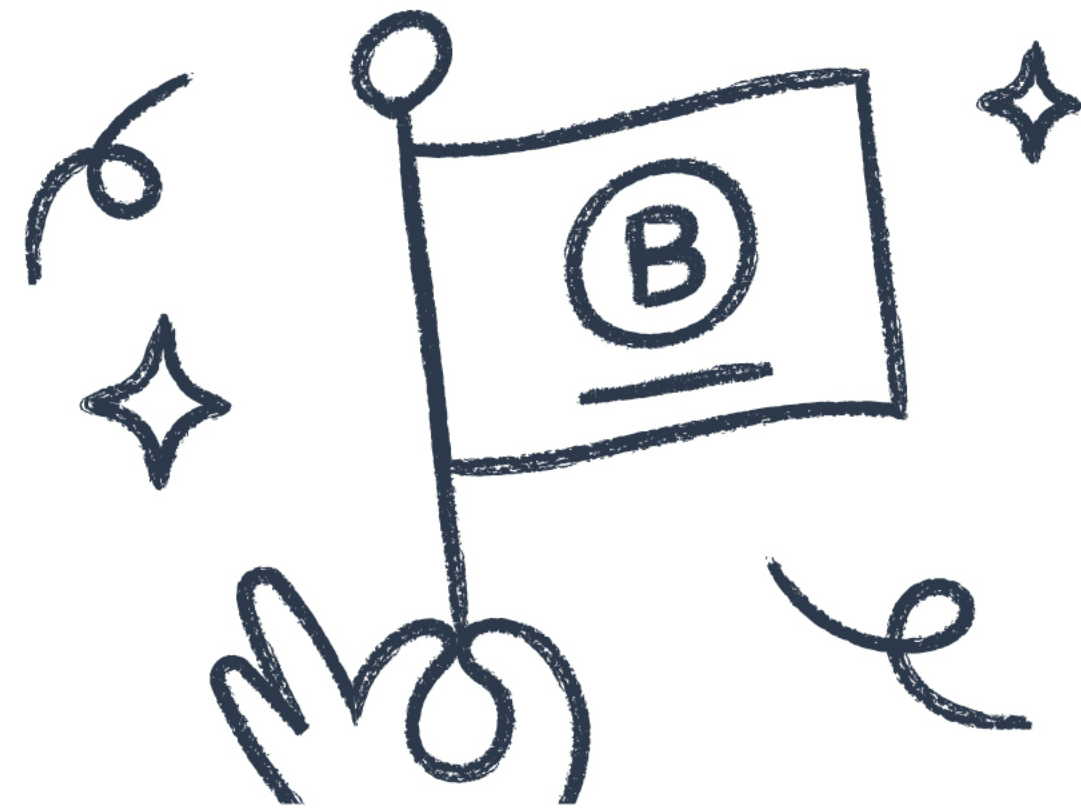




LloydsDirect B Corp Impact Report

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Why B Corp?



Businesses are expected to move and grow fast, but our planet's resources are finite.

So, at LloydsDirect our journey to becoming certified stemmed from thinking about how our daily practices could make a positive difference in our lives and the lives of future generations.

As a business we were really inspired by B Corp's key impact areas - Workers, Community, Environment, Customer & Governance – which helped us to put our big, ambitious dreams into a manageable framework that breaks everything down into doable tasks, making it easier to take action.

Only a year in, our business is already feeling the positive impact of our B Corp status. What once seemed like grand ideas now feel like achievable goals. Something tangible in which members of our team feel invested and eager to accomplish. Less talk, more action and the chance to have real impact.



About us

At LloydsDirect we're all about making people's lives easier, no matter how familiar they are with technology. That's why we're on a mission to build healthcare that's simple and accessible for everyone.

