Kingfisher

BETTER HOMES, BETTER LIVES

Corporate Responsibility Group Performance 2011/12

Net Positive

At the start of 2012 we announced a new corporate responsibility plan called 'Kingfisher Net Positive'.

It commits us to a new challenge: to go beyond neutrality, to no longer strive to 'do less' but to seek to make a positive contribution to the world's future.

"Over the past year, we have already made progress in our four priority areas."

Nick Folland, Group Corporate Affairs Director: Net Positive

Timber

Energy

Innovation

Communities

This document is a download of the online Group performance pages. Visit www.kingfisher.com/netpositive for the full Kingfisher Corporate Responsibility report.

Kingfisher

BETTER HOMES, BETTER LIVES

Group Performance

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About this document

Note – the information in this PDF covers the Kingfisher financial year ending 28 January 2012. The PDF is updated on an annual basis at the end of June.

Data assurance

ERNST & YOUNG

The data, charts and explanatory notes in this PDF have been reviewed by Ernst & Young LLP, June 2012. Their Assurance Statement is available at www.kingfisher.com/CR_assurance

For more information

For the full Corporate Responsibility Report visit www.kingfisher.com/netpositive

Key priorities

Kingfisher's Net Positive focuses on four priorities: timber, energy, innovation and communities. This commits us to embedding a new approach to sustainability within the workings of the business, at Group level and among our operating companies.

Timber

Global vision

Global net reforestation.

Our aspiration

Our aim is to create more forest than we use.

Energy

Global vision

All homes are zero carbon or net generators of energy.

Our aspiration

Our aim is to make every home zero carbon or, where possible, a net energy producer.

Innovation

Global vision

Creating and consuming products wastes nothing.

Our aspiration

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

Communities

Global vision

Big business is a local force for good.

Our aspiration

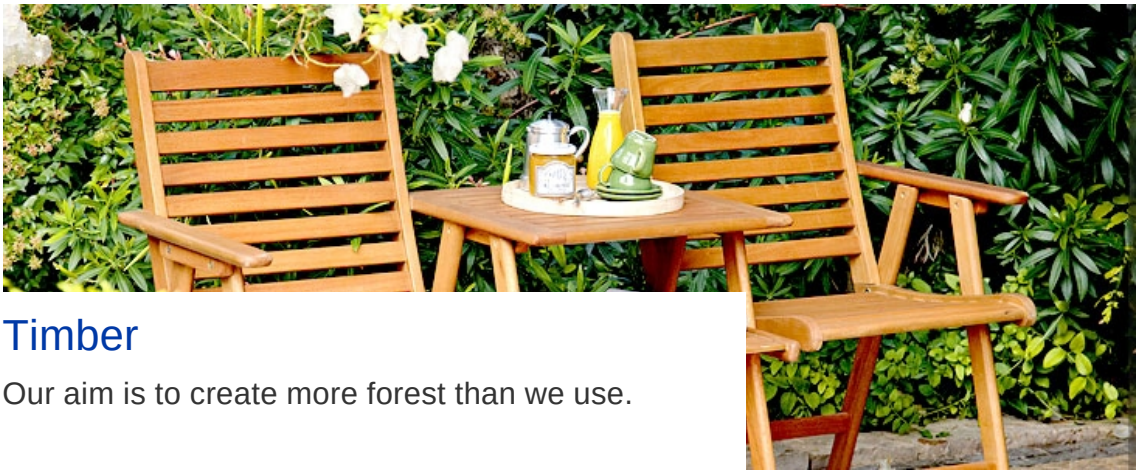
Our aim is for every store and location to support local community groups and equip people with skills.

Other issue areas

Three other issue areas underpin our four priorities and Net Positive strategy. These are employees, suppliers & partners and the environment.

→ Employees → Suppliers & Partners → Environment

Key priorities



Timber

Our aim is to create more forest than we use.

Key 2020 target:

100% responsibly sourced timber and paper in all our operations

2011/12 progress:

86% of reported timber products sold (by volume) responsibly sourced. To demonstrate a leadership position on timber, we are planning to extend our work on responsible sourcing to cover all timber and paper we use from packaging right the way through to timber used in construction

Note: Responsibly sourced timber is from 'proven well-managed forests or recycled sources' according to Kingfisher's Timber Policy Standard

Key challenges and opportunities

As world leaders in responsible timber sourcing, we now have an obligation to go beyond our efforts to source certified products and play an active part in driving the global agenda to protect our forests and the environment. We have come to realise that a responsible sourcing policy alone will not ensure sustainable and secure sources of supply for our businesses. We need to engage others and participate globally in a collaborative manner. Current population growth and deforestation rates suggest that there may not be enough forest to respond to the global demand for timber. To remain a leader we will need to do the following:

- encourage close collaboration with governments, business and civil society groups to improve the global availability of responsibly sourced timber, if we are to achieve our target of 100% responsible timber sourcing
- continue to work closely with forest standard-setting bodies to ensure that independent certification delivers to the expectations of an environmentally concerned public
- act quickly in cases where our standards may have been infringed and highlight any suspicious timber sources before the timber reaches our stores (Find out more on B&Q's commitment to sustainable timber sourcing)
- maximise on the potential of cutting-edge technology systems to improve traceability within the supply chain

86%

of Group timber sustainably sourced

100%

responsibly sourced timber goal by 2020

- commit to longer-term buying relationships in order to secure our supply of sustainably managed timber at the same time as encouraging improved forest practices and ensure that our purchasing practices and direct involvement in the supply chain will help create healthy and resilient forests
- extend our responsible timber sourcing programme to cover timber and paper used in all our operations from new store developments and refurbishments to the goods we use in our offices and packaging on our products
- ensure compliance across all of our operating companies with the EU Timber Regulation that will come into force in 2013
- understand and manage our wider forest footprint to ensure that none of the products in our supply chain are linked to tropical deforestation. In practice, this means going beyond our timber sourcing programme to ensure that we are also sourcing responsibly other materials that may have derived from forest areas, such as palm oil and leather.

Overview

Timber is one of the most important resources for our business. In the home improvement market, many of our products contain wood fibre and we sell a high volume of timber: during 2011/12, the total volume of reported timber sold was 7.1 million m^3 roundwood equivalent (RWE). This is comparable to an estimated forest area the size of Switzerland. Today, 86% of Group timber is from proven well-managed sources, which include FSC, PEFC, TFT, Rainforest Alliance and WWF GFTN (over 50% of our products are FSC certified).

Our responsibility is not only to use timber from independently verified sustainable sources but also to ensure that we help create more forest than we actually use. Over the last 20 years, Kingfisher's operating companies have supported the development and growth of independently certified forests. FSC certification was designed to sustain and enhance forest biodiversity and has been proven to help forest managers achieve healthier, more diverse, richer and more productive forests.

The majority of our operating companies are working with certification bodies to increase the availability of sustainable wood sources. We are also improving internal tools used to screen products to ensure they meet Kingfisher's procurement policies and new legislation in Europe. The requirements of the EU Timber Regulation PDF(0.99Mb) reflects our long-standing timber policy on responsible sourcing across the Group. Our 'Net Positive' aspiration goes beyond legal requirements, with an aim to create more forest than we use.

Our Net Positive impact

The Group and our operating companies will also be involved in a series of local forest projects designed to support national timber sectors and local communities and reduce carbon miles associated with imported product. We will endeavour to measure our 'forest footprint' to ensure that our impact has been Net Positive.

In 2011 our operating companies continued to make an impact in their own markets to deliver responsibly sourced timber. B&Q UK & Ireland was the first major retailer to achieve the aim of purchasing 100% of its timber products from forest sources independently verified as well managed. This continues the company's leadership and pioneering work to develop one of the first responsible timber policies in retail and its visionary role as a founding member of the Forest Stewardship Council (FSC) in the 1990s.

Over the past year, Castorama France was recognised by WWF France as the leading supplier of sustainable timber in France and Brico Dépôt France as the leading DIY retailer for sustainably sourced timber in France. Koçtaş in Turkey is working with Rainforest Alliance on a strategic plan to improve the supply of certified timber within Turkey, while Brico Dépôt Spain won the Cemex Foundation's Sustainable Supply Chain award for its work with Kingfisher on responsible timber sourcing.

Our main aim within Net Positive is to replicate B&Q UK's achievement of reaching 100% of timber products from proven responsible sources across the Group by 2020. This will entail improvements over a period of less than eight years in our emerging markets where certified products are in less demand. Maintaining our leadership position also means looking at our longer-term impacts on the forest and sharing what we learn with other companies. Over the coming decade we will be focusing our approach on a number of key objectives:

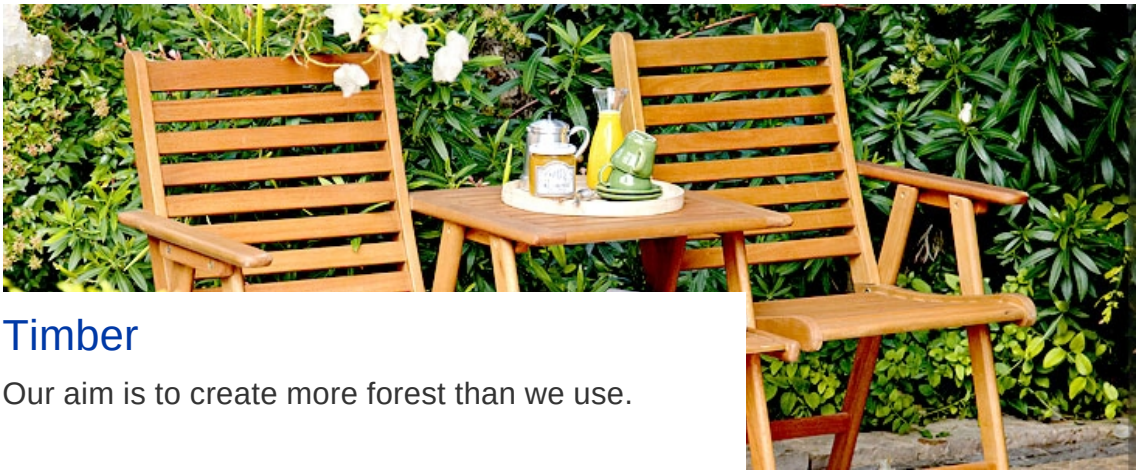
- to secure a long-term supply of sustainable timber
- to empower our customers to take action against deforestation and forest degradation through well-informed purchasing decisions
- to work with our operating companies in different countries to improve their proportions of proven responsibly sourced timber
- to ensure greater supply-chain transparency and traceability.

B&Q UK and its timber policy

B&Q UK's commitment to responsible timber sourcing was challenged by a story in the UK's Daily Mail newspaper in early 2012, which questioned the sustainability credentials of some of its hardwood plywood. At the time, the FSC certification of a plywood product stocked by B&Q was being investigated following allegations that the manufacturer had not complied with traceability standards.

As a Group, we want to be transparent about our sustainability credentials – and also about some of the very real difficulties we face in trying to maintain the highest standards and be a leader. Find out more about the story covered in the B&Q section of our Corporate Responsibility Report

Key priorities



Timber

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2011/12 progress:

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Note: Responsibly sourced timber is from 'proven well-managed forests or recycled sources' according to Kingfisher's Timber Policy Standard

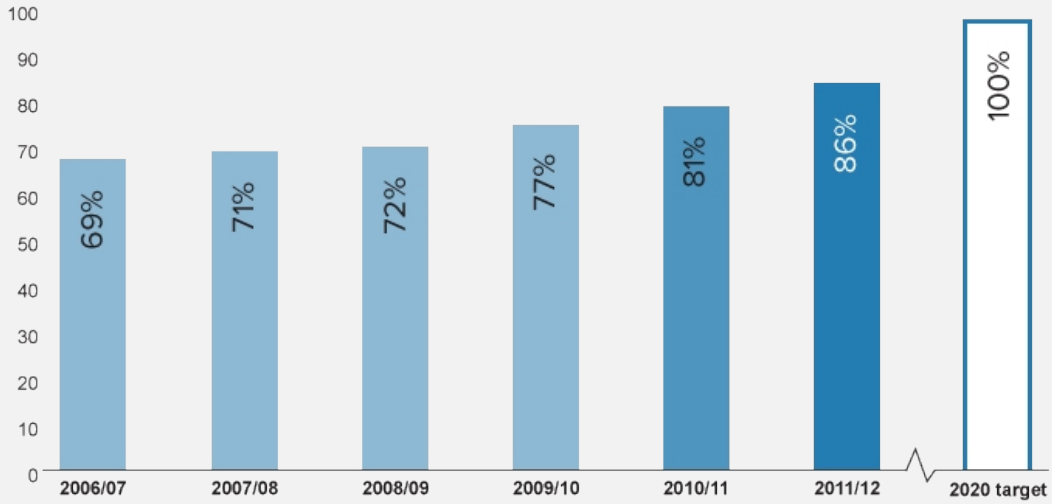
Responsible sourcing

Our 2020 target is to achieve 100% responsibly sourced timber and paper in all our operations. In 2011/12, 86% of our reported timber sold (by volume) was from independently verified responsible sources, up from 81% the previous year. Our businesses in the UK, France and Spain all helped to drive the improvement over the year.

We are planning to extend our work on responsible sourcing to cover all timber and paper we use from packaging to timber used in construction, to demonstrate leadership in timber sourcing.

Responsibly sourced timber

% of reported timber volume sold from proven well-managed forests or recycled sources



See data section for explanatory notes to this chart

In 2011, B&Q UK reached its target of buying 100% of its timber products (over 16,000) from responsible sources – the majority of which is FSC – making B&Q the first major UK retailer to reach this landmark. The challenge lies before us to take this achievement across all of our operating companies.

Over the past year, our businesses in France have significantly increased their volumes of responsibly sourced timber products – helping to drive up the overall Group volumes of responsibly sourced timber that we sell. Castorama France was recognised by WWF France, in early 2012, as the overall leading supplier of sustainable timber in France, while Brico Dépôt France was first in the DIY sector. Brico Dépôt Spain won the Cemex Foundation's Sustainable Supply Chain award for its work with Kingfisher on responsible timber sourcing.

We are working to ensure that current internal systems will be ready to respond to the new requirements of the EU Timber Regulation which aims to ensure that timber imported into the EU market has been legally harvested and traded. The regulation comes into force in March 2013.

The way we define proven well-managed forests or recycled sources is included in the following:

- Certified timber: this is either Forest Stewardship Council (FSC) certified products with a full chain of custody or Programme for the Endorsement of Forest Certification (PEFC) certified products with a full chain of custody (includes endorsed schemes)
- Products from suppliers or sources who are formally working towards FSC certification, i.e. working with partners as part of an independent verification scheme to demonstrate progress towards FSC certification: The Forest Trust (TFT) projects, WWF Global Forest & Trade Network (GFTN) members and Rainforest Alliance (SmartStep) participants
- Verifiable recycled material.

The FSC is our preferred choice because it is the most stringent globally applicable certification scheme. It provides assurance and a recognised chain of custody for certifying wood products and is generally considered to be the gold standard for sustainable forestry standards. The overall number of FSC-certified product lines has increased from 49% in 2010/11 to 51% in 2011/12. However, the overall volume of FSC timber has decreased from 55% in 2010/11 to 48% in 2011/12. This is mainly due to an increase in overall timber certification within our French operating companies, who source from national vendors in France, which has a relatively high proportion of PEFC-certified timber. This has contributed to an overall increase in the Group volume of PEFC-certified timber from 25% in 2010/11 to 38% in 2011/12.

Collaboration

Steps are being taken in many countries to improve the availability of responsibly sourced timber and products. In-country, our operating companies are working with the supply chain and NGOs such as WWF and TFT to increase the supply of timber from proven well-managed forests.

For example, Koçtaş in Turkey is working with Rainforest Alliance on a strategic plan to improve the supply of certified timber within Turkey. Brico Dépôt Spain collaborated with FSC Spain to create posters to improve customer awareness of FSC-certified timber. Brico Dépôt France has extended its work with TFT. B&Q China is working with WWF FTN-China to educate its major timber suppliers of flooring, bulk and furniture products on sustainable timber sourcing.

Engaging customers

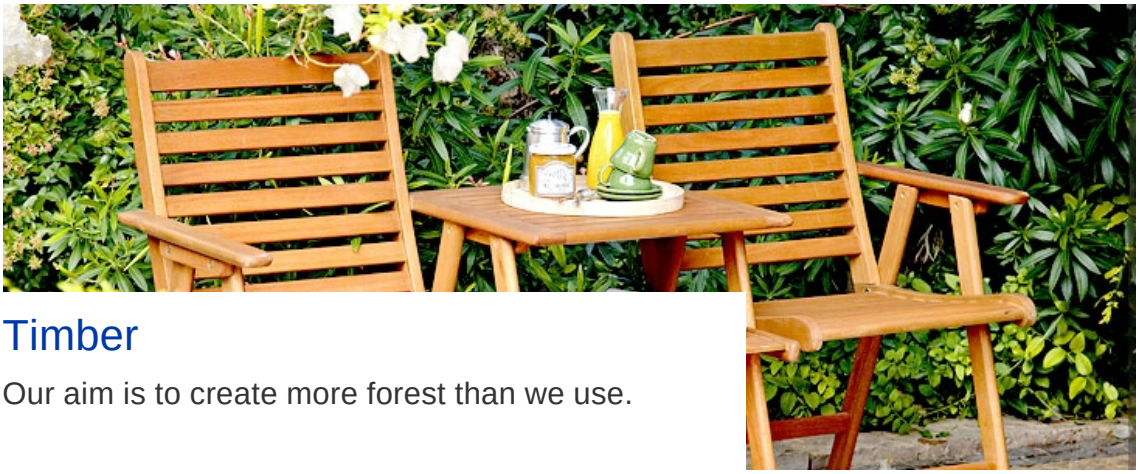
We also believe it is important that our customers understand and question the origins of timber and timber products. We focus on ways to engage our consumers to help increase customer awareness of the importance of responsible timber sources. For example, B&Q UK promoted its support of 'Forest Friendly' timber at a five-day family event in London's Kew Gardens, run by Start, an initiative set up by the Prince of Wales.

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Key Priorities



Timber

Our aim is to create more forest than we use.

2020 target:

All products containing tropical hardwood will be FSC certified or endorsed by schemes working towards FSC certification

2011/12 progress:

Our UK operating companies have met this target and our French operating companies are committed to achieving it by the end of 2012

2020 target:

None of our products to be sourced from materials that are linked to tropical deforestation

2015 milestone:

To determine the origin of all materials in products that may potentially contribute to deforestation (e.g. timber, palm oil and leather)

2011/12 progress:

In addition to our work on responsible timber sourcing, we have conducted some initial research to identify other forest-derived materials in products. We have found that the scale of the impact is relatively small compared to our timber sourcing, but recognise that we need to do further work in this area to understand our impact fully and establish sustainable sourcing policies

Looking after our tropical forests

The protection of tropical forests is one of the most pressing global issues for the timber and environmental sector today. Our tropical forests are critical to protecting the climate as forest destruction contributes to climate change.

In recognition of the world's greatest environmental challenges and the subsequent need for urgency, we have strict policies at Group level to ensure that Kingfisher Group is not contributing to tropical deforestation. We have set a target to ensure all timber products containing tropical hardwood will be FSC certified or endorsed through FSC-accredited schemes. By 2020, we aim for none of our products to be sourced from materials that are linked to tropical deforestation. To achieve this target, we need to learn from our work on responsible timber sourcing to develop a clear understanding of the 'forest footprint' caused by all products derived from a forest area, e.g. palm oil. This will require full traceability of our supply chains across these products.

A number of our operating companies already have checks in place on timber products containing tropical hardwood and work is ongoing. Our UK operating companies, B&Q and Screwfix, have already met our target on tropical hardwood timber and our French operating companies have committed to achieving it by the end of 2012.

We also need to ensure that all of our products that contain forest-derived materials – like palm oil, leather or peat – are responsibly sourced. Tropical forest derivatives, like palm oil, are a challenge for many companies in the retail sector, as they may be mixed with other oils and difficult to identify. We have conducted some initial research to review the scale of the impact for Kingfisher and have found that our products may contain some forest derivatives. While the scale of the impact is relatively small compared to our timber sourcing, we are working to identify fully all forest-derived materials in our supply chain and put in place policies and programmes to ensure they do not contribute to tropical deforestation.

Key priorities

Timber

Our aim is to create more forest than we use.

2015 target:

Demonstrate a resilient timber supply chain that secures the future supply of environmentally and socially beneficial timber for our products

2011/12 progress:

We are working on an approach that will commit us to a longer-term view on sourcing timber and our relationship with forests

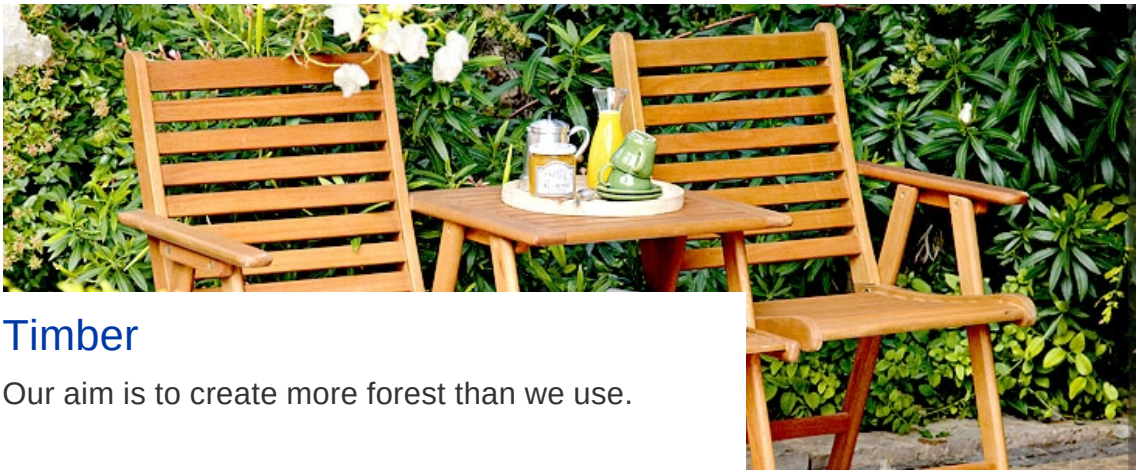
We will be introducing a strategic approach to timber sourcing that takes a longer-term view on our timber suppliers, from the forest floor to the shop floor. This will enable us to plan ahead and commit to certain types of wood and timber sources for a longer period. This approach will help us guarantee a secure supply of timber for our products; it also benefits the forest manager as a consistent income stream allows for better investment in good forest management. Such longer-term commitments to sourcing give us greater transparency of the supply chain and mean that we can become closer to the forest source than in the past.

Our goal is to commit to engaging in selected forest areas, both local and international, where the timber species and products are important to our product offering and to work with them on continually improving these forests. By working more closely with forest areas, we can help to increase our positive influence on forest management and help conserve and create more woodlands and forest. By encouraging local skills development and training among particular community groups and through projects that support national timber industries, we will be in a position to ensure our products are helping to sustain the communities that rely on those forests for their livelihoods.

The retail sector typically works on short buying cycles, a model which is not conducive to encouraging long-term investment in forest management. We are looking at how we might be the catalyst for changing this disconnect. Through the implementation of a strategic sourcing programme that will supply us with key timber products we hope to be an innovative force in retail. Once implemented, this approach gives us the means to restore forests, create a resilient supply chain and boost our work in communities using one of our core business assets. We have embarked on a journey that will take us through to 2020, but the ideas are potentially transformative for our sector and for the forests.

