

Our people

“We aim to be a good employer by providing a safe and healthy environment and enabling our employees to act responsibly in their jobs and develop rewarding careers.”



As people are pivotal to our business performance, we invest time and energy in supporting, engaging and motivating colleagues right across the Group.

We focus on:

- Providing a safe and secure environment
- Engaging everyone so they understand our business strategy and how they can contribute to its success
- Providing a rewards and benefits package that is both competitive and incentivises good performance.

We train and develop our people so that they can continuously improve and thereby improve the depth of talent in the business, helping to identify future leaders.

We want our people to feel great about Home Retail Group. This helps us to recruit and retain a strong and motivated workforce. People want to feel good about the work they do and to see that we make a positive contribution to society and the environment. In a competitive market, this kind of positive experience can make an important difference to business performance.

Our way of working is part of our culture and reflected in the values of the Group. Both retail brands emphasise key themes such as:

- Teamwork
- Great customer service
- The difference individuals can make in delivering great performance.

Workplace management and policy

Overview

Description of our workforce

For the year to 1 March 2008, the average number of Home Retail Group employees was 53,197. Part-time workers equated to 29,846 full-time equivalents (FTE). Women comprised just over half of the workforce. (see Chart 1 & 2, right)

Chart 1

	Male	Female	Total
Headcount	25,548	27,649	53,197
Part-time	17,158	22,178	39,335
Full-time	8,390	5,471	13,861
FTE	15,120	14,726	29,846

- 74% of colleagues work part-time
- 52% of colleagues are women.

Chart 2

	Male	Female	Total
Under 25	25%	21%	46%
25 – 39	12%	14%	26%
40 – 55	7%	14%	21%
Over 55	4%	3%	7%
Total	48%	52%	100%

- 46% of the workforce is under 25; 7% is over 55.

Key workplace policies and management

We have a broad range of publicly-available workplace policies that provide appropriate support and guidance to all colleagues in their day-to-day activities. During 2007/08 we reviewed a number of these policies. (see Chart 3, right)

Quarterly management meetings, chaired by the Group HR Director, with clear reporting to the Group's corporate responsibility steering group ensure that our workplace and management policies are fully integrated across our business activities.

Chart 3

Policy	Description
Bullying and harassment	Providing an environment that is free from bullying and harassment, in which all employees are treated with dignity, respect, courtesy and fairness
Business principles	Reflecting our values in the way we manage our business relationships
Equal opportunities	Providing a working environment that is free from discrimination, harassment and victimisation and provides equal opportunities based on merit, qualifications and abilities
Health and safety	Setting a high standard of health and safety management
Stress management	Promoting a healthy lifestyle
Whistleblowing	Providing confidential reporting mechanisms for addressing employee concerns

Performance

Objectives for 2007/08

(see Chart, right)

Objective	Progress	Comments
Reduce average absence per employee	Ongoing	Continued efforts are being made to reduce employee absence by investment in systems and processes and through management training

Future objectives and targets

In 2008/09 we will focus on initiatives that promote employee retention and review our mechanisms for the capture of diversity data. In addition, we will continue our focus on reducing employee absence and improving our management systems.
(see Chart 4, right)

Health and safety

Overview

Demonstrating our commitment to health and safety, our health and safety policy has been signed by Chief Executive Terry Duddy, Group HR Director David Guise, Argos Managing Director Sara Weller and Homebase Managing Director Paul Loft. The Group HR Director is responsible for implementing the policy and chairs a Group health and safety committee comprising senior management representatives from across the business. The Group health and safety committee meets quarterly.

In addition, beneath the Group committee we have an established structure of health and safety committees throughout the Group, each chaired by an appropriate senior manager. Committee members are kept informed, consulted and attend meetings on health and safety issues. The minutes from meetings are disseminated to staff via our health and safety champions and posted on our health and safety intranet site.

Health and safety champions have been elected by colleagues at each of our stores and distribution centres. Area and regional health and safety champions have also been appointed. Having attended a two day training course, the role of the champion is to provide a channel of communication on health and safety issues and to represent the views of colleagues.

We have a dedicated health and safety team led by our Health and Safety Manager, who is also chair of the British Retail Consortium's Risk and Safety Policy Action Group, which ensures we keep abreast of current thinking and policy in this area.

We provide health and safety training to all new employees, mainly through the induction process. Additional training is provided for those roles that require specific skills/knowledge regarding health and safety e.g. fork lift truck operator. Tailored health and safety training is also provided for those individuals required to manage/supervise in stores and distribution centres. Individual training records are kept and we have extended the use of an online system to capture this data.