We're part of the LloydsPharmacy family. We make prescriptions hassle-free for over 600,000 people and, though we've grown exponentially from our days as a plucky start-up called Echo, we've remained mindful of our impact on people and the planet. We were thrilled to become a certified B Corp in 2022, demonstrating our commitment to doing business ethically, now and in the future.

And there's more we're working on. Our vision is to create a world where people are empowered to be healthier. It's big and ambitious, but we're up for a challenge. Stay tuned to see how we're getting on.



A word from our Managing Director, Connie Cha

The UK healthcare industry is going through a time of transformation. As an NHS pharmacy, we're affected by the pressures facing our healthcare system as well as rising global inflation. Despite these challenges, we stayed focused on the things we value the most. These are our company mission of making healthcare simple and accessible for everyone, and our commitment to ethical business as a B Corp. So we spent the last year looking into new ways to support the NHS and working tirelessly to honour our B Corp pledges.

Being a B Corp newbie, we've been full of energy and enthusiasm, introducing numerous initiatives across the 5 impact areas.

And today, I'm proud to share our incredible progress with you.

Building our B community

As a newly certified organisation, our primary goal for Year 1 was to build awareness around B Corp. We celebrated our certification and educated ourselves on what it means to be a B Corp. It has been a surprise and a delight to see the quantity and quality of initiatives we've come up with, organically and spontaneously. These ranged from volunteering for local communities to a charity clothes swap.

Alongside our colleagues, we invited our patients and partners to join us on our B Corp journey. Our B Corp partners have already played a key role in assisting us to reach our goals. We found that the common language B Corp gives us strengthened our partnerships and helped us connect with new like-minded organisations.

Caring for our people and the planet

In Year 1, it has been vital for us to address the things that impact our team the most. So we started with the cost of living crisis. We launched initiatives that supported those most affected and helped everyone improve their budgeting skills.

As for reducing our environmental footprint, I'm happy to say we made progress in that area too. One of the highlights is that we reduced the energy we use in our 50,000 sqft pharmacy during the summer. We did this by installing an efficient HVAC system. We also reduced the amount of packaging we use for chilled medicines, which is a big win.

Laying the foundations for the future

Other focus areas have required a deeper review of where we are and greater planning for the future. So this year, we've begun looking at how we can help everyone at LloydsDirect build a meaningful career. We've also started implementing our plan to reduce medicine waste in the long term. We expect this to begin bearing fruit in Year 2.

And this is only a small sample of what we have achieved. I hope you'll enjoy reading more about our Year 1 work and that you'll be keen to follow our whole journey. There's still so much more we plan to do as a team and as a force for good.

Our impact score



Impact score data key

- 85.4 Overall B Impact Score
- 80 Qualifies for B Corp certification
- 50.9 Median Score for Ordinary Businesses

Impact area breakdown



Our impact strategy



Entering into our first year as a B Corp we were well aware that this is a marathon, not a sprint. It's not about quick wins and box-ticking, this is about our future so we're prepared to be in it for the long haul. With that in mind, we wanted our Year 1 focus to be on laying important, achievable groundwork that would provide us with solid foundations for building on in the coming years.

GOVERNANCE

Being a B Corp is about balancing people, planet and profit. These three elements need to be hardwired into our day-to-day business decisions. This isn't about being perfect, it's about increased awareness leading to making better decisions, and being transparent about the way we do business with our team members and our customers.



Governance



Code of Conduct & Ethics

Status: **complete**



Increasing B Corp awareness

Status: **ongoing**

Create a code of conduct & ethics

You never want any member of your business to be in doubt about how you operate. At LloydsDirect we are committed to supporting our team members to navigate some of the important aspects of our company and explain the fundamental principles, internal policies, and procedures that shape the way we do business.

In 2022, we made a pledge to:

Create a code of conduct & ethics



What we did in Year 1:

Our code of conduct & ethics was completed in April 2023. It applies to all team members regardless of position or tenure and it highlights our aim to choose business partners who share our company values, B Corp pledges and our commitment to doing business with integrity.