Our recent introduction of a common portfolio of 11 own brands across the Group will help to streamline the monitoring of our timber sources, giving us more control over the implementation of environmental and ethical standards. Our central Kingfisher Sourcing Organisation (KSO) also adheres to strict sourcing criteria for timber and timber-based products.

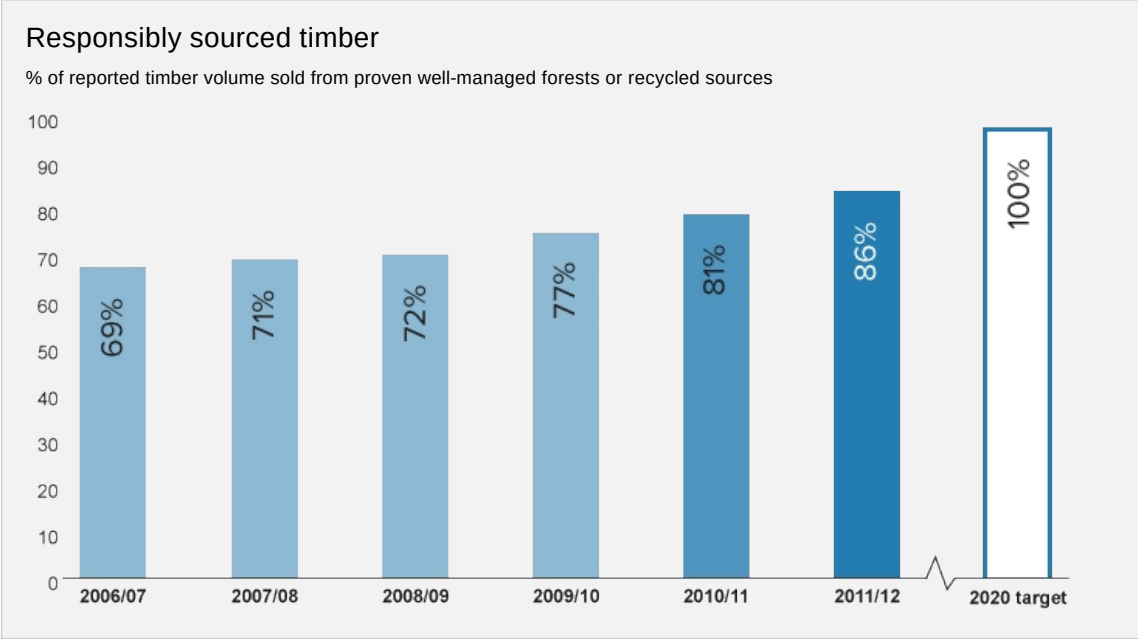
Key priorities



Timber

Our aim is to create more forest than we use.

Key performance indicator



Note: Timber data is collected in volume (m^3) of roundwood equivalent (RWE). See detailed data section below for further explanatory notes.

Detailed data

Responsibly sourced timber by volume

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Total timber volume sold	million m^3 roundwood equivalent (RWE)	5.15	5.86	5.43	6.05	6.47	**7.10**
Reported timber volume sold from proven well-managed forests or recycled sources	million m^3 RWE	3.57	4.18	3.90	4.68	5.24	**6.11**
Reported timber volume sold from proven well-managed forests or recycled sources	% of timber volume sold	69%	71%	72%	77%	81%	**86%**

Responsibly sourced timber by volume - broken down by category

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Reported timber from proven well-managed forests or recycled sources							
FSC-certified products with a full chain of custody	million m^3 RWE	2.36	2.61	2.56	3.01	3.56	**3.39**
FSC-certified products with a full chain of custody	% of timber volume sold	46%	45%	47%	50%	55%	**48%**
Formally working towards FSC certification	million m^3 RWE	0.08	0.04	0.04	0.06	0.04	**0.01**
Formally working towards FSC certification	% of timber volume sold	1.6%	0.7%	0.7%	1.0%	0.6%	**0.2%**
PEFC-certified products (includes endorsed schemes) with a full chain of custody	million m^3 RWE	1.12	1.53	1.29	1.60	1.63	**2.69**
PEFC-certified products (includes endorsed schemes) with a full chain of custody	% of timber volume sold	22%	26%	24%	26%	25%	**38%**
Verifiable recycled material	million m^3 RWE	0.019	0.007	0.004	0.004	0.011	**0.008**
Verifiable recycled material	% of timber volume sold	0.4%	0.1%	0.1%	0.1%	0.2%	**0.1%**

Notes:

- We include the following in our definition of proven well-managed forests or recycled sources:
  - Forest Stewardship Council (FSC) certified products with a full chain of custody
  - Programme for the Endorsement of Forest Certification (PEFC) certified products with a full chain of custody (includes endorsed schemes)
  - Formally working towards FSC certification, i.e. working with partners as part of an independent verification scheme to demonstrate progress towards FSC certification – The Forest Trust (TFT) projects, WWF Global Forest & Trade Network (GFTN) members and Rainforest Alliance (SmartStep) participants
  - Verifiable recycled material.
- The data is reported in volume sold (m^3) of roundwood equivalent (RWE), using RWE conversion factors from the environmental organisation WWF.
- Data was collected from operating companies and joint ventures which account for 96% of the Group turnover in 2011/12 (98% in 2010/11, 97% in 2009/10, 97% in 2008/09, 97% in 2007/08, 99% in 2006/07).
- Data from B&Q UK, Castorama France and Brico Dépôt France covers all products containing timber. The data from the other operating companies covers products made entirely from timber or containing a high volume of timber.
- Products are counted as FSC and PEFC only if suppliers have proof of chain-of-custody certification.

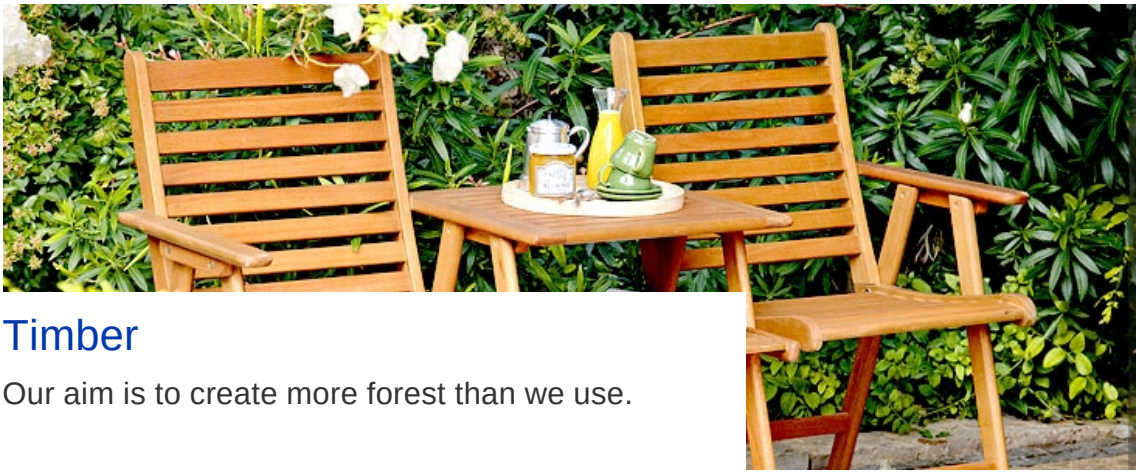
Data assurance

ERNST & YOUNG

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. June 2012

For more details see the Ernst & Young Assurance Statement

Key Priorities



Timber

Our aim is to create more forest than we use.

B&Q encourages the public to be forest friendly at Start UK

B&Q UK's partnership with the Prince of Wales's Start UK programme helps people across the UK lead more sustainable lifestyles. B&Q UK joined them for a five-day festival at Kew Gardens in 2011.

B&Q took part in Start UK's five-day sustainable living festival at Kew Gardens.

At Kew, B&Q had six giant interactive trees to spread the Forest Friendly message and encourage people to commit to buying only Forest Friendly wood. It also toured the country at a series of roadshows with Start UK.

The company also teamed up with Greenpeace in 2011 to launch its Forest Friendly message with a Forest Friendly built skate-ramp at Glastonbury, one of the UK's largest music festivals.

B&Q is in the second year of the Start UK partnership, which involves collaborating with some of the UK's biggest brands, including M&S and Waitrose, to encourage people to live sustainably. Its involvement with Start also helps to educate the public about the potential devastation to the environment if illegal deforestation continues.

2nd

year of B&Q and Start UK partnership

Key priorities

Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Key 2020 target:

Create energy savings equivalent to 2.5 million energy-efficient homes

2011/12 progress:

In 2011, we have estimated that our customers saved 2,513 million kWh of energy through the use of our energy-efficient products and services. This is equivalent to creating 130,898 energy-efficient homes. In the UK, we have made a £10 million investment this year, with a further £8 million investment allocated for next year, to build our Future Homes business. This will offer home energy retrofits and help to significantly increase the number of energy-efficient homes we create.

Note: the number of energy-efficient equivalent homes is measured using a Kingfisher methodology developed by independent sustainability experts BioRegional

Key challenges and opportunities

Energy is a key priority for Kingfisher. We see an opportunity to accelerate growth in the energy market by offering energy-efficient products as well as the tools and materials needed for eco-refits and micro-generation projects. Central to this is the need to raise consumer awareness and encourage behavioural changes with the goal of helping people to enjoy better lives by creating better homes. To be a leader we need to do the following:

- understand our customers and their energy needs across our different operating company markets – we have an opportunity to encourage behaviour change among customers to foster responsible levels of consumption
- work with less developed energy markets to ensure that we reach a level of consistency across the Group in energy product offerings and communication
- work with new technologies and overcome the challenge of making these technologies scalable
- work with our stakeholders, including government, to drive energy efficiency for our customers, for our business, and among our suppliers
- continue to reduce our carbon footprint across the Group
- be resilient in the face of global energy challenges.

2,513 million kWh

of energy saved by customers in 2011

130,898

energy-efficient homes

Energy overview

Our energy priority covers a range of 2020 targets, including a reduction in our absolute carbon footprint and the development of standards on how we communicate our energy products and services to customers. The targets guide us as we work towards being a leader in energy efficiency, both within our own operations and as we pass our learnings on to customers – to eventually become a leader in this area.

We also know that our customers are concerned about increasing (global) energy prices and becoming more energy efficient within their own homes. Each of our operating companies sells energy-efficient products and many of our operating companies have developed specific customer communications to help customers become more aware of how to save energy. The maturity of communications varies among our markets, depending on customer needs.

For example, we have learnt that in the larger European markets, customer concerns on energy efficiency are not limited to cost savings, but how energy efficiency can add to the value of their homes, help control costs and offer more comfort. B&Q UK's trials with the Cabinet Office to provide loft insulation also proved that people were prepared to pay for extra services, like loft clearance and storage space (over basic insulation), if the results brought them extra personal benefits, such as taking unwanted goods to the charity shop. Meanwhile customers in Poland, for example, are more concerned about reducing energy bills.

Our plans complement government initiatives such as the UK's Green Deal in a market estimated to be worth more than £22 billion (in the years between 2012 and 2020) and covering 14 million homes in the UK. B&Q UK is also working with the UK government to help them understand customer behaviour and incentives for the uptake of the Green Deal.

Energy efficiency is also increasingly important in our other key markets. For example, we already supply energy-efficient and microgeneration products and services to consumers and trade customers in France, Spain and Poland. We are involved in discussions on the European Energy Efficiency directive, which aims to promote efficiencies among member states at country level, through the supply chain.

Key priorities

Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Energy-efficient homes | Energy-using products | Customer communications | Total carbon footprint | Property carbon intensity

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2011/12 progress:

In 2011, we have estimated that our customers saved 2,513 million kWh of energy through the use of our energy-efficient products and services. This is equivalent to creating 130,898 energy-efficient homes. In the UK, we have made a £10 million investment this year, with a further £8 million investment allocated for next year, to build our Future Homes business. This will offer home energy retrofits and help to significantly increase the number of energy-efficient homes we create.

Note: the number of energy-efficient equivalent homes is measured using a Kingfisher methodology developed by independent sustainability experts BioRegional

Energy-efficient homes

As one of the world's leading DIY retailers we want people to have better lives by improving their homes. This means giving people the tools and information to create better and eventually energy-positive homes that do not compromise on comfort, function or quality. While energy generation and systems around the world are different, the one common factor is that prices will go up, sources will change and customers will need help.

We sell a range of products that help make people's homes more energy efficient, including insulation, draught-proofing and energy-efficient appliances. We have worked with sustainability experts BioRegional to develop a model that estimates the amount of energy that our customers have saved through the use of these products (based on average savings for each of the key energy-saving product categories) and equated this to the number of energy-efficient homes created.

In 2011, we estimated that our customers saved 2,513 million kWh of energy, which is equivalent to creating 130,898 energy-efficient homes. This is based on the assumption that an energy-efficient home will need to achieve the equivalent of a 70% reduction in energy consumption. The model uses country-specific assumptions on the size of an average household and typical energy use.

Customers and home energy

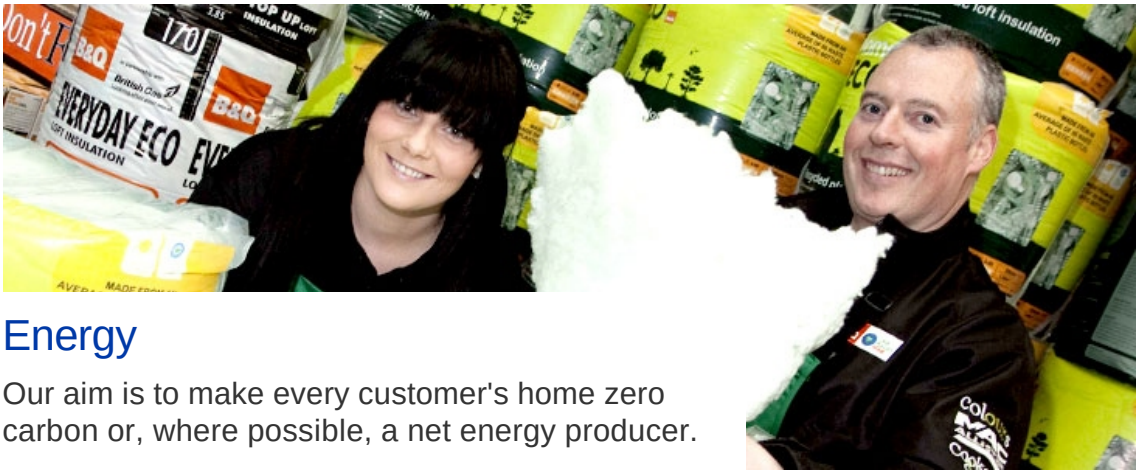
One common theme across the world for our customers and for businesses is the increasing rise of energy prices. We want to help customers manage their personal use of energy in their homes: to save money on energy bills and put measures in place to make their homes more comfortable.

B&Q UK & Ireland is working with the government on its Green Deal legislation, which will come into force towards the end of 2012. Its aim is to help government understand how to motivate and incentivise people to take action. B&Q's experience has been enhanced by bringing a number of energy-saving trials to life, including a loft clearance and insulation service and the complete retrofit of 67 homes within the London Borough of Sutton. B&Q bought an end-of-terrace three-bedroom house in the south of England where it installed energy-efficiency features, to be in a position to independently advise customers on how much money can be saved in practice. Find out more about B&Q UK's Home of the Future.

Many of our operating companies also train their store employees on energy-saving products and services so that they can offer guidance and support to customers and show them new ways of making their homes more efficient. Videos and other online tools are also being used. Castorama France, for example, offers a new online energy-saving tool which allows customers to measure their home energy use as well as DIY classes and online videos to help people do their own insulation and adopt energy-saving methods at the lowest possible cost.

B&Q UK has been raising awareness of energy-saving techniques through its participation in Start UK, a sustainable living initiative inspired by HRH The Prince of Wales. With Start, B&Q encourages people to do the basics from switching off lights when they are not needed to DIY hints and water-saving measures. Brico Dépôt Spain launched a promotional campaign in its new stores to highlight the savings that could be realised through the energy-efficient and water-saving devices in its eco product ranges.

Key priorities



Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Energy-efficient homes | Energy-using products | Customer communications | Total carbon footprint | Property carbon intensity

2020 target:

All energy-using products to meet 'best practice' standards on energy efficiency

2015 milestone:

50% of energy-using products to meet 'best practice' standards on energy efficiency

2011/12 progress:

Our eco product ranges include many examples of energy-efficient products. B&Q UK & Ireland has already established best practice standards for certain energy-using products and we need to work to replicate this approach across our other Group businesses

Energy-using products

Our businesses sell a range of products that help make people's homes more energy efficient, such as insulation, draught-proofing and energy-efficient appliances (see sections on energy-efficient homes and eco products). However, we also aim to ensure that all energy-using products meet 'best practice' standards on energy efficiency.

B&Q UK has started to make progress on this. It has buying standards on energy-using products which specify that all fridges, freezers, single ovens, dishwasher and washing machines should be A rated or above, according to the EU energy standards. It has also made a commitment for all new air-conditioning units to be A rated and is also working to set standards for tumble dryers. This is work that can be replicated across our other Group businesses.

Our eco product guidelines set specific criteria on energy efficiency for products that are included in our eco product ranges. However, we need to do further work to identify best practice on energy efficiency across all energy-using products.

Energy-related Products (ErP) directive

Kingfisher is working to ensure compliance with the Energy-related Products (ErP) directive – a European framework for setting eco design requirements for goods that consume energy. Our businesses sell a wide range of products that fall within the scope of the framework, including lighting, boilers and some household appliances.

The European directive seeks to improve the energy efficiency of products by setting minimum performance standards for different product categories, known as Implementing Measures. We have established a working group, with representatives from across the Group, which focuses on compliance with the ErP directive, including the technical requirements. We are also developing internal systems, including a quality management tool, to assess products for compliance with the ErP standards.

We are engaging with regulators (e.g. the European Commission and DEFRA), our suppliers and external technical experts and testing houses to ensure the requirements of ErP are effectively implemented across our businesses. We have worked with the Energy Saving Trust (EST) in the UK to develop buyer guides to assist commercial teams with the practical requirements of the Implementing Measures.

Key priorities

Energy

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OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Energy-efficient homes | Energy-using products | Customer communications | Total carbon footprint | Property carbon intensity

2020 target:

To promote a shift to more sustainable patterns of consumption through our marketing activity, in line with our guidelines on responsible brand management and marketing

2015 milestone:

To give customers comprehensive information and advice in-store and online to help them with their sustainable choices

2011/12 progress:

We continue to adhere to responsible marketing practices and promote consumer behaviour change towards energy efficiency

Responsible information

We strive to be responsible across all our marketing and up-skill employees to give customers information about energy efficiency in the home.

We also have an opportunity to encourage behaviour change to prompt customers towards more responsible levels of consumption.

Our communications help to educate and guide customers to make the right choice for them – this could be one that saves them money through energy-saving techniques or increases comfort in the home through energy-efficient measures (such as loft insulation). Our offers and communications complement our insight into customer behaviour in particular markets.

Many of our operating companies are taking steps to signpost customers to our eco products, energy-saving products and certified timber ranges. This will increase the communication and awareness of the benefits of using products and services with sustainable properties. For example, some markets have created their own eco-labelling devices, including Brico Dépôt France, Brico Dépôt Spain, B&Q China, Castorama France and B&Q UK & Ireland's One Planet Home®.

Some operating companies also run annual campaigns about eco products: Castorama France runs a two-week promotion of 'eco-logic days' each year to raise awareness of the benefits of eco products, with product demonstrations and competitions in-store.

Responsible marketing

We need to ensure that the claims our businesses make about the environmental or social benefits of a product are accurate and honest. We have a CR Responsible Marketing Policy Standard and Guidelines for our businesses and are currently working on a project to review our approach on responsible marketing and update our policy and guidelines in 2012.

BioRegional

We have worked with sustainability expert BioRegional to introduce a new independent verification process, which includes product guidelines and criteria. This is for all eco products sold across our international businesses, as no agreed industry-wide definition of an eco product currently exists.

Our work with BioRegional is helping to set the pace globally for external verification of eco claims. In March 2012, B&Q UK was named Responsible Retailer of the Year, by *Retail Week*, for its One Planet Home initiative. B&Q and BioRegional have partnered since 2007 to develop One Planet Home.

Detailed guidelines have been created with BioRegional and a quarterly review process was introduced at the start of 2010 to check that all eco products nominated by our businesses are in line with them. In May 2011, Kingfisher won the Ethical Corporation Award on 'sustainability commercialised' for its work with BioRegional on eco products. See further details on eco products in the section on Group performance – product design.

Key priorities

Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Energy-efficient homes | Energy-using products | Customer communications | Total carbon footprint | Property carbon intensity

2020 target:

25% reduction in our absolute carbon footprint (tonnes CO_2e) from a 2010/11 baseline

Note: our carbon footprint covers our CO_2e emissions from energy, haulage, business travel, waste and water

2011/12 progress:

5% reduction in our absolute carbon footprint (tonnes CO_2e) from a 2010/11 baseline

Target from 2006/07 baseline

2011/12 target:

20% reduction in the CO_2e emissions from energy and transport per £ million retail sales by 2011/12, from a 2006/07 baseline

2011/12 progress:

31% reduction in the CO_2e emissions from energy and transport per £ million retail sales by 2011/12, from a 2006/07 baseline

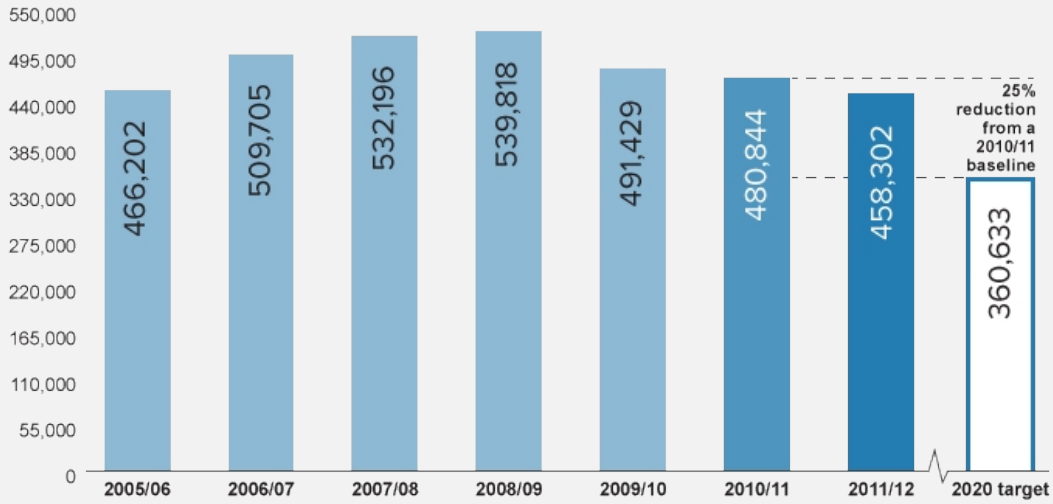
Carbon footprint

This section covers our overarching carbon reduction target – which includes CO_2e emissions from energy, haulage, business travel, waste and water. There are also more detailed sections on energy (next set of targets on property carbon intensity and energy intensity); the environment section gives more detail on transport, waste and water.