We regularly monitor our health and safety performance across the business. Our health and safety team conducts a programme of audits that encompasses stores and distribution centres. Audits are prioritised on a risk-assessed basis. In addition, every Homebase store conducts a formal self-audit on critical issues, the results of which are reviewed by line managers. We plan to bring Argos in line with Homebase in 2008/09, when every store will complete a self-audit. This year we have updated the audit programme to include a 'Red Risks' category. These are risks which, however small, have unacceptable consequences and where non-compliance leads to automatic failure. If such a risk is highlighted, the store is required to remedy the problem immediately.

Health and safety champions from either the stores, areas or regions review the results and, where appropriate, conduct re-audits on their respective stores and distribution centres.

Health and safety

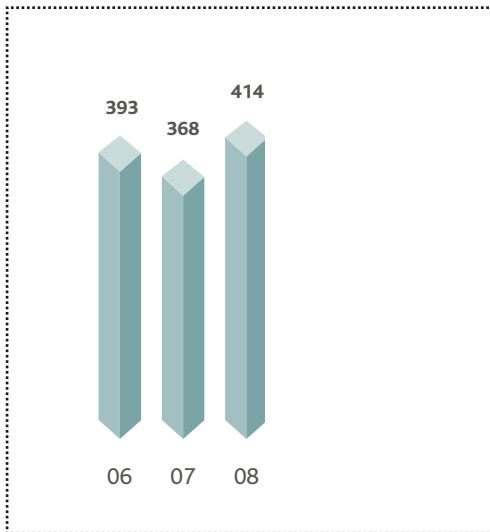
Performance

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR*) 1995 state that employers must report specific workplace incidents to the Health and Safety Executive. Accordingly, we track our safety performance using the categories defined by RIDDOR. We also include reportable incidents that occur in Ireland as 'IR1' incidents.

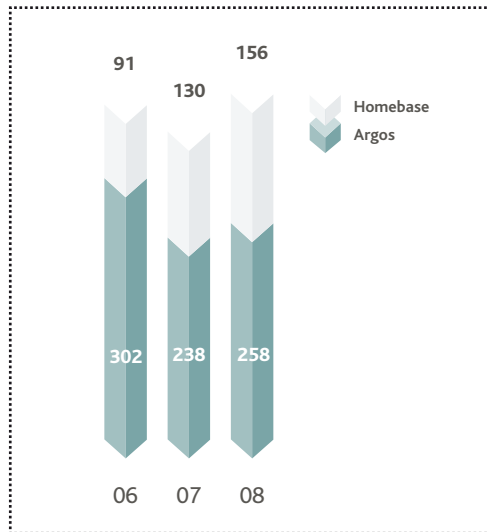
Objectives for 2007/08

Objective	Progress	Comments
Reduce RIDDORS by 10%	Missed	Work is ongoing to reduce the risk of incidents to colleagues and improve recording and monitoring of incident data

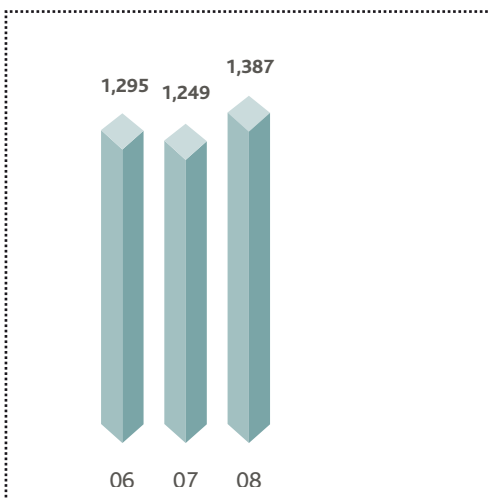
Number of reportable incidents



Number of reportable incidents by business



Number of reportable incidents per 100,000 colleagues



- In Homebase, a consistent methodology for reporting incidents was introduced in March 2006. This methodology was re-inforced in 2007. We believe that these initiatives are the main drivers behind the increases in reported incidents.

- The rate of incidents across the Group increased by 10%

Health and safety

Whilst the overall level of incidents remained low, we did not achieve our annual target of a 10% reduction in RIDDORS and, in fact, the number of colleague incidents rose by 13%.

We monitor and review our health and safety performance and there is no clear pattern underlying the increase in incidents. We continue to further enhance our focus on health and safety and highlight a number of initiatives below.