What's next? In Year 2 we will:

Ensure our code of conduct & ethics is part of all new starter inductions and consistently updated in line with new developments across the business.

Increase awareness of B Corp

We think that being a B Corp member is a big deal and it's crucial that we have the buy-in of all our team members, customers and communities to help us collectively achieve the goals we set. This is why our B Corp status is something we want to shout about to our stakeholders and help people understand what it is and why it's an important move for the future.

In 2022, we made a pledge to:

- **Increase awareness of B Corp at a company level**
- **Define a B team to ensure we stay true to our B Corp pledges**



What we did in Year 1:

- Announced our newfound B Corp status with a company-wide launch party during which we educated team members on what it means to be B Corp
- Introduced a monthly B Corp induction for new starters
- Created a B Team incorporating nine volunteers from across all areas of the business. The team meets monthly and supports the business to ensure we are operating responsibly in order to stay true to our B Corp pledges

What's next? In Year 2 we will:

- Continue B Corp monthly meetings
- Revisit our plans to include B Corp as part of our key results process
- Continue to increase awareness by incorporating B Corp as part of our company wide communications at least once a quarter

Communication, communication, communication

Not a pledge but a happy by-product of the actions surrounding our Governance pledges was increasing communication across our business.



What we did in Year 1:

- Fostered a closer working relationship with our Executive Leadership Team (ELT) by increasing their involvement during our All Hands monthly meeting. This provides team members an opportunity to have a look back to the previous month from each area of the business: Finance, People, Tech, Marketing, Operations etc, and communicate upcoming events, updates and changes with the aim to keep everyone well informed
- Empowered team members to ask challenging questions and feel more connected to the direction of the company by launching “Office Hours” with our MD Connie Cha – an opportunity to get time with her on a monthly basis

What’s next? In Year 2 we will:

Continue nurturing our ELT’s participation during our monthly communications in the pharmacy to further strengthen key working relationships

WORKERS

True to our start-up roots, LloydsDirect has a supportive, entrepreneurial culture. We move fast, challenge the status quo, and always try to do the right thing. Our 250+ team members are the lifeblood of this philosophy and we encourage bright minds from all walks of life to build a meaningful career, joining us in our mission to make NHS prescriptions simple for everyone.



Workers

Despite not making any specific pledges regarding workers for Y1, the cost of living crisis quickly put this impact area into sharp focus for our business and lead to significant actions being taken.



Cost of living crisis support



Wellbeing & personal development



Promote equality



Policy improvements

Cost of living crisis support

Sometimes life just happens and, as an employer, it's our job to react and ensure our team feels supported.



What we did in Year 1:

- We switched our payroll solution to fellow B Corp, PayCaptain, which opened up a wealth of additional benefits to our team members intended to help support them through the cost of living crisis and beyond. These included: weekly advances; money planning tools; financial wellbeing surveys & advice; automatic payments to savings accounts; up to £200 emergency cash advance.

What we did in Year 1 (continued):

- Held a Cost of Living Session with Bippit Financial open to all employees. This provided attendees with useful tools and tips to ease the pressures they might be experiencing and provided an open forum to share concerns and come away with practical solutions.
- We initiated a blanket pay increase for lower paid roles in October 2022 to support them in the cost of living crisis.

What's next? In Year 2 we will:

Review our Wellbeing & Mental Health support.

Wellbeing & personal development

We're in the business of taking care of others. This isn't something reserved for our customers, we want to take steps to ensure every member of the LloydsDirect team feels seen, heard and looked after in a place where they can develop their skills, grow, develop and feel fulfilled.