We reduced our absolute carbon footprint (tonnes CO_2e) by 5% in 2011/12, from the 2010/11 baseline. Our carbon footprint data includes our CO_2e emissions from energy (81.2% of our total carbon footprint), haulage (11.4%), business travel (3.6%), waste (3.5%) and water & effluent (0.3%).

Absolute carbon footprint

tonnes CO_2 equivalent (includes energy, haulage, business travel, waste and water)



See data section for explanatory notes to this chart

The improvement has been mainly due to a 6% reduction in CO_2e from energy use during the year despite a 4% increase in floor space. Our electricity-saving initiatives led to a 2% reduction in CO_2e from electricity consumption. In addition, the average temperature across Europe was warmer than the previous year, leading to a lower demand for heating and a 22% reduction in CO_2e from gas and other fuels. See carbon intensity section for further details.

In future years, we anticipate that our floor space will continue to increase in line with our business growth forecasts. Our absolute carbon reduction target will therefore become increasingly challenging as our business grows. We will need to switch to lower carbon sources of energy in order to achieve our target. We have started to review ways in which we can decarbonise, such as new renewable electricity generation in the UK.

We have also conducted a trial of dual fuel vehicles (which run on diesel and bio-methane) for the B&Q UK & Ireland store delivery fleet. We are also working to incorporate best practice on energy and carbon reduction into our new store developments and refurbishment projects (see section on eco learning stores).

Other key trends during the year include:

- **Haulage** – the overall CO_2e emissions from dedicated haulage decreased by 3% this year, mainly due to a change in the CO_2 emission factor for diesel in the UK. A lower emission factor was introduced by the UK government (DEFRA) this year due to a government requirement for diesel sold in the UK to include a certain proportion of biofuel. The overall efficiency of our dedicated fleet (litres of fuel used per m^3 of product delivered to stores) remained stable this year.

- **Waste** – the overall CO_2e emissions from waste increased by 10%. This was due to an increase in the overall amount of waste generated across the Group. Despite this overall increase, the overall recycling rate continued to improve from 63% in 2010/11 to 65% in 2011/12.

- **Business travel** – the overall CO_2e emissions from business travel increased by 10%. This is partly due to an increase in air travel and partly due to an improvement in our data collection systems.

See environment section for further details on haulage, waste and business travel

We have also achieved a significant reduction in CO_2e emissions relative to sales over the past five years. We originally set a target to achieve a 20% reduction in CO_2e emissions from energy and transport (scope 1 and 2) per £ million of retail sales by 2011/12, from a 2006/07 baseline. We have achieved a 31% reduction, exceeding our target. This is partly the result of improvements in energy efficiency and partly due to our strong sales growth in the period.

Carbon reduction programme at B&Q

B&Q UK has already started working on an ambitious overall carbon reduction programme. Its ambition is to reduce its CO_2 emissions by 90% by 2023, against a 2006/07 baseline. It has also set an interim target to reduce CO_2 emissions by 20% by 2012/13 (from 2006/07) and has calculated that it has already achieved an absolute reduction of 29% against the 2006/07 baseline. We now need to work to develop a long-term carbon reduction plan for each of our businesses in order to identify how we can reach our 2020 target.

View the B&Q environment website

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Key priorities

Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Energy-efficient homes | Energy-using products | Customer communications | Total carbon footprint | Property carbon intensity

2020 target:

50% reduction in the carbon intensity (CO_2e/m^2) of our property portfolio from a 2010/11 baseline

2015 milestone:

20% reduction in the carbon intensity (CO_2e/m^2) of our property portfolio from a 2010/11 baseline

2011/12 progress:

10% reduction in the carbon intensity (CO_2e/m^2) of our property portfolio from a 2010/11 baseline

2020 target:

45% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline

2015 milestone:

15% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline

2011/12 progress:

12% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline

Target from 2006/07 baseline

2011/12 target:

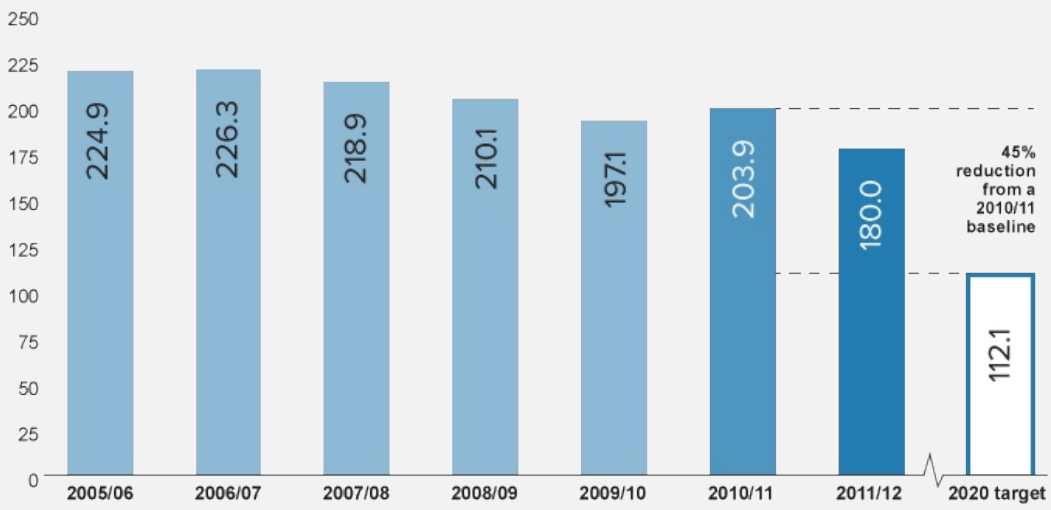
10% reduction in the energy intensity (kWh/m^2) of our stores by 2011/12, from a 2006/07 baseline

2011/12 progress:

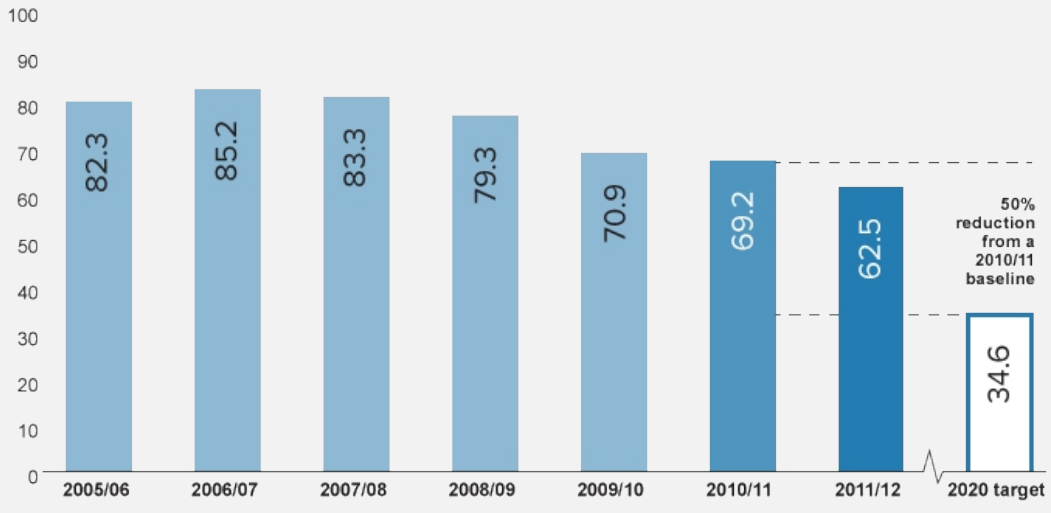
21% reduction in the energy intensity (kWh/m^2) of our stores from a 2006/07 baseline

During 2011 we reduced our energy intensity by 12% and our carbon intensity by 10%. The most significant energy savings were achieved at B&Q UK & Ireland and Castorama France, which have continued with a range of energy-efficiency measures. Our overall energy use decreased by 8% during the year, despite a 4% increase in floor space. Our total electricity use fell by 2% and our consumption of direct fuels such as gas fell by 17%. The reduction in direct fuels was mainly due to a lower demand for heating because of higher temperatures in Europe.

Property portfolio energy intensity



Property portfolio carbon intensity



See data section for explanatory notes to these charts

Key energy-saving initiatives include:

- Investment in more energy-efficient lighting. For example, B&Q UK & Ireland invested £4.2 million in energy-efficient lighting in 2011, e.g. replacing older discharge lighting with energy-efficient T5 fluorescent fittings and daylight dimming systems. Since 2010, 64 stores have been converted.

- Roll-out of sophisticated energy-monitoring systems across most of our operating companies to enable them to understand consumption patterns and identify areas for improvement. For example, Castorama France's energy monitoring has helped them to achieve a 13% reduction in energy use over the past year. Individual energy reduction targets were set for every store and progress reports were sent each month to the store manager and maintenance manager. B&Q UK & Ireland has recently extended its electricity-monitoring systems to cover gas.

- Encouraging employee awareness, e.g. B&Q China's participation in the annual Earth Hour campaign, B&Q UK & Ireland's in-store Environment Champions and Brico Dépôt France's sustainability training online module which has been completed by over 70% of employees.

- Trial of renewable energy technologies. For example, B&Q UK & Ireland's store in New Malden uses ground-source heat pumps to heat and cool the store, using geothermal energy taken from the earth via 108 bore holes, 100 metres deep.

- Incorporating energy efficiency best practice and low-carbon technologies into new store developments (see section on eco learning stores)

- A Green IT audit, currently being carried out by Kingfisher IT Services, to identify areas of energy and carbon wastage and areas for improvement.

We have also achieved a significant improvement in energy intensity over the past five years. We originally set a target to achieve a 10% reduction in the energy intensity (kWh/m^2) of our stores by 2011/12, from a 2006/07 baseline. We have achieved a 21% reduction, exceeding our target.

Kingfisher IT Systems (KITS)

KITS was established as a Group operating company in 2006. It is responsible for delivering and improving the IT Service to all Kingfisher operating companies, reducing the Group's IT operating cost on a like-for-like basis, and delivering the significant programme of IT-related business projects for all operating companies. As part of this role, a key objective for KITS is to provide common IT systems and infrastructure throughout the Group which will reduce costs and have a significant positive environmental impact.

KITS has defined a technology roadmap that integrates sustainable concerns into its technology systems. There have been a number of successes in 2011 to introduce greener and more efficient IT systems.

KITS is conducting a Green IT audit which will complete in Q2 2012, reviewing and benchmarking the IT footprint of the Group. It evaluates the power, efficiency and architecture of Kingfisher's existing systems and infrastructure and will provide recommendations on how to manage the IT systems from a green efficiency perspective:

- Significant environmental improvements in printing have been achieved by the introduction of a Managed Print Service which enables far greater control over the Group's print output. It is now operating across the UK operating companies and has created efficiencies that include forced duplex printing, toner reduction, badge release printing and toner cartridge reclamation. These initiatives have significantly reduced the financial and environmental impact of print: the volume of printed pages has reduced by over 20% and power use by 840 kWh per annum from 2009, despite an increase in the number of stores at Screwfix and B&Q.

- KITS continues to work on an ongoing IT migration programme to move more Group services and IT infrastructure into Kingfisher's two strategic data centres. This reduces the number of IT rooms required and creates power and cooling efficiencies within the data centres. It also results in improved infrastructure and a reduction in overall operating costs. KITS also continues to reduce the overall number of servers hosted within the Group by migrating physical servers onto virtual server platforms with one server hosting multiple services. KITS currently has around 800 virtual servers running on 26 physical server hardware units, delivering an estimated power saving/avoidance of 1,720,000 kWh per year. The Green IT Audit, which completes in 2012, will recommend actions to further reduce the data centres' environmental footprint.

- The Group has invested in a Telepresence video-conferencing system which has been rolled out across key locations during 2011. These include Kingfisher's head office in Paddington and local head offices in Lille, Warsaw and Southampton and our sourcing offices in Hong Kong and Shanghai. The system cuts down on carbon emissions by reducing travel between offices. It also speeds up the time to market of products as it connects our product decision-makers across the Group. Since it was installed (at the end Q2 of 2011), there have been 2,533 Telepresence meetings across sites with a total of 4,054 hours of connectivity.

Data assurance

The data presented in the charts on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Key priorities

Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

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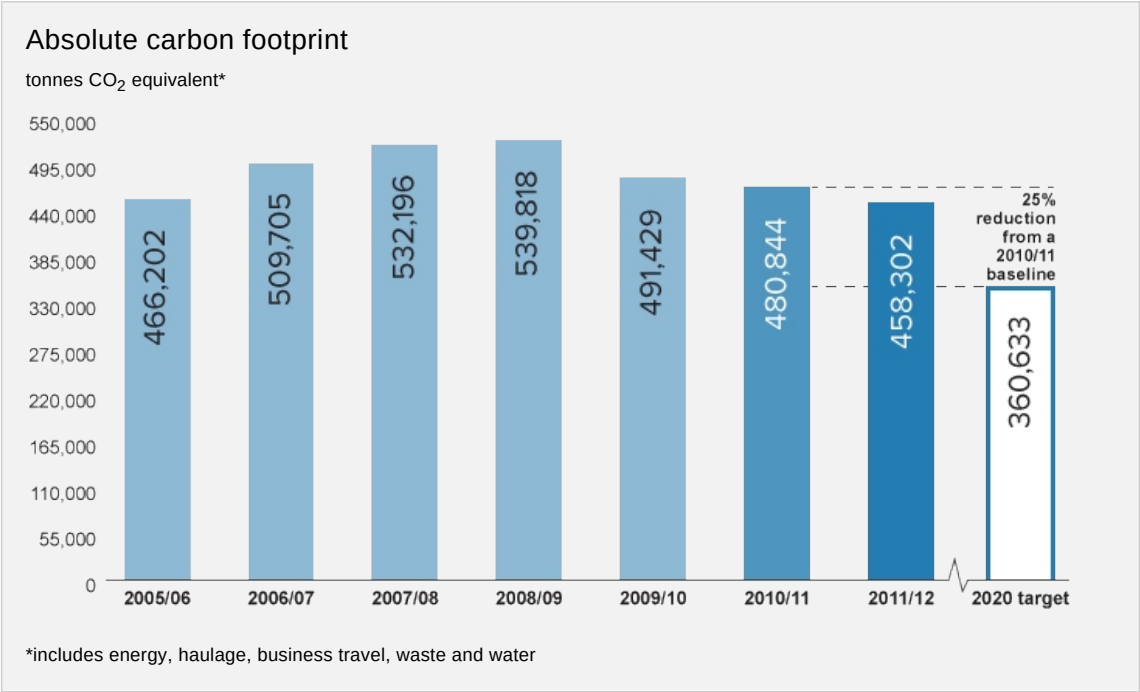
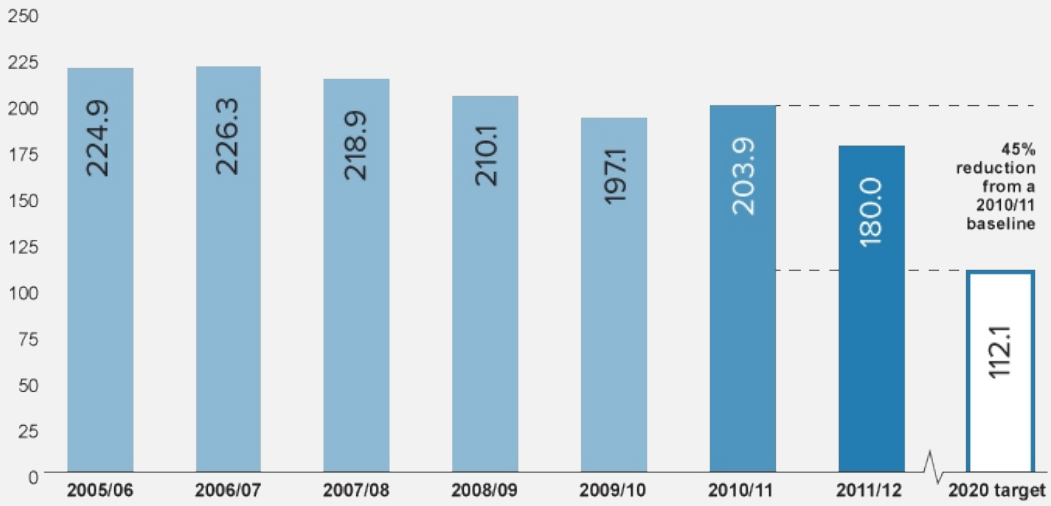
Key performance indicator



*includes energy, haulage, business travel, waste and water

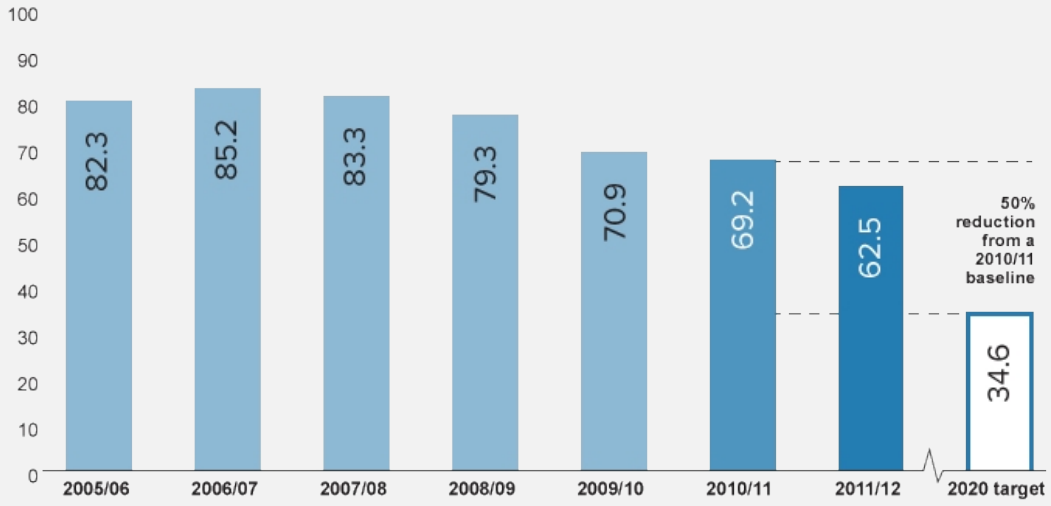
Property portfolio energy intensity

kWh/m^2



Property portfolio carbon intensity

kg CO_2 equivalent/m^2



Note: Energy intensity and carbon intensity data for 2010/11 and 2011/12 includes our stores, offices and other buildings (where we pay the energy bill). Data for previous years covers only stores, as we did not collect data on floor space for offices and other buildings prior to 2010/11.

See detailed data section below for further explanatory notes for these charts

Detailed data

Absolute carbon footprint KPI - breakdown by source

	Unit	GHG Protocol scope	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Property portfolio – electricity	tonnes CO_2e	scope 2	312,583*	336,335*	352,748*	362,667	330,976	311,068	**305,731**
Property portfolio – direct fuel use	tonnes CO_2e	scope 1	65,714*	68,911*	68,963*	77,702	71,299	84,957	**66,601**
Haulage: dedicated store & home deliveries	tonnes CO_2e	scope 1	48,072*	61,332*	67,843	60,122	53,452	54,085	**52,425**
Business travel air & road	tonnes CO_2e	scope 3	10,068*	10,771*	11,820*	13,140*	12,132	14,937	**16,369**
Waste	tonnes CO_2e	scope 3	28,474	30,975	29,508	24,605	22,237	14,424	**15,909**
Water & effluent	tonnes CO_2e	scope 3	1,291*	1,381	1,314	1,580	1,333	1,373	**1,267**
Total carbon footprint	tonnes CO_2e	scope 1, 2 & 3	466,202	509,705	532,196	539,816	491,429	480,844	**458,302**
Carbon footprint relative to sales	tonnes CO_2e per £m retail sales	scope 1,2 & 3	60.2	61.5	58.5	53.4	46.2	45.3	**41.7**

**estimated data based on turnover*

Additional scope 3 emissions - not included in our absolute carbon footprint KPI

	Unit	GHG Protocol scope	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Haulage: 3rd party non-dedicated fleet deliveries from distribution centres to stores	tonnes CO_2e	scope 3	10,414*	11,141*	12,226	9,571	21,972	26,343	**54,637**
Haulage: Estimated exports arranged by the Kingfisher Sourcing Organisation	tonnes CO_2e	scope 3	53,128*	56,837*	62,370	46,878	45,808	78,909	**74,628**

**estimated data based on turnover*

Carbon footprint - breakdown by Greenhouse Gas Protocol scope

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12

Scope 1 total	tonnes CO_2e	113,786	130,244	136,805	137,825	124,751	139,042	**119,026**
Scope 1 relative to sales	tonnes CO_2e per £m retail sales	14.7	15.7	15.0	13.6	11.7	13.1	**10.8**
Scope 2 total	tonnes CO_2e	312,583	336,335	352,748	362,667	330,976	311,068	**305,731**
Scope 2 relative to sales	tonnes CO_2e per £m retail sales	40.3	40.6	38.8	35.9	31.1	29.3	**27.8**
Scope 3 total	tonnes CO_2e	103,375	111,106	117,238	95,774	103,482	135,985	**162,810**
Scope 3 relative to sales	tonnes CO_2e per £m retail sales	13.3	13.4	12.9	9.5	9.7	12.8	**14.8**
Scope 1 and 2 total	**tonnes CO_2e**	**426,369**	**466,579**	**489,553**	**500,492**	**455,727**	**450,110**	424,757
Scope 1 and 2 relative to sales	**tonnes CO_2e per £m retail sales**	**55.0**	**56.3**	**53.8**	**49.5**	**42.9**	**42.4**	**38.6**

Table includes some estimates for 2005/06 to 2008/09 which are indicated in the previous tables

Property energy use - detailed data

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Stores								
Energy use	GWh	1,009	1,050	1,080	1,135	1,087	1,124	**1,030**
Energy intensity	kWh/m^2 total sales area	224.9	226.3	218.9	210.1	197.1	203.9	**179.0**
Offices & other buildings								
Energy use	GWh	u/a	u/a	u/a	31	31	42	**43**
Energy intensity	kWh/m^2	u/a	u/a	u/a	u/a	u/a	203.9	**209.8**
All sites – stores, offices & other buildings								
Energy use	GWh	1,009	1,050	1,080	1,166	1,118	1,166	**1,073**
Energy intensity	kWh/m^2	224.9	226.3	218.9	210.1	197.1	203.9	**180.0**

Property carbon emissions - detailed data

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Stores								
Carbon emissions								

from energy use	tonnes CO_2e	369,032	395,334	410,834	428,278	391,277	378,224	**354,450**
Carbon intensity	kg CO_2e/m^2 total sales area	82.3	85.2	83.3	79.3	70.9	68.6	**61.6**
Offices & other buildings								
Carbon emissions from energy use	tonnes CO_2e	u/a	u/a	u/a	12,091	10,997	17,801	**17,882**
Carbon intensity	kg CO_2e/m^2	u/a	u/a	u/a	u/a	u/a	85.4	**88.2**
All sites – stores, offices & other buildings								
Carbon emissions from energy use	tonnes CO_2e	369,032	395,334	410,834	440,369	402,274	396,025	**372,332**
Carbon intensity	kg CO_2e/m^2	82.3	85.2	83.3	79.3	70.9	69.2	**62.5**

u/a – unavailable

Notes:

- The data is reported in line with the WRI / WBCSD Greenhouse Gas (GHG) Protocol, which identifies three categories of greenhouse gas emissions: scope 1 (direct emissions), scope 2 (energy indirect emissions i.e. electricity) and scope 3 (other indirect emissions).
- All data is for greenhouse gas emissions – referred to as CO_2 equivalent (CO_2e), except where indicated below. The CO_2e includes carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).
- We have progressively extended the scope of our carbon footprint data. In order to calculate our absolute carbon footprint KPI, we have made estimates for the years where we did not collect data to enable a like-for-like comparison over time (the estimates are based on the first year that data was collected and are calculated based on the impact per £ sales). We put an asterisk (*) next to the estimated data.
- Within our property portfolio, we have gathered data on store energy use since 2005/06. In 2008/09 we extended the scope of our data collection to include energy use in our main offices. The data since 2010/11 was extended again to cover 'other buildings' (including distribution centres and IT data centres) in cases where we directly pay the energy bill. In previous years, we reported data for all dedicated 'distribution centres', but have changed our approach this year to only include data for distribution centres in cases where we pay the energy bill directly (in line with the approach suggested by DEFRA).
- Data on energy intensity and carbon intensity is measured relative to floor space. Our store energy intensity is relative to total sales area which includes internal and external sales areas. During 2012 we are planning to apply a Group methodology for measuring floor space to ensure we use a consistent definition across our businesses.
- Data for energy excludes gas used for forklift trucks.
- Data was reported from all our operating companies and joint ventures. However, some estimates have been made for Castorama Russia and Castorama Poland in 2008/09.
- We report environment data for the Kingfisher financial year (30 January 2011 to 28 January 2012). However, some of our businesses did not receive energy data for the last month of the financial year before the deadline for our CR Report. Therefore, in such cases we have included data for the 12-month calendar year.

