Communication Technology sub levels in half a term, compared with the norm of two sub levels per year.



AbilityNet works to provide expert advice and IT equipment so that people with disabilities can perform everyday tasks such as communicating, working, banking and shopping. Using our funding, AbilityNet developed a network of charitable partners who have become "mini AbilityNets" across the UK. So far 56 organisations are linked to the project, working with 4,000 disabled people each year. PC World seconded a manager to AbilityNet to help with fundraising, and our funding and support enabled AbilityNet to secure a £750,000 lottery grant.

## 4. Contributions to the community

2007/08	£1,228,000
2006/07	£1,141,000
2005/06	£1,206,000

Value of cash, staff time and goods donated by the business to good causes

We work to support smaller organisations throughout Europe. In Greece, Kotsovolos is working with several charities, provides PCs for local schools and electrical equipment for a homeless hostel. In Ireland we are working with FIT (Fast-track into Technology). We also support a children's hospital in Dublin.

We launched the UK's first in-store and free home collection recycling service.



### Environment

We have been working on initiatives to improve the environmental effectiveness of our operations. Following on from the introduction of double-decker trailers in our home delivery network, reducing CO<sub>2</sub> emissions by almost 600 tonnes per year, we have implemented aerodynamically shaped biodiesel lorries to deliver stock to UK stores. The lorry, which we call the RoadMouse due to its shape, has a greater storage capacity and is 20% more CO<sub>2</sub> efficient. We are trialling reusable packaging for large appliances and working with suppliers to reduce packaging for White Goods. We are also working with the manufacturers of our own brand products to record energy consumption data in order to make more informed decisions on the products we stock.

We supported the Energy Savings Trust's Energy Saving Week in October by offering our customers free delivery on a wide selection of energy saving goods. "Energy Doctors" gave advice to customers in our flagship stores. Top tips are also offered at Dixons.co.uk's Greenshop, which is a section of the website highlighting good value energy saving products.

5. Waste recycled, as a percentage of waste produced (excluding WEEE)

2007/08	40%
2006/07	17%
2005/06	10%

In July 2007 when the UK Government introduced the Waste Electrical and Electronic Equipment Directive (WEEE), which makes retailers responsible for financing the collection and recycling of end of life electrical products, we launched the UK's first and only in-store and free home collection recycling

service if / when a product is delivered. Goods are collected in delivery lorries that would otherwise return to our national delivery centre empty, so the scheme is run within our existing carbon footprint.

Since the UK scheme was launched, 32,000 tonnes of electrical products have been recycled – equating to 78 jumbo jets taken out of landfill sites. Most goods will be back in use as a new item within two months, and 85% of goods received can be recycled. We were delighted when the service won the Retail Week Customer Service Initiative of 2008 Award.

Our Nordic operations run a similar scheme, where end of life goods can be dropped off at stores 24 hours a day in special containers. As a Group, we have recycled more than 50,000 tonnes of end of life electrical products to date as part of our WEEE obligations across Europe. We also work with the Furniture Retail Network charity, through which more than 25,000 older electrical items have been given a second life.

### Conclusion

We have made encouraging progress on the issues we have identified as priorities for our business, and will continue to monitor our performance within the five KPIs outlined here. We would like to thank all our people for their contribution, operationally and through volunteering and fundraising, in making DSG international a good corporate citizen.

**Kevin O'Byrne**  
Executive Director with responsibility for CR