What we did in Year 1:

- We conducted a company-wide Benefits Review survey that identified areas (such as 'wellbeing') in which our team members wanted additional support so that we were able to focus wider business decisions on meeting those needs

What we did in Year 1 (continued):

- We introduced a quarterly eNPS Survey to complement our monthly Wellbeing Survey. This has already encouraged increased engagement and ensures we listen and take action on what matters most to our team members
- Our managers underwent Mental Health Training in partnership with mental health charity Mind to better support individuals on their teams
- We have started the process of creating Career Path Frameworks to help our team members realise their development goals here at LloydsDirect and stay engaged. This has now been completed for the Tech department with other areas of the business to follow their teams

What's next? In Year 2 we will:

- Continue to roll out Career Path Frameworks to other departments of the business

What's next? In Year 2 we will:

- Introduce ambitious engagement survey targets to ensure we are continuously improving both our participation and engagement scores
- Improve our cross divisional working and understanding of other areas of the business. Part of this will be our Feet in The Pharmacy launch – an initiative for all team members to be able to spend time in our pharmacy environment to understand how our operations work; the challenges we face in this area; and ultimately encourage bigger picture thinking
- Upskill our managers and leaders with Manager Development Training. Research shows that managers influence at least 70% of team engagement – a metric that helps us know how happy our team members are. So we believe that better training for managers will ultimately lead to happier team members
- Improve the office environment in our Shoreditch location to make it a place people want to come and spend time in, as well as creating a conducive environment for effective meetings whether that's a roundtable gathering or informal catch-up amongst team members

**What's next? In Year 2 we will
(continued from page 14):**

- Support our Managers in gaining an in-depth understanding of our people with improved workforce reporting tools. These will help them to understand gaps and inform better data driven decisions that can be shared with our Leadership Teams via monthly dashboards
- Employ better utilisation of cross functional skills such as diversifying the roles of pharmacists within the business

Promote equality

Sadly, we don't all start life on an equal footing, so we're passionate about doing what we can as a business to redress inequalities wherever possible and work towards a more balanced future.



What we did in Year 1

- Over the past year we've significantly reduced pay disparity across the organisation. Our 2022 Gender Pay Gap report revealed that LloydsDirect's median pay gap is now 1.7% – a huge improvement on 37.2% just 2 years previously. And LloydsDirect's mean pay gap is now 11.2%, down from 30.6% in 2020

What we did in Year 1 (continued)

- The percentage of women in the upper middle quartile of pay has risen from 18% in 2020 to 33% in 2021 and now stands at 56% in 2022. Again, this marks a considerable improvement over the past 2 years
- We gave our whole team and external candidates visibility of our market-benchmarked pay bandings for their role, building on our commitment to pay review transparency and equalitydepartment with other areas of the business to follow their teams

What's next? In Year 2 we will:

Reduce our company's Gender Pay Gap even further

Policy improvements

Life isn't all about work. That's why our people are supported to take holidays, start families, stay healthy and learn new skills.



What we did in Year 1

- We enhanced a number of employee policies. Our flexible working policy now allows requests prior to starting employment with us. Company sick pay was increased from 10 days at full pay per year to up to 3 weeks at full pay + 3 weeks at half pay. Holiday pay was also enhanced from 25 days to 28 days per year
- We initiated a number of new policy launches to provide meaningful policies that matter to our team members. These included: Menopause, Fertility Leave & Enhanced Parental Bereavement Leave.

What's next? In Year 2 we will:

To remain competitive in this area and provide benefits that reflect those things our team members value most we will conduct a review of our benefits offering, informed by the feedback received from our Benefits Review Survey completed by team members

CUSTOMERS



Customers

More than half a million people trust LloydsDirect with their NHS prescriptions and that’s a responsibility we take incredibly seriously. We’re all about making people’s lives easier, no matter how familiar they are with technology, and that means staying on top of developments in our industry and always thinking of ways to improve and enhance the experience of our customers. We’re on a mission to build healthcare that’s simple and accessible for everyone and, ultimately, create a world where people are empowered to be healthier.