Notes on CO_2 equivalent emission factors:

- We have used the CO_2 equivalent emission factors published by the UK government (DEFRA).
- The data covers the DEFRA 'direct' CO_2 equivalent emissions. It does not cover 'indirect' CO_2 equivalent emissions associated with upstream and downstream activities, except for water use, because there are no 'direct' emissions.
- CO_2 equivalent emissions for past years have been restated in line with UK government (DEFRA) guidance to use updated emission factors.
- The CO_2 emission factors for electricity vary by country due to differing energy mixes used for generation. We have used the 'five-year rolling average' emission factors for each country. The international electricity data is for CO_2 only (since DEFRA does not publish a CO_2 equivalent factor).
- CO_2 equivalent from gas is calculated using the gross calorific value.
- CO_2 equivalent from diesel and petrol is calculated using the '100% mineral fuel' emission factors, except in the UK where we have used the 'retail station biofuel blend' emission factors for 2011/12.
- Data for waste has been calculated using the new DEFRA emission factor for 'mixed commercial and industrial' waste. We have recalculated CO_2 equivalent from waste for all years, using the new DEFRA emission factor (we previously used a Carbon Trust factor).
- The CO_2 equivalent from water covers both CO_2 equivalent from water use and CO_2 equivalent from effluent. We have estimated the volume of effluent from the volume of water used.
- Where we use haulage via third-party non-dedicated fleets, data was collected for 80% of operating companies by turnover in 2011/12 (88% in 2010/11, 88% in 2009/10).
- See environment data section for further details on the scope of data collection for transport, waste and water use.

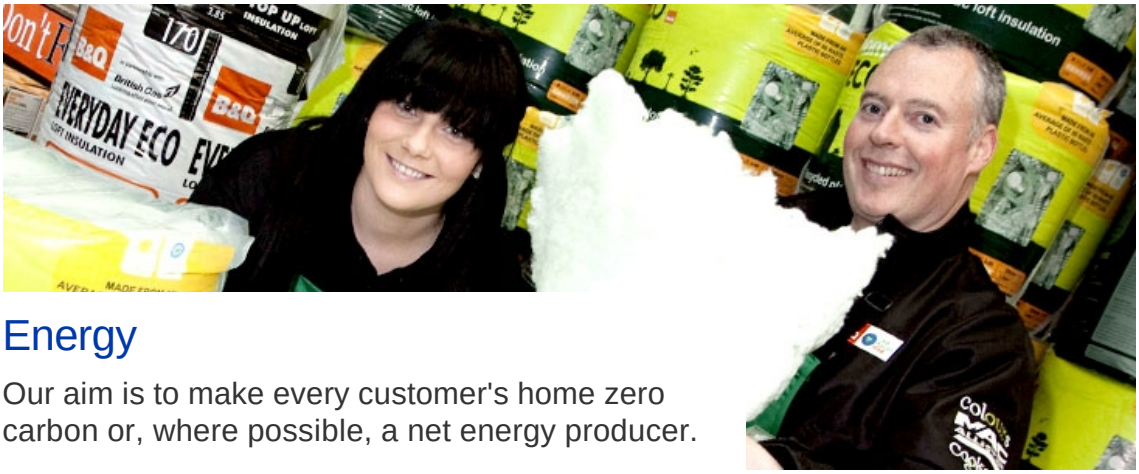
Data assurance

ERNST & YOUNG

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. June 2012

For more details see the Ernst & Young Assurance Statement

Key priorities



Energy

Our aim is to make every customer's home zero carbon or, where possible, a net energy producer.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

B&Q and the UK's Cabinet Office trial loft insulation installation for homeowners

2

loft insulation trials run by B&Q during 2011

B&Q's trial with the Cabinet Office to provide loft insulation shows that people are prepared to pay for extra services, like loft clearance and storage space (over basic insulation), if the results brought them extra personal benefits.

During 2011, B&Q ran two loft insulation trials to encourage communities to cut energy bills, reduce carbon emissions while increasing home comforts.

In partnership with the Cabinet Office, B&Q trialled three services:

- standard loft insulation at no extra cost;
- a discount offer by introducing a friend or neighbour, as a way to incentivise neighbourhoods in collective action to cut energy bills and reduce carbon emissions;
- full insulation installation including loft clearance and boarding. Unwanted loft storage was taken to a charity shop by B&Q and extra loft boarding was available if people wanted a bigger space.

Both tests ran for two months between September and December 2011 and provided key insights for future suppliers of the Green Deal (rolling out nationally in late 2012). It turned out that the third option – and more expensive option – was the most popular. While the service included loft clearance, extra storage and the opportunity to donate any unwanted items from their lofts to good causes, it also removed the 'hassle factor' from a chore that is often left for a rainy day.

The results also informed the UK government of methods that can be used to stimulate consumer demand for energy-efficient products. The trial is continuing in 2012 with the goal of understanding what customers want in their homes.

B&Q creates a house of the future using NASA technology

Using NASA technology B&Q transformed a terraced house in the south east of England into a super sustainable home that is one of the UK's most energy efficient.

One of the most groundbreaking innovations across the Group has been the refit of a terraced house – with NASA technology – to create the eco 'home of the future'. B&Q UK's 'Exemplar House' is a three-bedroomed sustainable home with a converted loft and solar hot water panels on the roof so that the house can produce its own hot water.

The house was installed with a pre-made garden-pod which is the energy hub of the home. Even the skirting boards act as radiators, where heat is pushed out through the boards to keep whole rooms at a constant temperature. The loft is fully wired, insulated and painted with B&Q's recycled Home Eco Paint.

The loft was built off-site and converted in the house within 24 hours – a pioneering way to do a loft conversion.

B&Q will be able to control exactly where the energy will be used in the house including viewing which rooms are more carbon intensive than others. The house will deliver a 69% reduction in emissions on a ten-year payback.

69%

emissions reduction on a ten-year payback.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Key 2020 target:
1,000 products that are closed loop or made from 100% waste material

2011/12 progress:
We have embarked on a number of closed-loop research projects in trial phase. B&Q UK is also working closely with the Ellen MacArthur Foundation to understand ways to move towards a circular economy, building on its role as a founding corporate partner

Key challenges and opportunities

- There is an opportunity to change fundamental business models, e.g. from selling to leasing products, so that we use fewer resources to provide more
- The ability to scale up innovations and new technologies can be a challenge for our larger operating companies when working with niche suppliers. New innovations, like closed-loop products, also take time to develop, test and experiment
- We have an opportunity to expand these product ranges across mainstream markets
- We continue to research and gain insight into customer behaviour and demands across different operating company markets
- We have an opportunity to broaden out niche areas like closed-loop innovation across our supply chain, particularly within our 11 common Group brands
- Innovation gives us an opportunity to experiment within the business where 'failure' is an acceptable part of learning. There may be an opportunity to consider options of ring-fencing creative innovation within the business
- We are developing effective 'take back' schemes to upcycle waste and benefit each partner involved (e.g. customer incentives and logistical requirements)

4%
of sales from 'best in class' eco products

33,000
products with eco credentials across the Group

Overview

Our business is home improvement and we want to improve people's lives by helping them create better homes. This means being at the forefront of innovation to produce sustainable products and services for customers. Innovation is a Net Positive priority and our 2020 Foundations targets within innovation cover a range of work: from our eco-product innovation, to integrating sustainability principles in our common brand range to developing alternative services such as the ability for people to share products and services within their neighbourhood – which encourage sustainable living.

Our focus on developing new technologies, business models and creative ways to reuse resources builds on our strong track record in eco-product innovation. This work also involves partnerships and collaboration with other businesses and institutions. For example, over the past year we have been exploring ways in which materials can be reused to preserve resources and increase their value. This work into 'closed-loop products' is with the Ellen MacArthur Foundation and B&Q UK.

Innovation also involves our own processes, including the way we plan and design products, from packaging to reusing our own store and product waste. Our new 11 common brands will help to us to build a consistent approach to embedding sustainability, including common sourcing.

Our relationship with our customers is core to innovation – and we are conducting work to understand changing consumer attitudes towards sustainability. Our learnings and customer insights will feed into the creation of future products and services for Kingfisher.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

Mainstreaming eco products

2020 target:

To bring eco products into the mainstream, by achieving 50% of Group sales from products and services with eco credentials

2015 milestone:

To bring eco products into the mainstream, by achieving 25% of Group sales from products and services with eco credentials

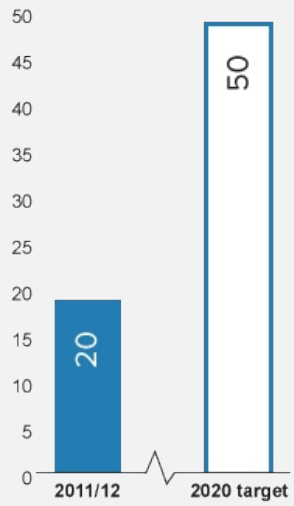
2011/12 progress:

20% of Group sales from products and services with eco credentials, including 'best in class' and 'eco compliance' products

We are committed to moving beyond niche eco products and services to find ways of making all our products more sustainable. During 2011, 20% of Group sales were from products and services with eco credentials. This includes 'best in class' eco products and also 'eco compliance' products – that is, products which have some environmental benefits such as certified timber and eco-labelled paint. We aim to increase this to 25% of Group sales by 2015 and 50% of Group sales by 2020. As well as developing new eco products, this will cover recycling (or upcycling) possibilities.

Products with eco credentials

% contribution to retail sales



See data section for explanatory notes to this chart

We have worked closely with the sustainability experts, BioRegional, to establish a clear definition of 'best in class' eco products and 'eco compliance'. Download summary of Kingfisher Eco Product Guidelines PDF (0.43Mb). Products are verified by BioRegional (on a quarterly basis) to ensure they meet our definition. Our businesses stocked a combined total of over 33,000 products with eco credentials (by the end of the year), with each one of these reviewed and approved by BioRegional.

B&Q has a dedicated range, called One Planet Home®, which follows strict compliance guidelines. Find out more about B&Q Eco innovations. Its One Planet Home® products currently account for 6% of total sales, with a range of new eco products brought to market in 2011/12. Our operating companies also highlight eco products to customers with posters and communications of eco ranges.

Other operating companies are also steadily increasing sales of products with eco credentials. For example in 2011:

- Products with eco credentials at Castorama France contributed to 19% of retail sales
- Products with eco credentials at Brico Dépôt France contributed to 20% of retail sales
- Castorama Russia sells nearly 1,000 products with environmental credentials
- B&Q China has over 800 products with environmental credentials and aims to double sales of eco products by 2015.

Eco product innovation

2020 target:
To be at the forefront of sustainable product innovation, with 10% of Group sales from the most innovative eco products and services

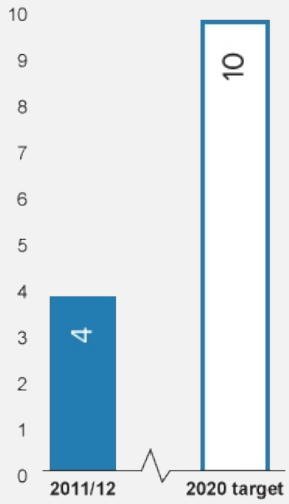
2015 milestone:
To be at the forefront of sustainable product innovation, with 5% of Group sales from the most innovative eco products and services

2011/12 progress:
4% of Group sales from 'best in class' eco products – the most innovative eco products and services in our ranges

In 2011, we achieved 4% of Group sales from 'best in class' eco products and services, which are the most innovative eco products and services in our ranges. We aim to increase this to 5% by 2015 and 10% by 2020.

Innovative eco products

% contribution to retail sales



See data section for explanatory notes to this chart

These 'best in class' products demonstrate leadership in sustainable innovation. For example, B&Q sells a carpet underlay, called Budget felt underlay, made from 100% recycled clothing fibres. It also sells Newlife Paint, a paint made from unwanted paint waste. Two further innovations from B&Q are 'Clean Spirit' (a non-toxic alternative to white spirit) and powdered paint.

We are also investing in creating products made from recycled materials or recycling potential waste (materials recovery). Some of these innovations are in development while others, like waste upcycling, are in trial. Our ambition is to grow this area but it is in its early stages. In 2012 we are beginning 'take back' trials for small electrical goods, such as light bulbs and power tools, for recycling. Find out more in the Our stories section.

Each operating company has carried out campaigns during 2011 to highlight eco labelling and identification of products in-store to customers. Some markets have also created their own eco-labelling devices, including Brico Dépôt France and Brico Dépôt Spain with their Eco Brico logos; B&Q China has its own logo as does Castorama France.

The home of the future

One of the most ground-breaking innovations across the Group has been the refit of a terraced house – with NASA technology – to create the eco 'home of the future'. B&Q UK Exemplar House is a super-sustainable home with a converted loft, solar hot water panels on the roof so that the house can produce its own hot water and a pre-made garden-pod which is the energy hub of the home. Even the skirting boards act as radiators, where heat is pushed out through the boards to keep whole rooms at a constant temperature. The loft is fully wired, insulated and painted with B&Q's recycled Home Eco Paint – it was built off-site and installed into the house within 24 hours, effectively pioneering the concept of the 24-hour loft conversion.

B&Q will be able to control exactly where the energy will be used in the house and view which rooms are more carbon intensive than others. The house will deliver a 69% reduction in emissions on a ten-year payback. Every B&Q store manager will be touring the house in 2012. Find out more about B&Q's Home of the Future

Sustainability rating scheme

2020 target:

To enhance the eco credentials of all our products by improving the sustainability rating of every product range

2015 milestone:

Conduct a sustainability rating for every product range

2011/12 progress:

B&Q UK has started to develop a methodology for a 'range sustainability rating' and will be trialling it during 2012. Kingfisher plans to investigate how this can be adapted for use across other operating companies in the future

We also plan to change the way we select new products by using a 'range sustainability rating' to help us identify the products with the best sustainability credentials. So far, B&Q UK has started to develop a methodology for a 'range sustainability rating' and will be trialling this during 2012. Kingfisher plans to adapt this for use across other operating companies in the future. Our 2020 target is to improve the sustainability rating of every product range by 2020.

Data assurance

ERNST & YOUNG

The data presented in the charts on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

2020 target:

Design sustainability into all new Group own-brand products

2015 milestone:

Create sustainability criteria for each of the Group own brands

2011/12 progress:

Kingfisher's brand and sustainability experts have started to work together to develop sustainability criteria

In 2011, we launched 11 Kingfisher 'own brands' that will be sold across all of our operating companies, covering a variety of sectors: garden, technical, decorative and showroom. This new brand portfolio has been created by the Group to enable synergies across the brands in packaging, sustainability criteria, product research, design and technical specification. It also helps to simplify and control the sourcing of products and offers more control to comply with environmental and ethical standards. This approach aims to build strong international brands.

Importantly, the common brands give us a platform to embed sustainability at the research and development stage. Our sustainability guidelines will impact upon each brand's properties, including areas such as packaging and research and development. For customers, this means that we can harness our international scale, sourcing capability, heritage as a leader in sustainability and home improvement experience to bring new, more sustainable and more affordable products to market.

Work started in 2011 to identify sustainability criteria across the brands. A workshop was held in Dubai in 2011 where it was agreed that sustainability would formally become one of the five brand pillars for all the Kingfisher common brands. The sustainability and brand teams are now working together to develop and agree an approach to criteria for all the Group brands through a series of workshops. The goal is to bring common sustainability standards to the whole Group.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

Key 2020 target:

1,000 products that are closed loop or made from 100% waste material

2011/12 progress:

We have embarked on a number of closed-loop research projects in trial phase. B&Q UK is also working closely with the Ellen MacArthur Foundation to understand ways to move towards a circular economy, building on its role as a founding corporate partner

Closed-loop design

The closed-loop model is a school of thought that considers that our systems should work like organisms, processing nutrients that can be fed back into the cycle. It takes nature as an example with a biomimetic (life-imitating) approach. Closed-loop is an important part of our innovation strategy, as it allows us to recover materials that are increasingly expensive and becoming more scarce. In practice, this enables us to reuse precious resources and avoids them being sent to landfill, which means we gain greater value from the product.

Closed-loop supply chains can be achieved through design, new business models, materials recovery or new materials. It may involve encouraging people to bring back unwanted or used products in-store so that we can recover the material itself. We are currently planning some closed-loop product trials for 2012 and will update on our progress in the 2013 Corporate Responsibility Report.

Recycling and upcycling for new products

There is value in recapturing what is thrown away from our own store waste or products, like paint. We are working with local councils to review waste which can be reused and transformed for use in our product ranges. For example, we are undertaking a trial with B&Q UK, a local council and Henkel to recycle disused polypropylene to, potentially, be used as containers for grout or adhesives. This reuse of materials can help control costs, while also benefiting every party involved: the council avoids more landfill waste; suppliers keep costs down through reuse; and recycling bodies are paid for the waste.

Ellen MacArthur Foundation: contributing to the circular economy

Closed-loop is an area where we aim to distinguish ourselves as a business. We have been researching closed-loop products alongside the Ellen MacArthur Foundation, building on B&Q UK's role as a founding corporate partner. The Foundation's activities try to provide solutions that would realise a circular model. Put simply, our current industrial processes and lifestyles are linear: we consume energy and commodities that deplete finite reserves to create products which, predominantly, end up in landfill.

We want to be part of a solution towards a circular economy, where resources are perpetually in use. B&Q UK is committed to supporting this transition by helping showcase examples of innovation in this area. During 2011, B&Q continued to explore ways in which materials can be reused to preserve resources and increase their value. One of the longer-term goals of the partnership is to develop a design framework for products and materials to realise new business opportunities, as the prices of energy and resources rise.

One of the projects that B&Q supported in partnership with the Ellen MacArthur Foundation was project ReDesign – a series of workshops and internships for 17 to 18-year-olds run across the UK, looking at the opportunity for systems-level redesigning, using the circular economy framework. The programme was actively supported by B&Q volunteers in the form of 'Experts from Industry' – providing real-world, sector-specific skills to the challenge.

Customers and closed-loop

The way we communicate to our customers will be central to the success of our closed-loop trials. We gather insights and learnings from our own teams and trials as well as through partnerships. Find out more in the B&Q UK – Communities section. For example, B&Q UK has teamed up with the Tyndall Centre for Climate Change Research at the University of East Anglia to study motivations for consumer behaviour. In 2010/11 a project was carried out with York University to investigate the possibilities of using bio-based MDF board.

We have learnt that we can adapt people's behaviour on sustainable living when they feel that they are not consciously sacrificing or changing anything. Instead, we aim to make our customers lives easier, better and more comfortable by improving their homes.

B&Q and its Youth Board

Another activity, undertaken in partnership with the Ellen MacArthur Foundation, was the creation of the B&Q Youth Board. In 2011, B&Q UK & Ireland ran a competition to recruit a team of 'bright young things' to become the company's first-ever youth board, made up of 16 to 18-year-olds. The idea was to engage with young people on how to build a more sustainable future. The Youth Board members will be tasked with looking at solutions to specific sustainability challenges faced by the business.

Recruitment took the form of a tough three-stage 'Apprentice'-style competition and B&Q received interest from tens of thousands of young people, which led in turn to hundreds of applicants. Nine successful candidates have now been appointed and are being mentored by B&Q's board. They are working on a business sustainability project.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

2020 target:
Provide a range of alternative services which offer the most sustainable options, e.g. product hire and repair

2011/12 progress:
Castorama France introduced a skills-swapping website and trials are underway by B&Q UK for a neighbourhood sharing scheme

New business models

Alternative services that offer sustainable options involves introducing new ways for people to share and use products rather than outright product purchasing – such as the rental or leasing of tools, along the lines of a car club. This may give people access to products on loan to help to fulfil specific tasks, like tiling or insulation.

The uptake of alternative services will require a mindset shift among customers in some markets. It may be more economical for people to borrow or loan products – particularly high-end products – rather than buy their own, but in some markets this concept is totally new. However, it will make things convenient and better for the customer, while encouraging sustainable living. During 2012, a rental trial will be introduced by B&Q to test the appetite of our customer. B&Q is also considering options for refurbishing returned electrical products. It is also currently developing a neighbourhood sharing scheme, called Streetclub – further information will be included in our 2013 Corporate Responsibility report.

A further innovation has been introduced by Castorama France to swap skills online among a membership community. A website set up by Castorama called 'Les Troc'Heures' is a free-access community skills-swapping website that encourages people to share skills, from DIY to dressmaking. In early 2012 the site had 3,500 members and over 1,000 swaps had taken place.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

2015 target:

Every operating company to develop at least three 'learning stores' and to have delivered or confirmed the site for one 'eco store' – a store that champions low carbon and sustainability innovation – by 2015

2011/12 progress

'Learning stores' have opened, or are planned, in a number of our operating company markets. New technologies that are incorporated include solar as well as water and carbon reduction technologies, with learnings shared across the Group

Note: 'Learning stores' are individual trials of specifications that have been selected to mitigate a specific property target. Eco stores are flagship stores that showcase the operating company's leadership ambition for low carbon and sustainability innovation

Learning across the Group

Our 'learning stores' are a source of eco innovation in construction within Kingfisher. As part of our strategic approach to sustainable property, each operating company around the world has a target to develop three 'learning stores' within the next three years: these are new stores or refurbishments that contain technologies that reduce the environmental impact of our estate through innovation. The aim at Group level is to encourage continuous improvement by sharing lessons across all of our operating companies. It also encourages people within the operating companies to maintain their buildings to their full potential.

In 2011, we carried out a review of energy consumption of our stores. We have the opportunity to create new designs for leading stores that can be the exemplar for eco-design. This will also enable us to offer eco services to customers that will improve the way people live.