- The number one cause of RIDDORS is manual handling of heavy and bulky items. We have therefore trialled and launched a new training programme to improve our performance in this area and it is being progressively rolled out across the Group.
- New and improved power assisted pallet lifting equipment has been introduced to all Homebase stores
- Awareness campaigns have been undertaken in response to the identification of the most frequently occurring incidents including 'slips, trips and falls' and 'struck by falling objects'
- An enhanced health and safety risk assessment process has been rolled out across the Group
- To further embed a strong health and safety culture, all store managers attend a new full day's managing safety training course and the duty managers training includes a health and safety session

During the year we have also:

- Provided our health and safety champions with a calendar of campaigns to focus on a specific topic each month, e.g. fire safety. The calendar also assists all sites in scheduling their risk assessment reviews and checks
- Introduced a new 'road risk' programme for all colleagues, tracking vehicle use and identifying risks which are then used as a basis for training
- Conducted an internal audit review of our arrangements to manage compliance with health and safety regulations and provide assurance that the controls in place are effective. The audit concluded that accident and incident reporting mechanisms are established and operational and that the data is discussed at the appropriate committees.
- Reviewed our policies and procedures against recently published guidelines from the Institute of Directors regarding health and safety leadership and management. We are confident that all the recommendations have been, or are in the process of being, implemented.

In relation to customer RIDDORS, we have been successful in exceeding our target of a 10% reduction, recording a 28% improvement in total. We believe that a significant factor in this success has been an initiative launched this year to assess and address risks inherent in the display of products and store fixtures and fittings. We continue to focus on ensuring that our stores are designed to provide a safe environment for customers.

Note: These are the number of incidents reported in accordance with the UK Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORS) and include reportable incidents that occur in Ireland ('IR1s').

Future objectives and targets

Objectives for 2008/09

- Reduce RIDDORS by 10% year-on-year across the Group.

Areas of focus in the coming year include:

- Extending our manual handling training programme across the Group
- Reviewing and updating our occupational health service across the Group
- Continuing our programme of health and safety audits across our stores and distribution centres
- Establishing an internal health and safety award programme for our stores.

Examples of our work

Product handling and storage

Providing a buyers' guide to highlight the potential impact of product selection decisions on the movement and bulk storage of products in distribution centres and stores.

Distribution health and safety awards

All Argos distribution centres have received either gold or silver awards from the Royal Society for the Prevention of Accidents (RoSPA). Homebase distribution centres will participate in the awards in the coming year.

The Group's distribution safety management were also finalists in the Institute of Safety and Health (IOSH) awards in 2007. We have established our own internal award programme to encourage our distribution centres to improve their health and safety performance.

Training and career development

Overview

We aim to nurture and develop talent within our business: we are very keen to continue to develop future leaders from within the Group.

We have a number of well established learning and development programmes that cover all parts of the organisation. These comprise core functional skills programmes that equip colleagues to perform in their roles and cross-group development programmes that focus on critical interpersonal skills, including core leadership skills.

Every new starter has a formal induction to orientate themselves within the Group. Additionally, every colleague has access to appropriate training programmes. These are agreed with their line manager. Bi-annual performance reviews provide the opportunity to discuss training needs.

The Group has three core internal programmes to develop management talent. The programmes - Academy, Advance and Aspire - are well established and run between six to 12 months of the year, providing real depth of learning for participants.

Performance

In the last year we provided over 1,200 days of training to managers and head office staff. We also provided training to all store colleagues, in the form of off-job and on-job training and inductions. We offer 40 different training programmes to managers across the Group. The range of courses is updated every quarter.

In the last year we have introduced a graduate training programme to both Homebase and Argos; 12 graduates joined in September 2007: seven in Homebase and five in Argos.

Future objectives and targets

We plan to recruit another intake of graduates in 2008 and are reviewing our plans to determine our graduate needs for 2009.

Examples of our work

Homebase rising stars

Providing a buyers' guide to highlight the potential impact of product selection decisions on the movement and bulk storage of products in distribution centres and stores.

Argos graduate leadership

In September 2007 five graduates began their careers with our Argos team. Focusing on marketing, trading and the supply chain, the new recruits commenced a two-year training programme working in all of these fields. In addition to their time in different central functions, they will complete a four-month training programme in our stores. Our aim is to support and develop them to become our business leaders of the future.

The Group's distribution safety management were also finalists in the Institute of Safety and Health (IOSH) awards in 2007. We have established our own internal award programme to encourage our distribution centres to improve their health and safety performance.