What we did in Year 1:

Hired a Head of Patient Care and implemented a customer service strategy

What’s next? In Year 2 we will:

- Continue to improve our customer service call handling rate and reduce wait times in order to provide a better and safer experience for our patients
- Provide immediate response to patients within office hours by moving to real time support via our messenger service on our app
- Reduce contacts per dispatch to 0.10. This will be our clearest indication that there are fewer problems occurring with deliveries and therefore means happier patients.
- Engage our patients with more healthcare-related news via our new marketing site and blog
- Improve our quality assurance by upskilling team members to become specialists in each patient care vertical

ENVIRONMENT

Everything we do makes a mark on the world around us. We're working hard to minimise that, and be open about how. From using recyclable packaging to becoming a B Corp, we're looking to the future and taking responsibility for our company's impact on the planet.



Environment



Assess, audit and reduce our footprint across our sites

Status: **ongoing**



Make overarching packaging improvements

Status: **ongoing**



Create a robust strategy to tackle and reduce split pack wastage

Status: **ongoing**

Reducing our environmental footprint

Earth is our home. To protect it, we’re taking steps to lower our carbon footprint and support forest-planting projects. As a B Corp we are committed to continuously improving how we treat the environment.

In 2022, we made a pledge to:

Assess, audit and reduce our footprint across our sites



What we did in Year 1:

Reduced our summer months’ cooling energy usage by installing an efficient HVAC system which enables us to not rely on hired, inefficient systems

What’s next? In Year 2 we will:

Relaunch our climate action initiative in FY25 with fellow B-Corp Ecologi

Smarter packaging

From FSC certified cardboard to saying ‘bye bye’ to bubble wrap we’re doing everything we can to move towards planet-friendly packaging.

In 2022, we made a pledge to:

- Make overarching packaging improvements
- Add the B Corp logo and key messaging to boxes



What we did in Year 1:

- Reduced the overall amount of packaging in the liner by moving to a bespoke pouch
- Reduced our superfluous packaging from consumables used during dispatch - we removed the threading from our tape to make it 100% recyclable and packing peanuts were replaced with reused boxes for our void fill paper
- Switched our insulated pouch supplier to Woolcool® (a fellow B Corp) made with 100% sheep wool that is recyclable and can be reused in endless ways

What’s next? In Year 2 we will:

- Feature the B Corp logo on packaging and amend the box messaging to incorporate B Corp information



Reduce wastage

None of our waste goes directly to landfill. We recycle everything we can and make sure to put the rest to good use, but there are key areas where we can do more...

In 2022, we made a pledge to:
Create a robust strategy to tackle and reduce split pack wastage



What we did in Year 1:

We have laid the foundations for implementing a long term plan to significantly reduce our medicine waste. We have placed an order for a tablet counting machine, which will allow us to significantly scale our internal re-packaging operation. We are expecting delivery by September.

What's next? In Year 2 we will:

From September we will be scaling our re-pack operation. In the first 6 months, the plan will be to re-package around 25,000 medication packs. Once we have established this, we will look to scale our re-pack operation further, with the long term goal being to reduce the occurrences in which we need to split a pack by 80%, significantly reducing the medicine waste that is currently discarded within our process.



COMMUNITY

We believe that the need to come together as a community is more important now than ever before. It is only through open communication and working together that we will be able to overcome the challenges we face to our future so wherever possible LloydsDirect wants to encourage engagement with the communities in which we operate, and beyond!



Community



**Employee
Resource Groups**



**Engage in
volunteering**



**Charitable
giving**

Employee Resource Groups

From promoting cultural awareness and fostering an inclusive workplace, to improving company innovation and enhancing employee experience, we see the introduction of ERGs as a key step in securing a bright future for everyone in our business.



What we did in Year 1:

Restructured our D&I Working Group into multiple smaller, more focused, voluntary Employee Resource Groups to help LloydsDirect team members thrive and ensure we are fostering a diverse and inclusive workplace.