'Learning store' technologies

Our 'learning stores' are used as testing grounds for low-carbon innovation within each market. Specific store innovations will often depend upon country conditions, such as climate and regulation as well as the technology and resources available within that market. For example, Brico Dépôt Spain is testing solar technologies such as panels and skylights, some of which are compulsory by law, in the two learning stores planned for 2012. It also has water reduction systems in place. In France, Castorama's Quimper store in Brittany had the lowest consumption with energy-efficiency techniques like rainwater used in toilets, solar water heating, photovoltaic panels and natural overhead lighting. It also has a green roof and night cooling.

We now have learning stores around the world, some completed and some under construction. When planning an eco store we undertake a review of energy consumption, including heating, lighting and carbon use, and map this to where efficiencies can be made. In practice, this means that Castorama Russia has an eco store in design with a focus on energy efficiency through lighting and heating, which are the primary sources of energy consumption.

B&Q UK & Ireland has gone some way in experimenting with new eco technologies in its Sutton and New Malden stores in the UK and Liffey Valley in Dublin. A large investment was spent on carbon reduction technologies, including lighting, gas meter installations and natural lighting in the roof. In the longer term, B&Q is looking at other challenges that include heating, water reduction and greater use of renewable power.

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

2015 target:

Calculate and account for the impact and value of our sustainability strategy to the business and communicate this to investors and employees

2011/12 progress:

A pilot sustainable accounting project was conducted in 2011 with further analysis to be undertaken in 2012. Over £18.5 million of savings have been achieved from efficiencies in utilities consumption

Sustainable accounting gives us the data and insight into how products and services across the business contribute to the bottom line of creating a sustainable business – a core part of our vision of Creating the Leader. This is an important step in bringing CR to the heart of the business, because it provides proof (with data) on how much products and services with sustainable properties contribute to the overall business bottom line.

Our sustainable accounting includes the monetary amount that our eco products contribute to the bottom line of the business. It is a critical tool as it aims to enable environmental and social performance to be better connected with strategy and financial performance, making it easier to justify being embedded into day-to-day operations and decision-making. We undertook a pilot sustainable accounting project in 2011; this found that we have already achieved over £18.5 million of savings from efficiencies in utilities consumption across just four of our Operating Companies. We plan to undertake further analysis in 2012.

This will offer insight and understanding of the 'real' cost of products and services by including environmental value (externalities) that is currently unaccounted for within the business. This will help the business prepare for the future.

Key priorities

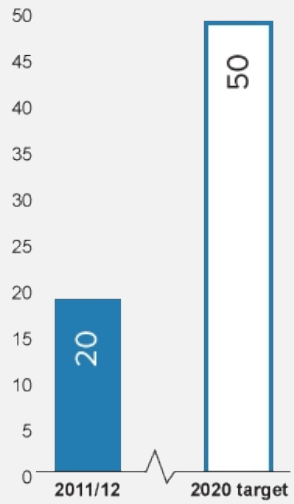
Innovation

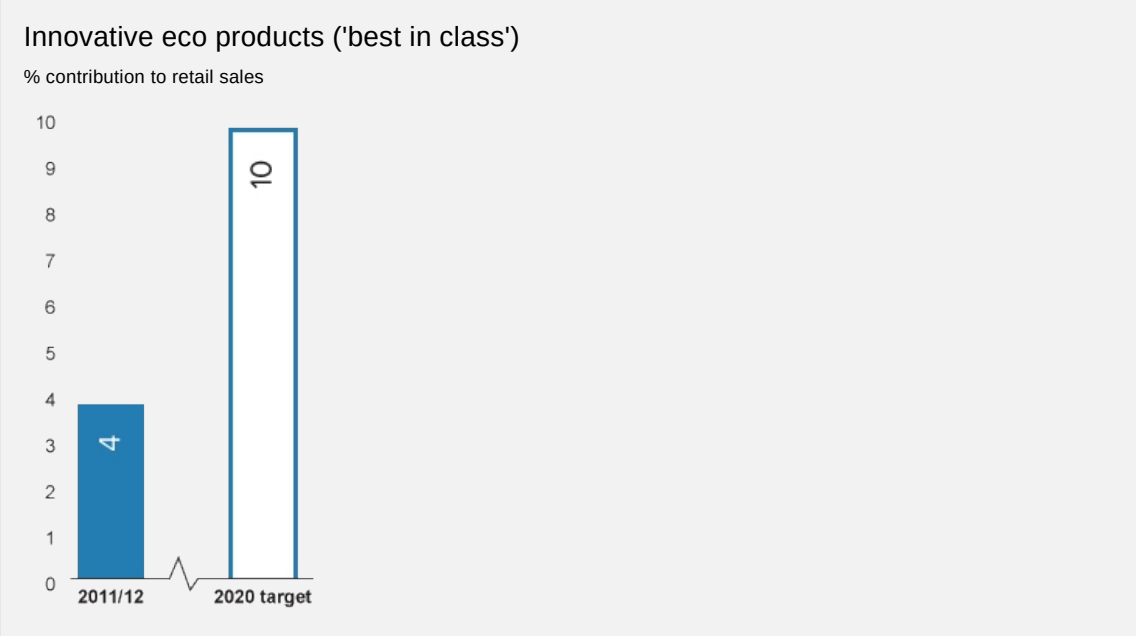
Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

Key performance indicator

Products with eco credentials ('best in class' and 'eco compliance' products)

% contribution to retail sales





Detailed data

Data for 2011/12

	2011/12 £m	2011/12 % of retail sales
'Best in class' eco products – the most innovative eco products and services in our ranges	**£464.2**	**4**
'Eco compliance' products – products with some eco credentials e.g. certified timber	**£1,762.5**	**16**
All products with eco credentials – including 'best in class' and 'eco compliance' products	**£2,226.7**	**20**

Historical data

Kingfisher updated its eco product definition in 2011/12 to include two categories – 'best in class' eco products and 'eco compliance' products (see details above). In order to enable a like-for-like comparison with past years, we have made an estimate of eco product sales in 2011/12 using our previous definition of an eco product. This estimate covers our three largest operating companies (B&Q UK, Castorama France and Brico Dépôt France) which account for 94% of our Group eco product sales.

	Unit	2008/09	2009/10	2010/11	2011/12
Eco product sales (% of retail sales)	% of retail sales	6.6	9.5	10.5	***13(estimate)***

Note:

- This historical data has been reported in the Kingfisher Annual Report and Accounts 2011/12. The figures for % of total sales have been rounded up in the Kingfisher Annual Report and Accounts to 7% in 2008/09, 10% in 2009/10 and 11% in 2010/11.

Data assurance

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. June 2012

For more details see the Ernst & Young Assurance Statement

Key priorities

Innovation

Our aim is to ensure that every Kingfisher product is remade, recycled, reused or biodegradable.

White spirit clean alternative at B&Q

B&Q became the first major UK retailer to sell a non-toxic eco-alternative to white spirit household cleaner, at the same price as its white spirit counterpart.

Clean Spirit was launched in early 2012 following trials at B&Q UK & Ireland. During the trial, one in every three customers chose the new eco version over its counterpart. Sales have been strong since launch.

The new Clean Spirit is primarily a water-based cleaning product formulated with entirely biodegradable ingredients. It is also virtually odourless and is non-flammable, with low VOC properties and no compromise on its effectiveness.

Clean Spirit
launches in early 2012

Castorama France brings skills sharing to the web

Castorama France encourages community skills sharing with 'Les Troc'Heures'

Castorama France has introduced 'Les Troc'Heures' to French neighbours. 'Les Troc'Heures' is a free community skills-swapping website that encourages people to share skills, from DIY to dressmaking.

In early 2012, the site had 3,500 members and over 1,000 swaps had taken place.

3,500
members in early 2012

Key priorities

Communities

Our aim is for every store and location to support local community groups and equip people with skills.

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Key 2020 target:

Work with 4,000 local community projects

2011/12 progress:

We are engaged in a wide range of initiatives to help build skills within our local communities: from Brico Dépôt France providing DIY skills for unemployed people, to B&Q China helping to modernise school libraries. In 2011, B&Q UK established a 'Youth Can Do It' grant programme which aims to twin each store to a local youth group to build skills in the community

Key challenges and opportunities

We want to play a part in all the communities in which we operate. To be 'Net Positive' means helping people learn new skills by making and repairing things for themselves and by creating bigger store and community networks to share ideas and experiences. To become a leader in this area we need to do the following:

- build programmes within communities that are both sustainable and scalable, with the opportunity to share real stories and replicate the best initiatives across the Group
- ensure that operating companies and sourcing offices share the Group community strategy but are able to implement at a local level in a way that is relevant to their own business
- demonstrate relevance to the business by aligning our community projects and investments with our business vision and strategy
- link our community strategy with the development of our people: to inspire involvement and create pride, focus and unity across the Group.

4,000

local community projects by 2020

Building skills with 'Youth Can Do It' community grant

Community overview

We believe that we have a huge opportunity to be a positive presence in our communities and throughout our supply chain, mobilising our 900 stores and over 80,000 employees as ambassadors. We aim to support people in the communities in which we operate to develop skills that benefit their homes and lives. This is of particular relevance in a fragile economy where many countries are facing higher levels of unemployment and where government funding for training and development may not be available.

There are four key needs that we are addressing within our communities strategy:

- helping people develop additional skills that may support their employability
- increasing people's confidence and self-worth by encouraging people to develop new practical skills, like DIY
- encouraging a community spirit to share ideas and transfer skills among the community. This may be with direct skills training or by developing online sharing platforms and networks
- supporting local regeneration projects, depending on the regional needs.

We also work on community projects linked to our manufacturing and sourcing locations. Our Kingfisher Sourcing Organisation (KSO) in Hong Kong was awarded 'caring company' status by the Hong Kong Council of Social Service, in recognition of good employment practices, volunteering, community activities and donations.

Our ambition is also to encourage innovation within our communities that bring about more sustainable ways of living. We can do this by offering skills training linked to improving materials reuse, for example, or by encouraging skills sharing within communities.

Make, Share and Improve in our communities

Our community participation programmes are based on three core themes that will guide our work going forward. These themes provide development and education opportunities for people to improve skills, employability and make their homes more sustainable. The themes are:

- **Make:** run classes to teach people how to make and repair things
- **Share:** build online community platforms to link people together and share 'know-how'
- **Improve:** work with schools and community partners to transfer skills and support local regeneration.

Our apprenticeship schemes also offer opportunities for people of all ages. For example, Screwfix has worked with top technical construction colleges on apprenticeship schemes and construction courses, and has also sponsored awards programmes. Brico Dépôt France is recruiting apprentices to train as prospective employees and managers – it is planning to work with Castorama France to train 1,000 apprentices by 2015.

We are also working to link communities and people together and in June 2011 Castorama France launched the first DIY peer-to-peer platform Les Troc'Heures ('barter hours'), giving people the opportunity to share practical skills and expertise.

Our community strategy and projects align with our own DIY sector and the skills that we can offer, since we believe an effective community programme must be linked to our core business. For example, B&Q's employees participate in its partnership with UK Youth and Youth Work Ireland where each store is twinned to a local youth group for support with fundraising and skills development.

Key priorities

Communities

Our aim is for every store and location to support local community groups and equip people with skills.

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Community skills | Charity partnerships

Key 2020 target:
Work with 4,000 local community projects

2011/12 progress:
We are engaged in a wide range of initiatives to help build skills within our local communities: from Brico Dépôt France providing DIY skills for unemployed people, to B&Q China helping modernise school libraries

Creating best practice across the Group

Our aim is to create a coordinated approach across the Group, with the flexibility to adapt locally and facilitate connections in their own communities. Our operating companies will work within the broad criteria of skills development but will have flexibility to link to a national partnership, a regional partnership or with a neighbourhood organisation.

B&Q UK & Ireland now has its community strategy aligned with the core of its business and includes initiatives that increase access to learning for young adults and hosting children's classes in store, such as its 'Job Done!' programme. Find out more in the B&Q UK communities section. Our intention is to adopt this approach and extend the learnings across other operating companies in different countries.

Charity and community partners

We are committed to partnerships at Group level. In 2011, Kingfisher's partners were Save the Children, Singakwenza, HIV/AIDS Education and Development. Some of our Group charities also have local offices that work with our operating companies. Across all of our operating companies we have a number of charity partners and projects that fit within our core themes:

Make: B&Q and Job Done! in the UK provides free teaching resources for school children, aged 5 to 16, to learn practical DIY skills. In France, Brico Dépôt works with French housing charity Fondation Abbé Pierre to create '2,000 roofs for 2,000 families'. Brico Dépôt Spain has introduced in-store workshops for 10 to 12-year-olds to create sustainable homes and lifestyles.

Share: Castorama France launched 'Les Troc'Heures' skills swapping site, a free membership-based community skills swapping website that encourages people to share skills, from DIY to dressmaking. In early 2012 the site had 3,500 members and over 1,000 swaps had taken place. Meanwhile, B&Q UK is trialling a neighbourhood sharing concept in the UK called 'Street Club'.

Improve: B&Q China helps equip school libraries with library materials, TVs and computers, in partnership with the Cherished Dream Foundation. Brico Dépôt Spain is tackling forest regeneration in Spain caused by forest fires in dry heat. It is working with a forest consultant to provide educational materials and support to communities. Screwfix has partnered with Everyman, an appeal set up by The Institute of Cancer Research (ICR), to focus on ending male cancer – a concern among Screwfix's predominantly male customer base. B&Q UK also works with the Scouts Association, sponsoring the Cubs and Scouts DIY badges to help young people develop practical skills.

Kingfisher's corporate centre has a Charities Policy Standard PDF (1,020Kb), in line with the Group Charities Policy. It has developed a number of charity partnerships, which have been in place for a number of years. The charities we select are aligned to Kingfisher's Corporate Responsibility principles and values. The partnerships include both local projects (to our corporate head office location in the UK) as well as international projects in the Group's supply chain.

Giving and gifts-in-kind

We made contributions to charity / community projects worth an estimated £1,771,000 in 2011/12 – equivalent to 0.2% of pre-tax profits. This included cash donations (£1,213,000) and gifts-in-kind (£323,000 as a retail cost) as well as time given by our employees (£235,000).

We increased the overall level of our community investment by 11% during 2011/12, mainly due to an increase in cash donations.

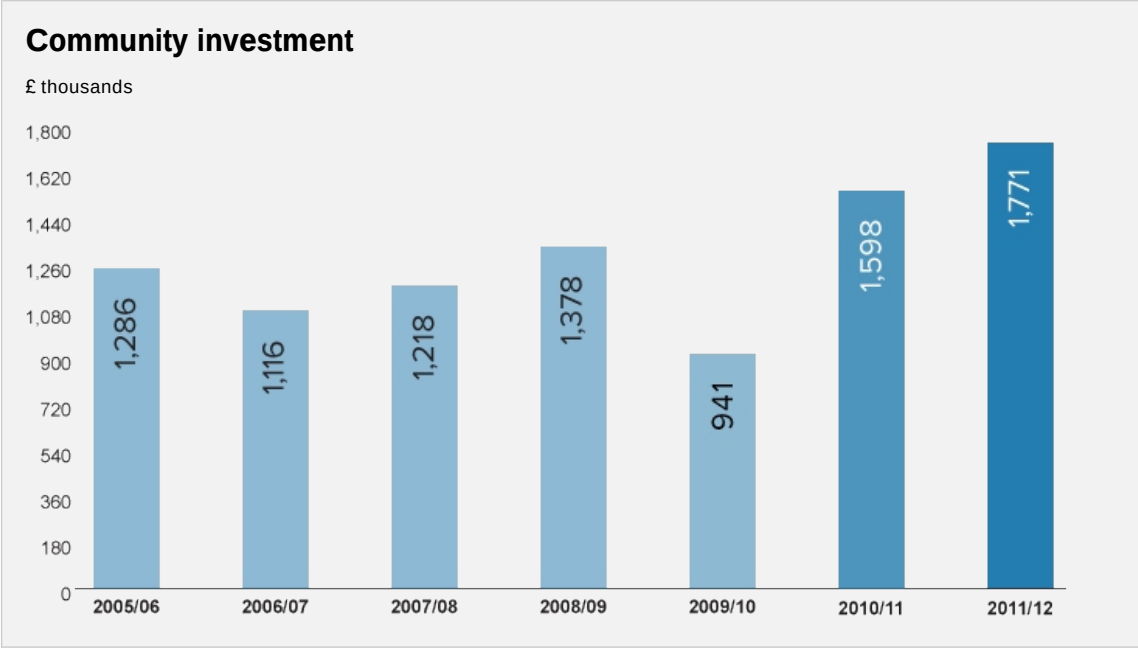
Volunteering

With over 66,800 full-time equivalent employees, we have the potential to make a difference in thousands of communities around the world. As well as financial donations, we can promote the involvement of our employees in local community projects through volunteering and fundraising.

In 2011/12 our employees spent over 29,000 work hours volunteering in the local community (up from 26,000 work hours the previous year).

Fundraising

Our businesses also help raise money for charity partners through store collections and other fundraising initiatives. In 2011/12 a total of £493,000 was raised for charity. In the UK, employees donated another £125,000 to charity through payroll giving.



See data section for explanatory notes to this chart

Data assurance

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP, June 2012

For more details see the Ernst & Young Assurance Statement

Key priorities

Communities

Our aim is for every store and location to support local community groups and equip people with skills.

Singakwenza (South Africa)

This is a charity which tackles the issues of HIV/AIDS in one of the worst affected regions of South Africa (KwaZulu Natal). Singakwenza operates two key projects – a Primary Health Care Mobile Clinic and an Early Childhood Development (ECD) programme. The Primary Health Care Mobile Clinic provides access to confidential HIV testing, counselling and treatment, as well as primary health care for rural and isolated workers.

In the past year, a total of 5,236 consultations took place in 2011 and 492 tested for HIV and received counselling. 148 children were given access to an effective ECD programme and 8 educators received teaching on how to implement the programme.

Save the Children

Kingfisher's cash donation funds a training programme in China for parents of children with disabilities. Overall, the project reached 5,803 children with disabilities and 2,901 adults. Kingfisher's donation enables 316 parents to receive training to improve support and care for their disabled children.

A variety of associated visits, meetings and events have also helped parents build confidence, advocacy skills and peer support.

Corporate head office volunteering

All employees at Kingfisher are entitled to at least one day per year to volunteer for a cause of their choice and various volunteering projects were carried out.

An example is a gardening project on a local housing estate involving 18 employee volunteers. The project involved volunteers and the contribution of materials to improve the gardens on a local housing estate.The work was to prepare the gardens after the winter which allows easier maintenance for residents. Our assessment showed that the support of volunteers reduced the sense of isolation, as many residents do not have family nearby.

Key priorities

Communities

Our aim is for every store and location to support local community groups and equip people with skills.

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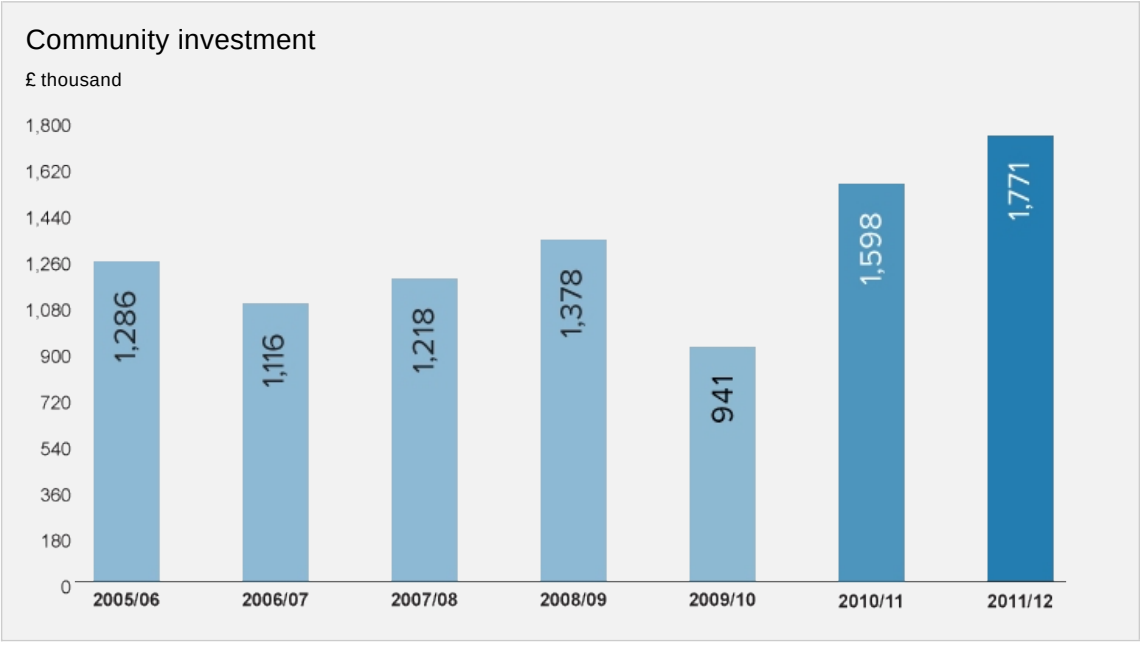
Key performance indicator



Detailed data

Community investment breakdown

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Cash donations	£ thousand	376	324	295	597	417	952	**1,213**
Gifts-in-kind	£ thousand	822	628	691	596	376	443	**323**
Employee time	£ thousand	88	164	232	185	148	203	**235**
Total community investment	**£ thousand**	**1,286**	**1,116**	**1,218**	**1,378**	**941**	**1,598**	**1,771**

Notes:

- Cash donations for 2011/12 include charitable giving of £915 thousand and commercial initiatives in the community of £298 thousand.
- Gifts-in-kind for 2011/12 include retail product donations of £152 thousand (valued at retail cost) and other gifts (including unsaleable goods donated to local communities) of £171 thousand. The data for unsaleable goods is an estimate made by individual stores.
- Employee time for 2011/12 includes management time of £82 thousand and volunteering in company time of £153 thousand.

Community evaluation 2011/12 - examples of the impact of community projects

We aim to ensure that our community activities are focused on projects that are aligned to our business and CR strategy and maximise community benefits. We therefore seek to evaluate formally the impact of key community projects on an annual basis through qualitative and quantitative evidence. The table provides some examples of the evaluation results for charity partnerships at the Kingfisher corporate head office and B&Q UK.