Employee engagement

Overview

It is through the efforts of our people that we can deliver our strategy, so there is a strong commercial imperative for us to support effective employee engagement. We do this by listening to feedback from our annual employee surveys and by clear top-down communication cascaded through team briefings, large employee events, intranet sites and staff newsletters.

Performance

We undertake employee listening surveys every year across the Group. In Homebase we call it 'Your Say' and in Argos it is known as 'Speak Out'. The purpose of the survey is to determine colleague engagement through a number of different measures, including satisfaction, advocacy and pride.

One of our tasks for 2007/08 was to find better ways of using feedback to ensure we make Home Retail Group a great place to work.

Future objectives and targets

We have undertaken a pilot study to trial new ways of employee engagement. We will be reviewing the results with the goal of establishing a new and improved process across the Group during 2008/09.

Objectives for 2008/09

- Institute a Group-wide employee engagement survey with external benchmarks.

Objectives for 2007/08

Objective	Progress	Comments
Improve employee scores	Ongoing	Good progress is being made with an average improvement of 5% across the Group

Team briefings and huddles

Argos and Homebase hold regular team briefings to share key messages and create a cascade of information from managers to direct reports down the chain to all colleagues. Store managers across both brands also brief their employees daily on operational issues and new product launches.

Colleague events

Important changes within the Group, such as the launch of new business initiatives, Christmas and Easter trading plans, are communicated through events at offices and distribution centres and Argos and Homebase conferences. There are also regular conferences for staff working in particular functions (e.g. Finance, HR etc).

Intranet

The Group intranet holds documents such as HR policies, making it easy to provide up-to-date information. A dedicated corporate responsibility section describes the Group's policies and community activities and is used to communicate related announcements, news and social events.

In-house magazines

The staff magazines 'Argos Post' and 'HOMEpage' are produced six times a year to update colleagues on topics such as company performance, employee achievements (including community fund raising), new store openings and new product and service launches. Both publications are printed on FSC-certified paper.

Publications

We sometimes use individual leaflets to communicate specific information to all colleagues. For example, to highlight our corporate responsibility work in 2006/07 we distributed a six-page summary to all colleagues across the Group.

Milton Keynes travel plan

Colleagues at our Avebury head office in Milton Keynes benefit from a dedicated intranet site providing up-to-date information on travel options. The site aims to encourage car sharing and healthier modes of travel such as cycling, as well as provide information such as public transport routes and timetables, car share schemes and cycle facilities.

Benefits and bonus schemes

Overview

To develop a good team it is essential to recruit the right people, keep them motivated and create the right environment for them to perform well. One of the ways we do this is through a comprehensive package of benefits and bonus schemes.

All colleagues are offered a remuneration package that, in most cases, includes an opportunity to earn a bonus depending upon company (and in some cases store or individual) performance. Employees also have the opportunity to purchase shares in the Group over a three to five-year period through the Group's sharesave scheme, which offers a 20% discount and tax-free savings account. We launched our first sharesave scheme in 2007/08 and will launch a second scheme in 2008/09.

All employees are eligible to receive a discount at their place of work. Argos offers a 10% discount on all catalogue purchases and gift vouchers; Homebase offers a 20% discount.

The Group's 'Discover' benefits scheme provides access to a great range of voluntary benefits. Now in its fourth year, the scheme offers discounts with over 60 leading high street names, from travel and insurance offers to gym memberships and days out.

For more examples of our benefits packages, see examples of our work.

Examples of our work

All employees have access to the following range of benefits and support:

Kids Unlimited

This is an opportunity for colleagues to make tax and National Insurance savings on their childcare costs by exchanging part of their earnings for childcare vouchers or payment towards nursery fees.

BUPA Wellness

This is a free 24/7 confidential service providing access to confidential counselling on issues such as anxiety, stress, harassment and emotional problems.

Retail Trust

The Retail Trust offers a free confidential helpline for current and retired colleagues on a wide range of personal and work-related issues.

Lawline

At a cost of 20p per week, Lawline is a 24/7 legal helpline offering support on topics such as employment law and personal injury. Additional services are available with regard to wills, estate administration, probate and buying and selling property.

Future objectives and targets

Objectives 2008/09

- Improve take up of sharesave schemes. (21% last year)

Performance

Objectives for 2007/08

Objective	Progress	Comments
Improve employee scores	Ongoing	Good progress is being made with an average improvement of 5% across the Group