What's next? In Year 2 we will:

- Continue the development of our ERGs
- Explore Neurodiversity awareness training for managers
- Continue community upskilling via hiring locally and providing training to become qualified as NVQ Level 2 Dispensers and ACDA (Accuracy Checking Dispensary Assistants)

Engage in volunteering

Volunteering gives our team members the opportunity to learn new skills, build strong relationships with colleagues across the business and within the local community, and feel part of a company that cares. Doing good makes you feel good, so our hope is that those involved will also feel a positive impact on their own health and wellbeing.



What we did in Year 1:

Introduced quarterly volunteering opportunities for all team members via our Volunteering Policy partnership with Hands on London.

What's next? In Year 2 we will:

Continue this rewarding partnership with Hands on London to continue to engage the team in meaningful volunteering opportunities that have real impact.



How we helped...

- Team members got stuck in with building a wall to house an award-winning refugee themed garden at the Good Food Matters community garden and kitchen in South London
- Green fingered volunteers wasted no time in building raised flower beds and helping with general garden maintenance for The Brandon Centre mental health and wellbeing service, transforming the garden into a pollinator-friendly environment and providing a relaxed sensory setting for clients

Charitable giving

Our goal is to make it as easy as possible for LloydsDirect team members to support charities who are struggling more than ever amid a cost of living crisis. It's not all about hitting people in their pockets either. Initiatives like our bake sales and clothes swaps give individuals the opportunity to contribute without feeling a financial pinch.



What we did in Year 1:

- Hit pause on fast fashion by holding a Clothes Swap day
- Dedicated Christmas to the spirit of giving by swapping out individual gifts for 4 x donations of £1,000 sent to charities voted for by team members – Shelter, Age UK, Great Ormond Street & Friends of the Earth. Our annual Christmas Jumper Day raised an additional £156 for Save the Children
- Encouraged our team to get baking for The Alzheimer's Society . The delicious results raised £367
- Switched our payroll solution to PayCaptain which enabled team members to opt into Give As You Earn - a flexible and tax-effective way for employees to donate to causes that matter to them the most



What's next? In Year 2 we will:

Continue supporting and forming partnerships with charities such as British Heart Foundation, The Alzheimer's Society, Blood Pressure UK and Medic Alert



Clothes Swap

Sustainable fashion and the chance for a clear out! Our team jumped at the chance to raid their wardrobes and bring unwanted items to exchange with others, giving old clothes a new life. There were some great fashion finds and some even better donations to Scope including £89 raised from the small entry fee and clothes that were left unclaimed from the day.

A summary of our Year 2 pledges:



Governance

- Continue our B Corp Team monthly meetings
- Aspire to have B Corp as a Key Result within our OKR process



Workers

- Look to improve our employee benefits package
- Review our wellbeing & mental health support
- Continue improvements to our office facilities
- Continue to roll out Career Path Frameworks



Customers

- Continue to deliver on our holistic health offering
- Engage our patients with more healthcare-related news via our new marketing site and blog
- Improve our quality assurance by upskilling team members to become specialists in each patient care vertical



Environment

Relaunch our Ecologi Initiative in FY25



Community

- Volunteering Days will continue on a quarterly basis
- Community upskilling will continue via hiring locally and providing training to become qualified as NVQ Level 2 Dispensers and ACDA (Accuracy Checking Dispensary Assistants)
- Continue supporting and forming partnerships with charities such as British Heart Foundation, The Alzheimer’s Society, Blood Pressure UK and Medic Alert



Looking forward

And that’s a wrap for LloydsDirect’s first exciting year as a member of the B Corp community! Our B Corp journey has only just begun and we want to thank everyone who has been involved in helping us to level out the ground and lay some solid foundations – now it’s time to begin building!



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**We hope those who are involved and interested will
continue to be a part of our progress, supporting and
challenging us in our efforts to be a better business.**

Stay tuned for more as our journey continues.