Community partner/programme	Inputs 2011/12	Benefits (measured from evaluation)
Kingfisher corporate head office		
Singakwenza (South Africa) – a charity which tackles the issues of HIV/AIDS in one of the worst affected regions of South Africa (KwaZulu Natal) Operates two key projects – a Primary Health Care Mobile Clinic and an Early Childhood Development (ECD) programme	Cash donation of £17,100 and advice for funding proposals	**Business benefits** ■ Helping to tackle the issues of a world health crisis and the impact on the supply chain ■ Meeting CR objectives, in particular support for socially excluded and disadvantaged communities **Community benefits** ■ The Primary Health Care Mobile Clinic provides access to confidential HIV testing, counselling and treatment, as well as primary health care for rural and isolated workers ■ A total of 5,236 consultations took place in 2011 and 492 tested for HIV and received counselling ■ 148 children were given access to an effective ECD programme, and 8 educators received teaching on how to implement the programme *"We are in a remote area and we don't have public transport. We used to have to hitch hike to get to town to visit the clinic. Now the clinic comes to us."* **Quote from interviews with beneficiaries**
Save the Children – Kingfisher's donation funds a training programme in China for parents of children with disabilities	Cash donation	**Business benefits** ■ Meeting CR/diversity objectives, in particular supporting disabled and disadvantaged children and communities **Community benefits** ■ Through Kingfisher's donation 316 parents received training, to enable them to improve support and care for their disabled children ■ Overall, the project reached 5,803 children with disabilities and 2,901 adults ■ A variety of associated visits, meetings and events has enabled parents to build confidence, advocacy skills and peer support *"Kingfisher's support is directly enabling us to train 500 parents, providing them with the skills they need to support their children with disabilities."* **Harriet Gardner, Corporate Account Manager**

Corporate head office volunteering – all employees are entitled to at least one day per year to volunteer for a cause of their choice	258 volunteering hours (value of £12,459)	**Business benefits** ■ Supporting local causes in the community where Kingfisher's corporate head office is located ■ Employee satisfaction including: ■ A sense of 'pride in my work' and 'pride in my community' ■ Teamwork, bonding together and having fun out of the office environment ■ Recognising team strengths and gaining insight into creative talents and expertise **Community benefits** *Various volunteering projects were carried out. The following information is from the evaluation of a gardening project on a local housing estate involving 18 employee volunteers:* ■ Involvement of volunteers and contribution of materials to improve the gardens on a local housing estate ■ The work carried out to prepare the gardens after the winter allows easier maintenance for residents ■ The support of volunteers reduced the sense of isolation, as many residents do not have family close by *"Kingfisher's support has been invaluable, as it has enabled the housing association to extend and broaden its capacity to deliver support services to its more vulnerable residents that improve their quality of life, which it otherwise would have been unable to achieve. These activities have promoted a sense of well-being amongst residents and the knowledge that people from the wider community care, and are willing to help."* **Gina Tanoh, Community Services Manager**
B&Q UK & Ireland		
Job Done! Schools programme which provides free resources for schools to teach children practical DIY and home improvement skills	Approximately £100,000 (value of cash and employee time) for the Job Done! project development and maintenance Approximately £5,000 in employee time and products for the 97 in-store decorating classes	**Community benefits** ■ 799 secondary schools recruited to Job Done! Total recruited since launch is 1,426 secondary schools ■ 2,074 primary schools recruited in inaugural year ■ 97 practical, hands-on decorating classes held in larger B&Q stores for 11 to 16-year-olds **Business benefits** ■ Improving community links with store and local schools
Scout Association Partnership programme to help young people develop practical skills	Cash donation of £50,000 to sponsor DIY badges Approximately £50,000 for free Kids Classes in store Around £5,000 for national and local events (includes products, resources and time) £11,450 on gift cards to support renovation projects in local scout buildings	**Community benefits** ■ Sponsoring DIY badges for cubs and scouts ■ Creating new, free online resources for cubs. 1,080 cub group leaders accessed the activity worksheets with a reach of 27,000 cubs ■ Reached 2,299 cubs, scouts and leaders through in-store demonstrations, Kids Classes and attending scouting events **Business benefits** ■ Employees are able to demonstrate their expertise ■ Increased footfall into store ■ Raise brand awareness and loyalty

UK Youth Three-year partnership launched in 2011. Includes 'Youth Can Do It' grant programme	Product donation of £19,000 for Youth Grants Staff fundraising of over £128,000	**Community benefits** ■ Youth group partners awarded £250 grant of product to help transform their facilities and learn DIY skills at the same time ■ Youth group partners undertook fundraising in-store, helped increase public awareness of the youth groups and encourage new members ■ Youth groups in Kent supported our Gold Award winning garden at the RHS Chelsea Flower Show by making insect boxes which were then displayed as part of the garden **Business benefits** ■ Builds links with the local community ■ Creates brand awareness and brand loyalty

Data assurance

ERNST & YOUNG

The data on this page on Group community investment and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. The data in the Community Evaluation 2011/12 table is excluded from Ernst & Young's assurance scope. June 2012.

For more details see the Ernst & Young Assurance Statement

Key priorities

Communities

Our aim is for every store and location to support local community groups and equip people with skills.

Screwfix and Everyman: our story in the community

£150,000
raised for Everyman in 2011

Screwfix has used its male-dominated customer profile to support Everyman, a charity that focuses on ending male cancer.

For two years, Screwfix has partnered with Everyman to make men more aware of the symptoms of prostate and testicular cancer, encouraging people to detect early signs. The partnership targets the Screwfix customer or tradesman and people in the construction sector.

Since 2009, Screwfix has raised nearly £150,000 for Everyman, an appeal set up by The Institute of Cancer Research (ICR), to raise funds for research into cancers affecting men. Screwfix has also introduced a new 'pennies' scheme – an electronic donation box on its website giving customers the opportunity to round their order up to the nearest £1.

Across its UK national network of 200 trade counters, Screwfix employees have tackled a host of challenges and activities in aid of Everyman: from gruelling bike rides to cake sales! Screwfix has more charity activities planned in 2012 to support Everyman and its work to eliminate male cancer.

B&Q and Project Start

B&Q is one of the founder partners of Start UK, a charity set up by the Prince of Wales to encourage sustainable living within the UK.

B&Q UK is supporting Start UK, an exciting sustainable living initiative inspired by the Prince of Wales. Start UK's mission is to help everyone take practical steps to live more sustainably and 'do more with less', instead of telling people what they can't do and focusing on what they can, the initiative aims to make sustainable living simple and accessible for everyone. The charity is supported by a group of leading UK companies, including Thames Water, Waitrose and M&S – who work together to encourage positive behaviour change.

Staged around the country to promote the positive steps people can take to make a difference, the initiative culminated in the gardens of Clarence House for 'a garden party to make a difference' and conference summit. B&Q played a key role in this public campaign but took the concept one positive step further by running one of the retailer's biggest ever employee engagement campaigns called the 'One Planet Home' competition.

2011

B&Q supports Start UK

Bringing skills to youth

B&Q UK's 'Job Done!' works with local schools in the UK to help children build skills that can be used in later life.

B&Q UK's 'Job Done!' schools programme provides free resources for schools to teach children aged 5 to 16 practical DIY and home improvement skills.

It consists of six units, each with specific tasks, lesson plans and activities created by design and technology experts. The programme is validated by the Children's University – a UK national charity that has 750,000 members – so that young people can gain recognition for the learning they do outside of school.

Participants receive a 'passport' to keep track of their hours of learning. In 2011, Job Done! was extended to reach primary schools with 2,074 signing up, as well as an additional 799 secondary schools. B&Q stores also hosted decorating classes in store with 97 schools participating over a 12-week period.

2,074

primary schools sign up to Job Done!

Other issue areas

Our Net Positive strategy and four priority areas are underpinned by three issue areas: employees, suppliers & partners and the environment. Each issue area has its own 2020 targets.

Employees

We have nearly 80,000 employees across Kingfisher. Our targets cover employee engagement, training, and health and safety.

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct at the core of our business. We also aim to be the preferred retail partner to promote sustainable living.

Environment

Our environmental performance is core to our overall performance in sustainability. Our targets include our work in transport, waste, packaging, water, chemicals, sustainable construction and peat.

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

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Highlights

- An employee survey is conducted every year by Gallup across the Group to gauge employee engagement and gain insight into what matters to our employees. Each team leader is responsible for creating a plan to improve employee engagement.
- New training on eco products and sustainability has been developed by a number of operating companies. This is being scaled up in 2012.
- The Kingfisher Code of Conduct has been rewritten to integrate with business issues and day-to-day working lives. The Code of Conduct underpins our ethics and values as a company.
- In 2011, we installed TelePresence in six of our offices (Paddington, Southampton, Lille, Warsaw, Shanghai and Hong Kong). This reduces the amount of travel that people need to do in an international business. It will be extended to other offices in 2012.
- Our aim is to integrate sustainability criteria into systems such as individual and team KPIs and bonus packages. This will cover employees within head office, our stores, commercial teams and sourcing.

Key challenges and opportunities

- A challenge is to provide consistency across the Group where local regulation may differ. Every operating company has its own human resources team
- We have an opportunity to link our community projects with employee engagement by involving more employees in volunteering. Research shows that community volunteering can increase individual well-being
- A further challenge is to integrate sustainability performance criteria into bonuses and personal reviews, including within commercial teams – the buyers and the suppliers – over the long term
- There is an opportunity to increase the level of training in-store and among commercial teams on eco awareness, to cover, among other things, the customer benefits of eco-products
- We need to work across the Group to increase the number of women in senior management positions.

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

2020 target:

Integrate sustainability into the performance management systems for all relevant employees

2015 milestone:

Integrate sustainability into the performance management systems for the top 250 managers from around the Group

2011/12 progress:

Some of our operating companies have set sustainability objectives for a number of job functions. For example, Castorama France has set objectives for commercial teams on eco products and sustainable timber sourcing. In addition, store security managers have specific objectives on energy and store supply-chain managers on waste.

2015 target:

Development programme on sustainability issues for the top 250 managers from around the Group

2011/12 progress:

A sustainability programme is currently being designed for the top 250 managers across the Group

Employee performance management

To become 'Net Positive' is one of the eight pillars of our new Group business strategy 'Creating the Leader'. How we achieve this goal will be linked to the personal objectives of senior executives. We are also working with the Group HR team to create a new development programme on sustainability to be delivered in early 2013 for the top 250 senior managers across the Group.

In some previous years, we have incorporated sustainability targets into the personal objectives for a number of Board members, covering, for example, eco product sales (Kingfisher Group CEO) and sustainable timber sourcing (Kingfisher UK CEO). By 2015, our target is to integrate the sustainability 'Net Positive' principles into the performance management systems for all senior managers across the Group.

Some of our operating companies have also set sustainability objectives for a number of other job functions. For example, Castorama France has set objectives for commercial teams on eco products and sustainable timber sourcing. In addition, store security managers have specific objectives on energy and store supply-chain managers on waste. At Brico Dépôt France, store managers have been set CR objectives covering waste management, employee diversity and employee development. At Brico Dépôt Spain, employees are trained to track and understand data for in-store energy consumption, helped by the installation of smart meters. Our sourcing operation, KSO, is currently setting sustainability objectives for its management team for 2012.

Code of conduct training

The Kingfisher Code of Conduct and governance manual has been rewritten for 2012 to align with the new business strategy of creating the leader. It details our management procedures and reflects the open, transparent and ethical values of the organisation. The practices detailed within the Code of Conduct are non-negotiable and must be followed. Employee training is conducted within the operating companies on the Code of Conduct.

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

We have two main targets related to training on sustainability issues. One is to scale up eco-product training among store employees so that they can influence and inform customers in areas such as energy saving. The other target is to bring sustainability into our employees' working and home lives.

2020 target:

Engagement and development programmes to motivate all employees to become more sustainable at work and at home

2015 milestone:

Train all customer-facing employees on eco products and services so they can help customers make more sustainable choices

2011/12 progress:

During 2011, many operating companies continued to train customer-facing store employees to inform customers about eco-products and/or energy-saving products. Many operating companies promote eco-awareness among employees including tying in with WWF's Earth Hour

Training on eco products

Some of our operating companies conduct eco product training for store employees. For example, Brico Dépôt Spain is working with employees to promote awareness on eco products and sustainable behaviour. B&Q China has trained its in-store staff on its new Home Eco logo and also trains its buyers on eco products and services (Find out more on B&Q China's Eco initiatives), and on responsible timber sourcing with a goal to developing the range and increasing sales. Castorama Russia is working towards the Kingfisher targets to create a company-wide training programme on eco products and eco design. The main Kingfisher Sourcing Organisation (KSO) office is developing training for buyers to identify eco products that could be sold across the Group. These will be rolled out in 2012.

Design and Research & Development innovation teams also have a role to play: they need to understand our sustainability goals so that they can develop R&D and product design to integrate sustainability criteria. This process has already started, focusing initially on our 11 common group brands.

Employee engagement on sustainability

Motivating and encouraging employees to be more sustainable in the workplace can have a positive impact on various sustainability targets, such as reducing emissions or working within communities, as well as inspiring people to lead more sustainable lives at home by using less energy. B&Q UK & Ireland has a comprehensive sustainability engagement campaign to train its employees to be in-store Eco advisors. These experts offer advice to customers on how to reduce the environmental impact of their homes and cut their bills.

B&Q UK's partnership with the Prince of Wales's Start initiative continued in 2011. Start seeks to help people across the UK lead more sustainable lifestyles with roadshows, events and top tips on the website. During 2011, employees took part in the Start roadshow and its five-day sustainable living festival at Kew Gardens.

B&Q also has an internal communications programme to engage employees with its One Planet Home® initiative and offers an e-learning module. The One Planet Home® e-learning module is completed by all new employees.

Employees participate in sustainability programmes and activities across the various operating companies. For example, B&Q China's employees participate in the WWF annual Earth Hour, which includes poster campaigns on energy saving. Koçtaş in Turkey offers a shuttle service for employees (and customers) to cut down on car use. Castorama France has appointed 'eco champions' to promote energy saving, waste reduction and eco product sales, as well as giving updates on company progress in the *Planetcasto* newsletter. It also has an induction programme for managers on CR and a monthly report on CR for each store. There is a dedicated internal website to help educate staff on various sustainability issues as well as on ways to reduce their energy use.

In Brico Dépôt France, store teams complete the company's online sustainability training module as part of the e-learning programme. To date, over 80% of the store teams have been trained on the programme. The training is designed to engage employees on ways in which they can reduce their environmental impact at work and includes a number of interactive elements such as a quiz and a store tour. The company aims for all employees to complete the module at least once every three years.

Other training and development

We place significant emphasis on the training and development of employees, with around £21.8 million invested in formal employee training in 2011/12. A total of 715,000 training hours were provided, averaging nine hours per employee.

For example, more than 18,300 City & Guilds qualifications have been obtained by employees at B&Q UK since 2009, making it the largest user of these qualifications in the retail sector. Store teams wear apron badges to show customers that an expert with a City & Guilds qualification is serving them. In France, our operating companies take part in the Viva2 and Perspective Programme, which provide both graduate and management trainee programmes.

While the overall number of training hours has fallen this year from 914,000 in 2010/11 to 715,000 in 2011/12, there has been an increase in the training budget from £19.6 million in 2010/11 to £21.8 million in 2011/12. The employee turnover rate was 23% in 2011/12. The lowest employee turnover rates among operating companies were within Brico Dépôt France (12%) and Castorama France (9%).

Apprenticeship schemes

Apprenticeship schemes are in place or planned across many of our operating companies, including B&Q UK & Ireland, Castorama France, Brico Dépôt France and Screwfix.

B&Q runs a 12-month programme of learning that employees complete on the job. It offers them the skills, knowledge and confidence to progress in their chosen field. Most company apprenticeships are only open to under-25s. The B&Q programme has no age limitations, making it one of the most diverse in the industry. In 2011/12, 40 employees have qualified as apprentices, with a further 57 completing the final elements of their programme by the end of May 2012.

Brico Dépôt is recruiting apprentices to train its prospective employees and managers. It is planning to work with Castorama France to train 1,000 apprentices by 2015. Apprenticeships are being advertised on website, job boards, social networks and through schools.

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

2020 target:

To be recognised as a 'best practice' retailer for equality and diversity

2015 milestone:

All our operating companies to have in place an action plan to become a 'best practice' retailer in their market on equality and diversity

2011/12 progress:

B&Q UK and Castorama France have demonstrated 'best practice' in retail on a number of diversity issues. However, further work needs to be done across other operating companies to ensure a level of consistency

Equality and diversity

We have a Group-wide policy at Kingfisher for equality and diversity, as well as an equal opportunities policy. Human Resources teams at operating company level implement the policy. B&Q UK and Castorama France have well-established diversity programmes. For example, B&Q UK has been at the forefront of a move to employ older workers for many years.

In early 2012, Castorama France was the first major retail company to be awarded the Label Égalité by the ministry of diversity and equality in France for its proactive and innovative engagement in diversity issues. Its diversity programme is implemented in three main areas: employing disabled people, gender equality and helping retain older people with 'longer career' support. Brico Dépôt France store managers have all been set objectives on employee diversity.

Our IT centre, Kingfisher IT Services (KITS) and our Screwfix business have an employee well-being programme with the Retail Trust, a charity that offers employee assistance for people working in the retail sector. The charity gives their employees a range of free services that includes counselling, legal and debt advice, hardship grants and course funding.

Gender and age diversity

In 2011/12, women accounted for 40% of total employees, 29% of managers and 18% of Board members. A number of operating companies are working to attract and recruit more women by providing flexible working arrangements. For example, B&Q UK's approach goes beyond legal requirements by allowing flexible working requests from all employees (not just those with caring responsibilities). Employees are able to request flexible working from their first day at work.

The proportion of women in management has remained stable for the past three years. We recognise the need to be more proactive in attracting and retaining women at senior levels.

B&Q UK has a long-established policy of promoting age diversity and has led the way, through initiatives such as flexible retirement, in the recruitment and retention of people over 50. In 2011/12, 28% of B&Q employees were over 50, significantly higher than the Group average of 14%.

Disability

In 2011/12, the proportion of employees with a declared disability was 2.8%. Brico Dépôt Spain signed an agreement with Red Cross Spain in 2011 to work together to increase the integration of disabled employees into the workforce of its stores.

Ethnic minorities

We report data on ethnicity for the UK only. We are not able to provide a Group-wide figure, as it is illegal in countries like France to ask employees to declare their ethnicity. In fact, there is no common definition of an ethnic minority in certain countries. The proportion of UK employees who declared they were from an ethnic minority was 9% in 2011/12. This aligns with the 8% of UK adults from ethnic minorities (UK Census 2001).

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

2020 target:

20% reduction in the employee lost-time accident rate from a 2010/11 baseline

2015 milestone:

10% reduction in the employee lost-time accident rate from a 2010/11 baseline

2011/12 progress:

We have safety managers across each of our operating companies and have achieved a 6% reduction in the total lost-time accident rate

Note: the lost-time accident rate is the number of accidents per full-time equivalent employee

2015 target:

Develop a Group-wide accident reporting framework for customers and on-site contractors and set a reduction target

2011/12 progress:

An accident reporting framework will be developed in 2012

We have a person responsible at Group level for ensuring that our businesses meet our health and safety standards. We have a target to reduce lost-time accident rates for our employees and plan to extend our monitoring and targets to also cover our contractors and customers.

Lost-time accident rates and policy

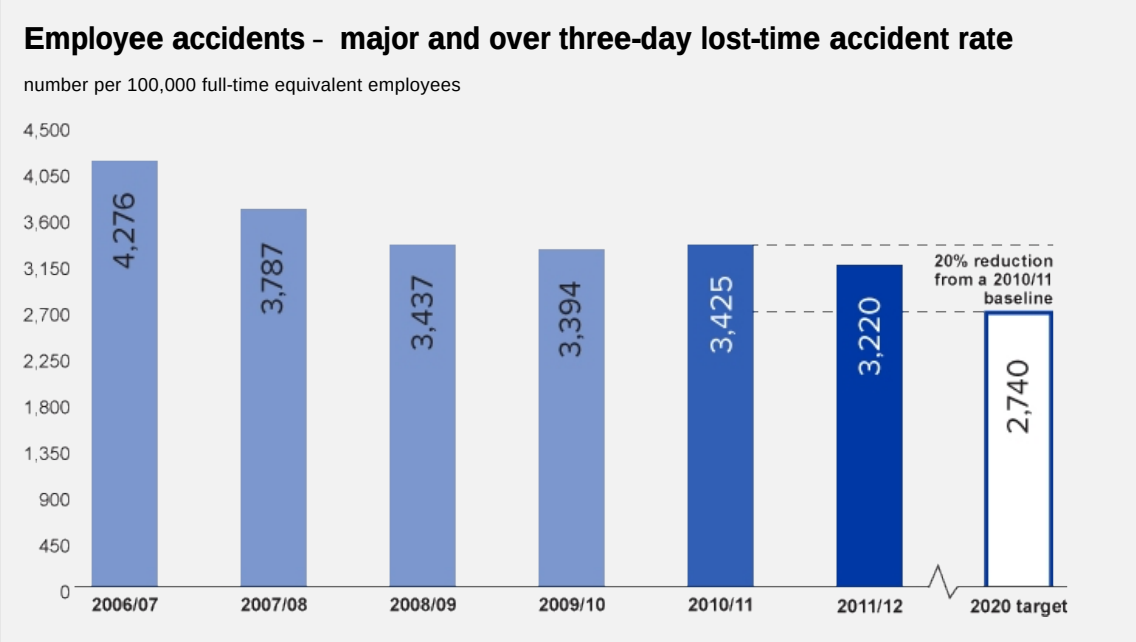
Kingfisher's Group policy and standards on health and safety are based on both local regulatory requirements and International Labour Organisation (ILO) standards. A Group-wide health and safety review is conducted on an annual basis and includes a review of compliance with the Group standards as well as local regulatory requirements.

We achieved a 6% reduction in the total lost-time accident rate over the past year as well as a 6% reduction in work days lost from these accidents. Since 2006/07 we have achieved a 25% reduction in the total lost-time accident rate. However, there was an increase in the number of major accidents this year – from 81 in 2010/11 to 117 in 2011/12.

There are some significant variations in accident rates across the Group. This is partly due to differences in legislation, mandatory accident reporting requirements, and health and safety cultures across countries. The accident rates are highest in France and Spain where companies are required to report and claim accidents through insurance/social security systems. In 2011/12, the total lost-time accident rate in the UK (B&Q UK, Screwfix and Kingfisher corporate head office) was 1,107 per 100,000 full-time equivalent employees. This is significantly lower than the Group average of 3,220. However, each operating company has full-time safety managers who operate within a set framework and job description, and who champion safety within the business.

Our Group accident data currently covers employees. We are planning to develop a Group-wide accident reporting framework for customers and on-site contractors, and set a reduction target.

An ongoing legal case reported in last year's CR report, relating to a customer fatality in March 2009 at a B&Q UK store in the Republic of Ireland, was settled in 2011. B&Q UK is currently being prosecuted for three offences under H&S at Work regulations as a result of incidents at the Exeter Supercentre and Exeter Warehouse.



See data section for explanatory notes to this chart

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Other issue areas

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

2020 target:

Improve our employee engagement by extending engagement surveys to cover all employees

2011/12 progress:

Kingfisher Corporate Centre and five operating companies (B&Q UK, Castorama France, Screwfix, Brico Dépôt Spain and Koçtaş) conducted employee engagement surveys covering all employees. Other operating companies also conducted surveys but they were limited in scope (see below)

The well-being of our employees is important to us, particularly as we grow and expand as a company. Each year, Kingfisher Group runs an employee survey with Gallup across our senior teams including store managers. The survey covers a range of topics for employees, including leadership and sustainability.

We last conducted the survey at Group level in October 2011. The results are given to senior members of each division and each team then prioritises what needs to change to improve results in the following year. A grand mean score of 4.3 was achieved in 2011, where anything above four out of five is considered 'best in class'.

Our intention is to include all employees in the survey across all of our operating companies. To date the following operating companies have undertaken an employee survey:

- B&Q UK: conducts a Gallup survey across all employees.
- Castorama France: extended the Gallup survey in 2010 from management level to all employees. It is now the first large company in France to have an engagement programme covering its entire workforce.
- B&Q China: conducts a survey among managers and store managers.
- Brico Dépôt France: conducts a survey among senior managers and store managers.
- Brico Dépôt Spain: conducts a Gallup survey across head office and store managers. It also participates in the 'Great Place to Work' survey, held every two years for all employees.
- Castorama Poland: conducts a Gallup survey among senior management.
- Castorama Russia: conducts a survey among managers and store managers and is trialling surveys in two stores where everyone participates.
- Koçtaş: conducts an annual employee engagement survey, covering all Koçtaş employees. Senior managers take part in the Gallup survey.
- Screwfix: conducts its own employee engagement survey every six months for all employees.

Key priorities

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

Key performance indicator

Employee accidents - major and over three-day lost-time accident rate

number per 100,000 full-time equivalent employees

Detailed data

Health & safety - Work-related employee accidents

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Fatalities							
Work-related fatalities	number	1	2	0	0	0	**0**
Accident numbers							
Major accidents	number	78	67	72	94	81	**117**
Over three-day lost-time accidents	number	2,482	2,461	2,248	2,171	2,178	**2,017**
Total accidents – major and over three-day lost-time accidents	number	2,560	2,528	2,320	2,265	2,259	**2,134**

Accident rate							
Major accident rate	number per 100,000 full-time equivalent employees	130	100	107	141	123	**177**
Over three-day lost-time accident rate	number per 100,000 full-time equivalent employees	4,146	3,687	3,330	3,253	3,302	**3,043**
Total lost-time accident rate – major and over three-day lost-time accidents	number per 100,000 full-time equivalent employees	4,276	3,787	3,437	3,394	3,425	**3,220**
Work days lost							
Work days lost from major accidents	number	u/a	u/a	u/a	3,706	3,473	**6,022**
Work days lost from over three-day lost-time accidents	number	u/a	u/a	u/a	61,084	64,751	**58,162**
Total work days lost from major accidents and over three-day lost-time accidents	number	u/a	u/a	u/a	64,790	68,224	**64,184**

u/a – Unavailable

Notes:

- Operating companies have used their own country-specific regulatory definition of what constitutes a major accident.
- Over three-day lost-time accidents include all work-related accidents or injuries to employees that lead to absence from work, or inability to do their usual job, for over three days. They exclude major accidents or injuries. Data in France and Spain includes accidents on the way to work – in line with local regulations.
- Data was collected from all our operating companies and joint ventures for the past three years (2009/10 - 2011/12). In previous years, data was collected from operating companies and joint ventures which accounted for 99% of Group turnover.
- Koçtaş has implemented a new accident reporting system during the second half of the year and therefore data is only available for six months.
- The accident rate is calculated per 100,000 full-time equivalent employees.
- We started to gather Group-wide data on days lost from accidents in 2009/10. Data for previous years is unavailable.

Employee diversity

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Gender								
Total employees – men	% of employees	60	60	60	59	59	60	**60**
Total employees – women	% of employees	40	40	40	41	41	40	**40**
Men on the Board	% of Board members	90	85	86	83	84	86	**82**
Women on the Board	% of Board members	10	15	14	17	16	14	**18**
Men in management positions	% of managers	76	75	73	73	71	71	**71**
Women in management positions	% of managers	24	25	27	27	29	29	**29**
Age								
Employees 24 and under	% of employees	21	18	21	17	17	16	**15**
Employees 25–49	% of employees	66	69	66	70	70	70	**71**
Employees 50 and over	% of employees	13	13	13	13	13	14	**14**
Disability								
Employees who have declared a disability	% of employees	2.1	2.0	1.9	2.2	2.2	2.5	**2.8**
Ethnic minorities – UK only								
Employees who have declared they are from an ethnic minority	% of employees	7	8	8	10	10	10	**9**

Notes:

- Data is for full-time equivalents, as at the year end.
- Data on Board members includes the Kingfisher Group Board, the Kingfisher Plc Board and the Boards of our individual operating companies.
- Data for ethnic minorities is for the UK only (B&Q UK, Kingfisher corporate head office and Screwfix). Data was not available for Screwfix for the two years 2009/10 and 2010/11 due to changes in the data monitoring systems.

Training

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Training hours	number	1,233,000	1,367,000	1,282,000	948,000	914,000	**715,000**
Training hours per employee	number per employee	17	16	15	12	12	**9**

Notes:

- Training data covers formal training courses and excludes on-the-job training.
- Data on training per employee is calculated using the total headcount average over the year (not full-time equivalent employees).
- Data on training for 2011/12 covers businesses which account for 95% of the Group turnover (95% in 2010/11, 86% in 2009/10, 95% in 2008/09, 100% in 2007/08, 100% in 2006/07).

Employee turnover

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Employees who left	number	21,700	25,200	23,100	15,900	17,000	**17,900**
Rate of employee turnover	%	29	30	28	20	22	**23**

Data assurance

ERNST & YOUNG

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP, June 2012

For more details see the Ernst & Young Assurance Statement

Key priorities

Employees

We have nearly 80,000 employees across the Kingfisher Group (as of April 2012). Our targets within this area cover sustainability issues from employee engagement to health and safety.

Castorama France awarded the Label Égalité in **France**

In early 2012, Castorama France was the first major retail company to be awarded the Label Égalité on behalf of the ministry of diversity and equality in France.

The award was given for its proactive and innovative engagement in diversity issues. Its diversity programme covers three main areas: employing disabled people; gender equality; and helping retain older people with 'longer career' support.

Label
Égalité

The first major retail company to win the Label Égalité

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

Highlights

We have improved upon a number of areas to bring about higher ethical and environmental standards across the Group. Our goal is also to be the preferred retail partner for governments, NGOs and other stakeholders to promote sustainable living. Highlights during 2011 include:

- We are working to set up a system that aligns the actions and monitoring within our supply chain, across the Group.
- B&Q UK & Ireland is now represented on the board of Sedex, a non-profit organisation that works to improve data capture and compliance within global supply chains.
- Working closely with the UK government to progress the 'Green Deal', which aims to encourage households to invest in improved energy efficiency, with the investment off-set by long-term cost savings on home energy bills.
- Working on various partnerships at country level to help increase the supply of sustainable timber supplies, working with NGOs like WWF and Rainforest Alliance.

Key challenges and opportunities

To meet our targets within our supplier and partner relationships we need to:

- continue our work with the UK Government on progressing the UK's Green Deal that aims to encourage households to invest in improved energy efficiency
- continue to have a presence at the highest level on issues affecting our Net Positive key priorities
- increase the transparency of our supply chain – a long-term challenge, particularly among in-country suppliers, but we aim to work across all markets to ensure a consistent level of transparency and standards
- take the opportunity to offer training and development on supply chain standards, particularly among domestic suppliers across our markets
- engage our suppliers on our Net Positive aspirations including working with our commercial teams on sustainable procurement
- strengthen the focus on checking environmental standards in factories, in addition to our labour standards audits; the Kingfisher Sourcing Organisation (KSO) in Hong Kong is working with its local WWF to help major suppliers improve the carbon footprint of their factories as part of WWF's Low Carbon Manufacturing Programme.

Suppliers and partners overview

Environment and labour conditions in factories have increasingly become an important issue for investors and customers, who intrinsically expect high standards from a leading retailer. We seek to ensure that all of our operating companies offer mass market, high-quality products without compromising the welfare of workers.

Within our commitment to become Net Positive, our central Kingfisher Sourcing Organisation (KSO) has started to work with its buying teams to encourage the procurement of products with sustainable properties. In 2011, we also introduced a new common brand range of 11 core brands which will also help to streamline our relationship with suppliers across the Group and apply common ethical standards across these brand ranges.

The Kingfisher Code of Conduct for Factory Working Conditions (PDF 0.70Mb) sets a policy across our business based on compliance with international legal frameworks including the ILO and OECD Guidelines for Multinational Enterprises which cover labour, human rights and environment standards. We also consult internationally endorsed frameworks including the Guiding Principles on Business and Human Rights, that implement the UN's 'respect, protect and remedy framework' for human rights, published by John Ruggie in 2011.

Our Code of Conduct identifies nine minimum requirements (referred to as critical failure points) with which factories must comply. It also sets out additional standards that suppliers are expected to meet over time. Kingfisher has a number of guidance documents for its businesses on ethical sourcing, including a 'at-a-glance guide' and detailed supply-chain guidelines which provide a range of tools such as a methodology for supplier prioritisation and templates for conducting supplier assessments and factory audits.

Central sourcing and local suppliers

We operate a 'Direct Import' system through KSO which supplies products directly to our operating companies. KSO has offices in Brazil, Hong Kong, India, Poland, Shanghai, Vietnam and India. It currently accounts for an average of 15% of the products we sell. Our ambition within our Creating the Leader strategy is to increase this, in the medium term, to 35% for direct sourcing alongside a target of achieving 50% common products.

In 2011/12, operating companies had over 8,000 suppliers and KSO sourced from 1,141 factories. Over 1,000 supplier and factory ethical assessments and audits were conducted during 2011/12 across our operating companies and KSO.

We have been working over the last year towards implementing a Group-wide ethical process that will form a module in the Group quality tool, QMT. However this is still in the development phase. We also use the Maplecroft tool at Group level, which calculates sustainability risks and helps us to identify and highlight human rights risks by geographic location.

At B&Q UK, an ongoing priority has been to audit suppliers of One Planet Home® products. B&Q has worked with its One Planet Home® partner, BioRegional, to specify the grades that suppliers must meet within their ethical assessment for their products to be endorsed as One Planet Home®. It is also a member of Sedex (Supplier Ethical Data Exchange), a web-based database which enables companies to store and share data on ethical audits.

Visit the B&Q website supplier section

Supplier relations including payments

Kingfisher is committed to sourcing products responsibly and engaging with suppliers to work towards continuous improvement in factory and worksite standards. Kingfisher's Code of Conduct PDF (1.62Mb) provides guidance for employees on supplier relationships and sets out the Group's commitment to treat everyone, including suppliers, with respect at all times. We also make clear that we will not tolerate retaliation should suppliers or their employees report a violation of our Code to Kingfisher.

Our businesses aim to work with vendors to agree payment terms that achieve the corporate objectives of both parties. On average, Kingfisher's direct suppliers are paid within 45 days. Our operating companies in the UK, France and Spain also work with suppliers on mutually satisfactory options, such as for example, reverse factoring, to help us both achieve our objectives.

B&Q UK has committed to the Prompt Payment Code devised by the government Department for Business, Innovation and Skills (BIS) and the Institute of Credit Management (ICM). It is aimed at supporting small businesses and is intended to prevent unfair alteration of terms and late payments, particularly in the current economic climate. The company seeks to work collaboratively with suppliers that come under financial difficulties to resolve any issues and to ensure continuity of supply.

B&Q UK is committed to improving communication and collaboration with vendors. Vendors are invited to regular meetings, including an annual review to discuss trading agreements. B&Q UK also consults with vendors regarding the range review programme and involves them in continuous dialogue on business opportunities.

Kingfisher will work with its suppliers with the ambition that, ultimately, all materials and methods of production are Net Positive, by regenerating what we use.

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Supplier ethical assessment | Supplier footprint | Goods Not For Resale (GNFR) | Government affairs | Socially responsible investment | Business ethics

2020 target:

All suppliers of own brand/exclusive brand products will meet or exceed our ethical and environmental standards

2015 milestone:

High-priority suppliers of own brand/exclusive brand products will meet or exceed our ethical and environmental standards

2011/2012 progress:

At this stage, we are unable to give a data breakdown for own brand/exclusive brand. We have started to develop a new Group-wide supplier assessment process and are working towards providing more detailed data in future years

Note: Our 2020 target for all suppliers includes our first and second tier suppliers. Our assessment will cover implementation of standards through their own supply chains

Overview

Our global audits help us manage risk, material factors, and also identify where there may be critical failures

Our supplier network

In 2011/12, operating companies had over 8,000 suppliers and KSO sourced from 1,141 factories. Over 1,000 supplier/factory ethical assessments and audits were conducted during 2011/12 across our Operating companies and the Kingfisher Sourcing Organisation (KSO). We need to ensure that our own commercial teams understand the risks and issues associated with product sourcing if we are to meet our ethical trading policy. Around 250 employees (such as buyers and quality managers) received training on supply-chain ethical or environmental issues in 2011/12.

Supplier ethical assessment: Kingfisher Sourcing Organisation (KSO)

Ethical audit checks are in place for all of our 1,141 KSO factories, which supply products across all of our categories to operating companies. All new factories that supply the KSO are audited against the Kingfisher Code of Conduct for Factory Working Conditions and all critical failure points must be resolved before any orders can be placed. All factories are reassessed on a regular basis (at least once every three years).

Factories must agree action plans if improvements are required and the plans must be implemented within specified timeframes. An order cannot be placed in a new factory until the corrective action and improvement plan is implemented and signed off. A five-tier grading system is used to encourage factories to progressively adopt higher standards over time.

In 2011/12, 586 factories that supplied products to the KSO were audited – these included first-time audits for all new factories used by the KSOs and repeat audits for 40% of existing factories (in line with the two to three year re-audit cycle). The other existing factories will be reassessed within the next two years. Of the 586 audited factories, 78% were required to make improvements, along with a corrective action and improvement plan. We realise that we need to do further work to encourage improvement in the factory base. We are prioritising putting an improvement programme in place.

In 2011/12, 44 factories were not accepted as suppliers after their audits (31 of these did not meet the required ethical or environmental standards). KSO in Hong Kong is now extending its work with factories to include environmental standards. For more information view our supplier footprint. It is working with WWF in Hong Kong to help major suppliers improve the carbon footprint of their factories. KSO offices in Hong Kong and Shanghai have also been through WWF's environmental checks.

Factory audits – Kingfisher Sourcing Organisation

Number of factories that had on-site audits to monitor compliance with Kingfisher's ethical and environmental standards

See data section for explanatory notes to this chart

Supplier ethical assessment: operating companies

In 2011/12, our operating companies conducted a total of 465 ethical assessments of suppliers not covered by the Kingfisher Sourcing Organisation. These included 347 on-site assessments and 118 desktop assessments (NB: This number of desktop assessments excludes any suppliers/factories that received an initial desktop assessment prior to an on-site assessment).

Most of our assessments are of first-tier suppliers or factories. In other words, from whom we directly source. However, in some cases, we will also assess second-tier suppliers or factories where there is a high risk of potential non-compliance with our standards. Our work to incorporate a new supplier ethical assessment module into the Kingfisher quality management tool (QMT) will provide an opportunity for us to review and improve our data collection processes and analyse data within the context of our overall supply base.

Building capacity: training and partnership projects

Across the Group, over 550 individuals across our supply chain received training from us on ethical and environmental issues during 2011/12. This represents approximately 6% of our major supplier base. B&Q UK continued to run a series of online seminars for suppliers to engage them on the company's CR strategy. During 2011/12, 190 supplier companies attended a webinar programme and 20 vendors attended a B&Q water summit.

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

2020 target:

Reduce the carbon and water footprint of 100 key suppliers from our 2015 baseline

2015 milestone:

Measure the carbon and water footprint of 100 key suppliers

2011/12 progress:

The Kingfisher Sourcing Organisation (KSO) in Hong Kong is now building on its work with factories to include environmental standards. Two of KSO's main suppliers have achieved a gold environmental standard working with KSO and WWF in Hong Kong

Note: we will prioritise suppliers who have a significant carbon and water footprint and those who we collaborate closely with e.g. suppliers of branded products

Supplier footprint

The reduction of carbon and water usage within our supply chain is an important issue. We have created a new target that sets goals to work with our top 100 key suppliers on their environmental footprint.

Supplier monitoring

Our current supplier monitoring systems have been in place for nearly five years (previously factories were monitored in a different way). We are now extending our factory monitoring to introduce more stringent environmental checks to reduce the carbon and water footprint of our top suppliers.

KSO in Hong Kong is now building on its work with factories to include environmental standards. It is working with WWF in Hong Kong on its Low Carbon Manufacturing Programme (LCMP), which aims to reduce carbon emissions generated by manufacturing facilities and develop environmental social governance for those manufacturers. Manufacturers use a carbon accounting and labelling system, to measure their effectiveness in reducing carbon emissions.

In 2011, two of KSO's main suppliers have achieved Gold Standard, which is a two-year commitment. During 2012, KSO in Hong Kong will work with ten other selected factories to encourage them to take part in the WWF programme to meet a Gold Environmental Standard – this audit is a two-year programme. Our own KSO offices in Hong Kong have also reached a Gold Environmental Standard and our KSO in Shanghai is also on the programme.

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

2020 target:

Our Goods Not For Resale (GNFR) suppliers will meet or exceed our ethical and environmental standards and we will actively work to minimise the sustainability impacts of high-priority GNFR goods and services

2011/12 progress:

Operating companies have started to incorporate sustainability requirements into their GNFR purchasing

This year we have set a new target focusing on reducing impacts associated with the purchasing of items such as uniforms, merchandising equipment and paper as well as services such as security and cleaning. These are classed as 'goods not for resale' (GNFR).

We aim to implement the same ethical standards for our Goods Not for Resale (GNFR) as we do for our other procurement. We will do this through a combination of supplier assessments, as well as integrating requirements into specific contracts.

Several operating companies already incorporate sustainability requirements into GNFR purchasing – for example:

- B&Q UK has incorporated ethical and environment questions into the assessment process for GNFR suppliers. The assessment has been completed by its top 250 GNFR suppliers
- Castorama France has introduced sustainability requirements for some of its GNFR purchasing including paper and office supplies and company cars
- Brico Dépôt Spain has sustainability criteria for its product catalogues and timber used in building work.

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

2020 target:

Preferred retail partner for governments, NGOs and other stakeholders in all the countries we operate in to promote sustainable living

2015 milestone:

We actively engage with governments, NGOs and other stakeholders in all the countries we operate in to promote sustainable living

2011/12 progress:

Ongoing work continues with the UK Government to progress the UK's 'Green Deal'. We also take part in discussions at European level on energy efficiency. Our operating companies are preparing for the EU timber regulation to come into force in 2013

Introduction

Our government affairs team works with national governments and the European Union on policy and regulation that impacts on our business. We have a Government and Public Relations Policy Standard which sets out our overall approach on public affairs, including our commitment to operating consistently and transparently.

We engage with governments directly and through a range of UK and European trade associations. We are members of the British Retail Consortium (BRC), the European DIY-Retail Association (EDRA) and the Confederation of British Industry (CBI).

A key focus of our government affairs programme is to promote the adoption of legislation and government incentives which help support our Net Positive strategy. Over the past year, we have been working closely with the UK Government to maximise customer uptake for the Green Deal legislation aimed at improving the energy efficiency of millions of homes. We have also taken part in discussions on the proposed European Union directives on Energy Efficiency. Our European-based operating companies are now preparing for the introduction of the EU timber regulation that will come into force in March 2013, prohibiting placing illegally harvested timber on the EU market. We have also updated our Code of Conduct to align with our new Net Positive strategy and to reflect Kingfisher's values.

Green Deal

We continue to work with the UK Government to progress the UK's 'Green Deal'. The initiative, expected to be launched later this year, aims to encourage households to invest in improved energy efficiency, off-set by long-term cost savings on home energy bills.

Our approach is twofold: to offer advice and simple DIY products to consumers; and comprehensive support, training and lead generation, together with the best available products, for our SME trade customers. To date we have carried out insulation installation trials at 31 B&Q UK stores. Later this year, we plan to offer in-house energy-efficiency assessments for customers.

Timber Retail Coalition

We are committed to driving forward sustainable timber sourcing across the Group but recognise that we need a mix of voluntary and legislative measures to make this goal achievable and ensure a level playing field. Kingfisher has successfully campaigned with other major retailers for tighter EU legislation to stamp out the import of illegally harvested timber.

The EU timber regulation will now come into force in March 2013 and prohibit placing illegally harvested timber on the EU market. In early 2010, we were instrumental in establishing the Timber Retail Coalition (TRC), alongside other major international retailers, to call for policy reform. The TRC has welcomed the new legislation from the European Parliament. Kingfisher is continuing to work with its TRC partners to ensure the effective implementation of legislation.

Other CR public affairs activity

We participate in the UK and EU Corporate Leaders Group on Climate Change, continuing to call for more robust government policy measures on climate change and a framework to deliver real change. Through our membership of the BRC, we are also calling for simplification of the Carbon Reduction Commitment.

We also take part in the European Retail Forum, a focal point for driving forward the EU's agenda on sustainable consumption and production. The Forum aims to reduce the environmental impact of the retail sector and its supply chain, promote more sustainable products and better inform consumers about green purchasing opportunities.

Kingfisher's Chief Executive, Ian Cheshire, has taken part in a number of government initiatives: he is currently chair of the Ecosystem Markets Task Force (EMTF), a business-led, independent Task Force that will review the opportunities available to UK business to develop green goods, services, investment vehicles and markets which value and protect the environment. He is also spearheading BITC's Visioning the Future programme, encouraging other companies to transform their usual way of doing business. In February 2011 he was also appointed as Lead Non-Executive Member of the Board of the Department of Work and Pensions, as part of a broader government programme appointing senior business leaders on the boards of every government department. See Stakeholder engagement for further details of our participation in other CR networks.

Nick Folland, our Group Corporate Affairs Director: Net Positive, is a member of the Sustainable Advisory Board at Ofgem. He is also vice-chairman of the GC100, The Association of General Counsel and Company Secretaries of the FTSE 100 – a group that was created in response to the increasing volume and complexity of domestic and international law and regulation which impacts on UK-listed companies.

Our operating companies around the world participate in a number of trade associations and networks, and also partner with a range of NGOs. For example:

- **B&Q UK** is working in partnership with **BioRegional** on its One Planet Home® programme, which was launched in 2007. It has developed an ambitious 15-year plan to reduce its impact on the world's resources in line with the ten principles of One Planet Living® and to make it easy for customers to create their own One Planet Homes®.
- **Castorama France** is working in partnership with the environmental organisation **WWF** on its sustainability programme. The partnership began in 2006.
- **Castorama France and Brico Dépôt France** are members of the DIY industry association, the **Fédération des Magasins de Bricolage (FMB)**, which works with the government on a range of issues.
- **Brico Dépôt Spain** has an agreement with the **Red Cross** on community issues and social integration.
- **B&Q UK, Castorama France and B&Q China** are working with WWF's Forest and Trade Network on timber issues.
- **B&Q UK, Brico Dépôt France and Castorama France** are working with the **Forest Trust** on tropical timber issues.

- **Brico Dépôt France** represents the FMB on a working group on the government's new proposed labelling system on air quality/health impacts associated with building materials and decoration products.

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

2015 target:
Kingfisher to maintain its leadership position in key SRI indexes and CR ratings

2011/12 progress:
We continue to be included in the key socially responsible investment indices and were selected for the SAM Sustainability Yearbook 2012. SRI roadshows were attended by 13 investment firms in 2011

Investors are increasingly interested in the ethical and environmental performance of companies. Sustainable and responsible investment (SRI) funds that apply specific environmental and social criteria have grown significantly in the past few years. In Europe, the total SRI assets under management have increased from €2.7 trillion in 2007 to over €5 trillion in June 2011, a new high for the sector.

Kingfisher recognises that good CR performance can benefit the business by attracting investment from SRI funds. The company seeks to communicate with both mainstream and SRI funds through SRI investor roadshows and one-to-one meetings and by responding to a range of questionnaires. During 2011, we held SRI roadshows in Amsterdam, London and Paris. These were attended by 13 investment firms.

For a few years running Kingfisher has been included in two of the main socially responsible investment indices – the FTSE4Good and Dow Jones Sustainability Indexes (DJSI). Kingfisher is also one of the sustainability leaders in the general retail sector, and was selected for inclusion in the SAM Sustainability Yearbook 2012.

Kingfisher has achieved 'prime status' (i.e. absolute best-in-class) in the Oekom Corporate Responsibility Rating for the retail sector – qualifying for Oekom's ecologically and socially based investment. Oekom currently manages a total of €90 billion for clients on the basis of its sustainability research. Kingfisher's score has improved from C+ in 2010 to a B- in 2011. Kingfisher is also included in the Oekom Global Challenges Index.

Kingfisher is included in the 2011 Carbon Performance Leadership Index (CPLI), compiled by the Carbon Disclosure Project (CDP). This recognises companies within the FTSE 350 which have demonstrated leadership in tackling climate change. The CDP represents 655 institutional investors with $78 trillion in assets under management.
View news release: Kingfisher plc recognised by CDP for climate change disclosure

Kingfisher also participates in the annual Forest Footprint Disclosure (FFD) project, an initiative backed by 72 financial institutions to help investors identify the impact companies have on forests and what steps can be taken to reduce that impact. Kingfisher has also been a long-standing supporter of greater transparency on timber sourcing and was one of the first companies to participate in this initiative.

Other issue areas

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Supplier ethical assessment | Supplier footprint | Goods Not For Resale (GNFR) | Government affairs

Socially responsible investment | Business ethics

2020 target:

Maintain highest standards of ethical business conduct through ongoing implementation of and compliance with the Group Governance Manual and Code of Conduct

2011/12 progress:

We have updated our Group Governance Manual and Code of Conduct to align with our Creating the Leader strategy

Our Code of Conduct

Our Code of Conduct and Group Governance Manual were updated in 2011. These documents embrace our values as a company, by being open and transparent, and simply state the right thing to do. Effectively, they form the basis of our ethics and, also, formally record our management procedures and their application within our businesses is non-negotiable.

The Code has been rewritten in 2011/12 to align with the new business strategy of Creating the Leader. We are now working to make the Code of Conduct a living document that is at the core of people's daily work at Kingfisher and that it drives conscious behaviour. The Code of Conduct also forms part of our contractual relationships with suppliers, setting out standards for ethical business practice. Suppliers are also expected to convey the Code to their relevant employees and throughout their supply chain.

Importantly, the Code of Conduct also details behaviour to comply with the new Bribery and Corruption Act that came into law in the UK in 2011. The Act requires all of our operating companies, irrespective of where they are based, to comply with the new legislation.

Key Priorities

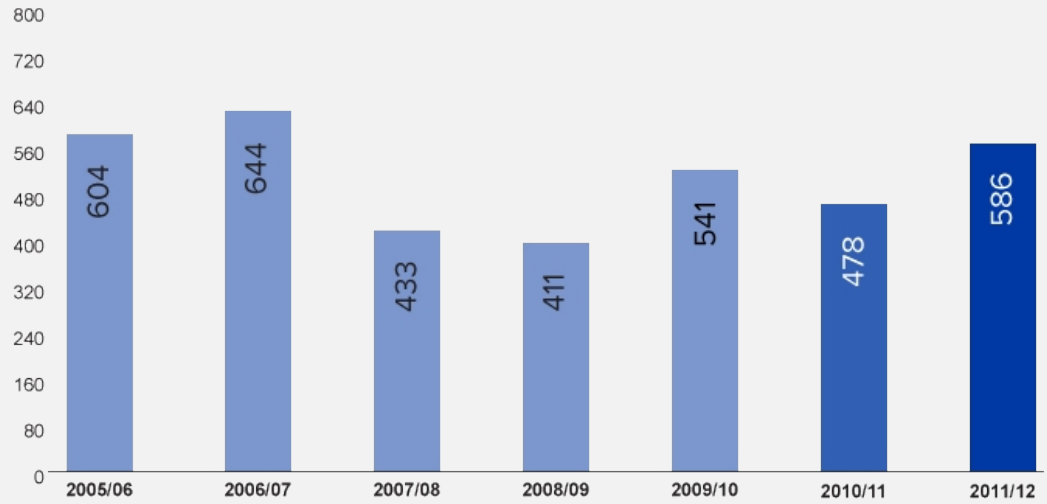
Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

Key performance indicator

Factory audits - Kingfisher Sourcing Organisation

Number of factories that had on-site audits to monitor compliance with Kingfisher's ethical and environmental standards



See detailed data section below for explanatory notes for the chart.

Detailed data

Factory audits - Kingfisher Sourcing Organisation

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Factory numbers								
Total number of factories that supply products to the Kingfisher Sourcing Organisation	number	u/a	897	854	908	949	1,083	**1,141**
Factory audits								
Number of factories that had on-site audits to monitor compliance with Kingfisher's ethical and environmental standards *See note 1*	number	604	644	433	411	541	478	**586**

Factory action plans								
Factories that were audited during the financial year that were required to make improvements through a Corrective Action and Improvement Plan *See note 2*	number	367	477	389	307	424	383	**456**
Factories that were audited during the financial year that were required to make improvements through a Corrective Action and Improvement Plan *See note 2*	% of factories assessed	61	74	90	75	78	80	**78**
Factory action plans implemented								
Factories that implemented action plans during the financial year *See note 3*	number of factories	281	369	336	287	374	343	**420**

Note:

- Note 1: Kingfisher's ethical and environmental standards are contained in the Kingfisher Code of Conduct for Factory Working Conditions. The data in the table for number of factories that had on-site audits covers the factories that supplied products to the Kingfisher Sourcing Organisation in the reporting year. All new factories are audited and repeat audits are carried out in line with a two- to three-year re-audit cycle. In 2011/12, 40% of existing factories had repeat audits. In addition, a further 44 factories received on-site audits in 2011/12 but were not accepted as suppliers (31 of these did not meet the required ethical or environmental standards).

- Note 2: All factories are required to put in place a corrective action and improvement plan (CAIP) if they do not meet specified standards on quality, environmental or ethical issues. In 2011/12, 456 factories were required to make improvements through a CAIP (78% of factories assessed). Of these, 452 factories agreed a CAIP during the year to be completed within a specified timeframe. A further four factories were scheduled to put in place a CAIP early in the following financial year (in line with agreed timescales set by KSO).

- Note 3: The data on factories that implemented an action plan includes some factories that were assessed the previous year. All factories are required to implement action plans within an agreed timeframe (which in some cases will carry over into the next financial year). Factories that fail to implement their action plan within the agreed timeframe are given an extension of three months (based on the assessment date), and then a full reassessment is carried out if the actions are not completed within a specified period. A new factory cannot be activated (i.e. an order cannot be placed) until the CAIP is implemented and signed off.

- u/a – unavailable

Training workshops - Kingfisher Group

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of individuals within the supply chain (e.g. factory managers) receiving training on supply-chain ethical or environmental issues	number	230	211	170	771	761	511	**556**
Number of Kingfisher buyers/commercial teams receiving training on supply-chain ethical or environmental issues	number	99	192	272	371	501	301	**254**

Distribution of cash value to stakeholders (consolidated cash value added)

	Unit	2008/09	2009/10	2010/11	2011/12
Cash value added	**£ million**	**1,902**	**2,410**	**2,039**	**1,978**
Cash value distributed to stakeholders					
Employees – wages, salaries and retirement costs	%	60.7	51.8	61.8	**67.0**
Government – taxes and social security costs	%	15.3	9.6	18.2	**20.5**
Shareholders – dividends	%	6.6	5.2	6.3	**9.0**
Lenders – interest	%	4.9	2.6	0.9	**0.4**
Community investment – cash donations	%	0.0	0.0	0.1	**0.1**
Total cash value distributed to stakeholders	**%**	**87.6**	**69.2**	**87.3**	**97**
Cash retained within the business	**%**	**12.4**	**30.8**	**12.7**	**3.0**

Note:

- The above figures are reported on a continuing operations basis only.
- The data for community investment (cash donations) was £597,000 in 2008/09, £417,000 in 2009/10, £952,000 in 2010/11 and £1,213,000 in 2011/12. The figures appear as 0.0% in 2008/09 and 2009/10 due to presentation of data to one decimal point. In addition, Kingfisher's community contributions also included gifts-in-kind and employee time. See communities data section for further details.

Data assurance

The data on this page on factory audits and training workshops and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. The data on distribution of cash value to stakeholders is excluded from Ernst & Young's assurance scope. June 2012.

For more details see the Ernst & Young Assurance Statement.

Key Priorities

Suppliers & Partners

We maintain a high standard of ethics and environmental conduct, based on international legal standards, as central to the way our businesses operate. This section also includes our work in government affairs and partnerships.

Kingfisher sourcing organisation working to reduce carbon footprints

Our central sourcing organisation, Kingfisher Sourcing Organisation (KSO), based in Hong Kong, has made a commitment to work with its leading suppliers to improve the carbon footprint of their factories.

The work is being carried out with WWF in Hong Kong under its Low Carbon Manufacturing Programme (LCMP). The programme has been specifically designed to reduce carbon emissions generated by manufacturing facilities in the Pearl River Delta (PRD). LCMP offers manufacturers a carbon accounting and labelling system, to help them measure their effectiveness in reducing carbon emissions and to offer best practice in carbon management.

In 2011, two of KSO's main suppliers have achieved the LCMP Gold Standard. KSO in Hong Kong will be working with up to ten selected factories in 2012 to encourage them to take part in the WWF programme to meet a Gold Environmental Standard. KSO's own offices in Hong Kong and Shanghai have also taken part in the programme.

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KSO suppliers achieve WWF's gold environmental standard

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Highlights

We have made a number of improvements in 2011 to reduce our overall environmental impact. Highlights during the year include:

- An overall reduction in our carbon footprint and waste disposed across the Group
- New innovations to reuse resources from our waste stream
- A reduction in emissions across the transport fleet, including trials with bio-methane (dual fuel) vehicles and 81% of our store delivery fleet meeting the higher Euro 5 standard which sets out stringent limits on exhaust emissions
- Closed-loop packaging projects in collaboration with the Ellen MacArthur Foundation
- Research and development packaging programmes
- We are working across all of our operating companies, including the Kingfisher Sourcing Organisation (KSO) and factories, to reduce our overall environmental footprint.

Key challenges and opportunities

There are constant developments in our environmental performance. We will involve employees, customers and suppliers to meet our 2020 targets. Some areas will also need sector collaboration and the adoption of emerging technologies to reach our targets. Challenges and opportunities include:

- further advancement in alternative technologies, such as vehicle and fuel technology, to meet our 2020 goals
- work with other retailers and government to improve on schemes where waste reduction or recycling may only be nascent or insufficient
- work with providers to scale up energy-saving technologies, to increase their availability or enable use at a mass scale, where existing technologies may be small scale or prohibitive in cost
- work with the supply chain to identify and remove any hazardous chemicals in products, including educating suppliers on chemical components
- strengthening our focus on climate adaptation to ensure that when we build and refit properties they have the resilience to cope with increasingly unpredictable weather patterns and extreme weather conditions
- continually improving data collection techniques and scope, including challenges in China and Turkey on waste data collection

- further work on a reduction in consumption of single-use bags, even though eight of our nine businesses now offer customers a reusable alternative
- the creation of cross-learning among our operating companies, including tactical programmes on customer and employee engagement, defining actions on resources where the Group's impact influence is low and updating policy on areas where new learning is available.

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2020 target:

Zero waste to landfill

2015 milestone:

Recycle at least 75% of the waste we generate

2011/12 progress:

We recycled 65% of waste, up from 63% the previous year. Of the remaining waste, we estimate that around 31% went to landfill and 4% to incineration with energy recovery

Target from 2006/07 baseline

2011 target:

Reduce store waste disposed per £ million retail sales by 50% by 2011/12, from a 2006/07 baseline

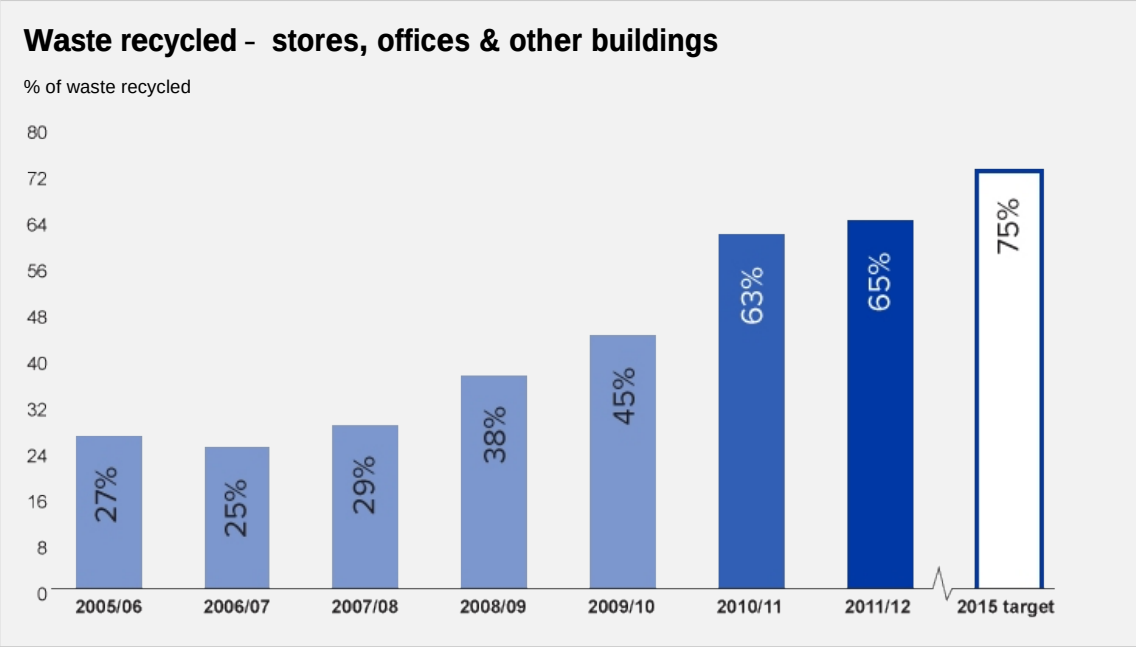
2011/12 progress:

We exceeded our target, achieving a 62% reduction in store waste disposed per £ million retail sales from a 2006/07 baseline

Waste

Our work on waste reduction includes reducing waste to landfill, as well as increasing recycling and initiatives to minimise customer usage of single-use carrier bags. In 2011, we recycled 65% of waste, an increase from 63% in 2010. Our waste targets are linked to our work within our 'innovation' target, where we are pioneering work with suppliers to develop closed-loop supply chains to reuse resources. We are also looking at repair and refurbishment services as a way to minimise waste created from discontinued product lines or customer returns.

Over the past five years we have made good progress, improving our overall recycling rate from 25% in 2006/07 to 65% in 2011/12. This improvement has been driven by our UK and French businesses, which have successfully transformed their approach to waste management, delivering significant waste reductions and cost savings. The highest recycling rates were at Screwfix (93%) and B&Q UK (75%).



See data section for explanatory notes to this chart

Landfill waste

The cost of landfill is becoming increasingly expensive so our work to cut waste is in line with our business goal to increase value – the UK Government is increasing landfill tax by £8 per tonne every year (up until at least 2014). We are focusing on improving our levels of recycling and working to reduce the overall amount of waste generated across the Group. Our 2020 target is to achieve zero store waste to landfill. To achieve this, we will need to work with suppliers and partners to use resources more efficiently. Our pioneering work on closed-loop supply chains looks at ways to reuse a wider range of waste materials.

The overall amount of waste disposed during 2011 increased by 11%, mainly as a result of business growth. However, we have achieved a significant reduction over the past five years – cutting our overall waste disposed by 49% since 2006/07. We originally set a target to achieve a 50% reduction in store waste disposed per £ million retail sales by 2011/12, from a 2006/07 baseline. We have exceeded this target, achieving a 62% reduction.

Plastic bags

Reducing the use of single-use carrier bags is an issue for many retailers, particularly as legislation is becoming more common in this area. Eight of our nine businesses now offer customers a reusable alternative – either a fabric 'bag for life' or a reusable plastic bag. A number of our businesses also now charge for single-use carrier bags, including B&Q China (required by law); B&Q UK (charge for the wallpaper bag and vest carrier in Wales and Republic of Ireland which is required by law); Castorama Poland; Castorama Russia; and Screwfix (charge for the vest carrier in Wales which is required by law).

However, the total number of single-use carrier bags distributed has increased this year from 32.5 million in 2010/11 to 37.8 million in 2011/12. Further work is needed to achieve a reduction in consumption of single-use bags.

Repairs and refurbishment

Repairs and refurbishment are a vital part of waste reduction. Repairing or refurbishing products results in less demand for raw materials, which puts less pressure on natural resources. Some of our operating companies may introduce services in this area. For example, Koçtaş in Turkey offers a repair service for appliances, while B&Q UK is also considering options to refurbish electrical products returned by customers.

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2020 target:

20% reduction in CO_2 emissions from our direct transport impacts from a 2010/11 baseline

2015 milestone:

10% reduction in CO_2 emissions from our direct transport impacts from a 2010/11 baseline

2011/12 progress:

3% reduction in CO_2e emissions from our direct transport impacts from a 2010/11 baseline

Note: Our direct transport impacts include our dedicated store delivery and home delivery fleets

Target from a 2007/08 baseline

2012/13 target:

10% reduction in litres of fuel used per m^3 of product delivered to our stores by 2012/13, from a 2007/08 baseline

2011/12 progress:

8% reduction in litres of fuel used per m^3 of product delivered to our stores from a 2007/08 baseline

Haulage: direct impact

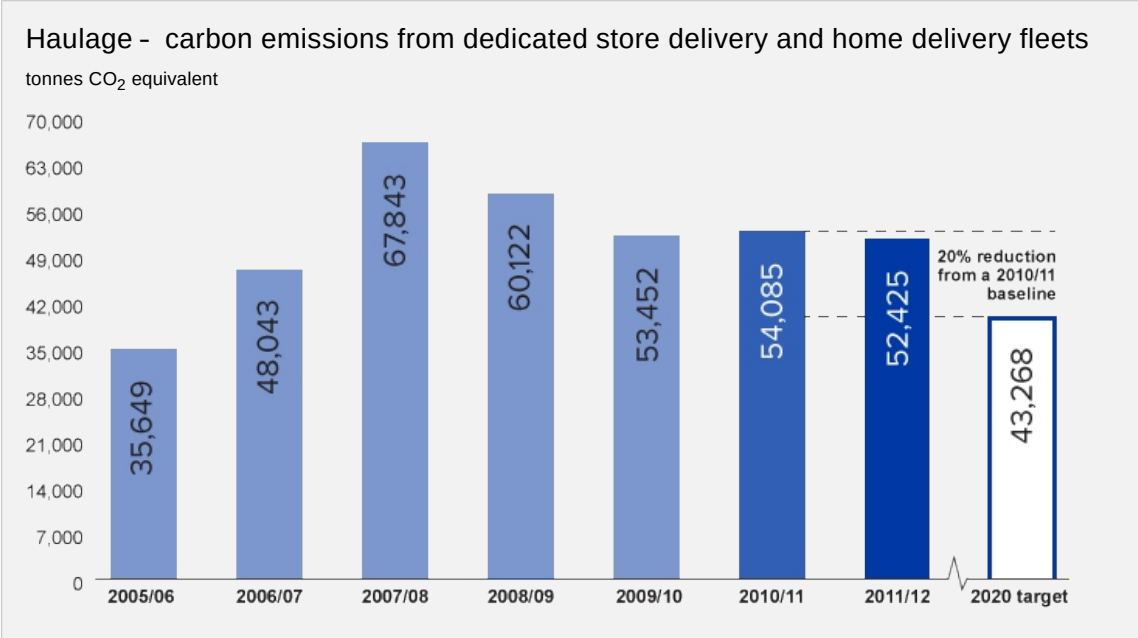
Our direct transport impacts include our dedicated store delivery and home delivery fleets. Our overall CO_2e emissions from our direct transport impacts decreased by 3% this year, although fuel consumption remained stable. The reduction in CO_2 was mainly due to a change in the CO_2 emission factor for diesel in the UK. A lower emission factor was introduced by the UK government (DEFRA) this year due to a government requirement for diesel sold in the UK to include a certain proportion of biofuel.

Our target is to achieve a 20% reduction in our CO_2e emissions from our direct transport impacts from a 2010/11 baseline. We will need to find new ways of cutting our overall fuel use and switch to lower carbon fuels to achieve this target. Over the past two years, our businesses with dedicated fleets have progressively rolled out new fleet vehicles with cleaner engines. All engines in our store delivery fleet now meet the Euro 4 air emission standard and 81% meet the higher Euro 5 standard which sets out stringent limits on exhaust emissions.

In the UK, there have also been trials with bio-methane (dual fuel) vehicles. These will be introduced into the fleet next year. We also measure the efficiency of our dedicated store delivery fleet (litres of fuel used per m^3 of product delivered to stores). This remained stable in 2011/12, although we achieved an 8% improvement since 2006/07 – just falling short of our target of a 10% improvement.

B&Q UK accounts for 81% of Group fuel use, since many other operating companies do not have their own fleets. It has a long-term target to achieve a 50% reduction in CO_2 from transport (including haulage and business travel) by 2023 against the 2006/07 baseline. It has achieved a 31% reduction in haulage and a 7% reduction in business travel since the 2006/07 baseline. In the past year, a new distribution centre was opened in Swindon. This was a strategically chosen location to minimise the overall mileage travelled by fleet vehicles. The retail fleet has 294 double decks in operation – up 19 from the previous year – to help maximise the load carried per vehicle. In addition, container movements by rail (rather than road) will also increase.

Castorama France is also working to increase deliveries via rail and water. It now shares product containers shipped by train between Paris and Lyon, with third-party furniture retailer Conforama. Currently, a volume of 30% of goods is delivered to Castorama's distribution centres by train or boat. Discussions are underway with the French government to create additional dedicated lines for the transportation of retail goods for 2013/14.



See data section for explanatory notes to this chart

Indirect transport impacts

2020 target:	2011/12 progress:
Demonstrate a comprehensive programme of action to reduce the overall carbon footprint of our indirect transport impacts	We currently measure business travel and non-dedicated fleet deliveries. Our impacts in these areas have increased this year as a result of business growth and also improvements in data collection systems. A number of our businesses have started to put in place initiatives to reduce business travel and other indirect transport impacts

Haulage: indirect impact

A number of our businesses use third-party non-dedicated fleets for store deliveries. In 2011/12, the CO_2e emissions almost doubled since the previous year, partly due to an improvement in the scope of our data and also due to business growth.

Castorama France has asked fleet contractors to sign up to the French Environment and Energy Management Agency (ADEME) charter on reducing CO_2 from transport. This requires them to set targets and action plans to achieve a 20% CO_2 reduction over three years.

Business travel

Our overall CO_2e emissions from business travel (air and road) increased by 10% in 2011/12. This is due partly to an increase in air travel and partly to an improvement in our data collection systems. The Group has invested in a Telepresence video-conferencing system. It will be rolled out across global locations by mid-2012 at Kingfisher's head office in Paddington, London, and at our sourcing offices in Lille, Hong Kong and Shanghai. This cuts down on carbon emissions by reducing business travel between the offices and, importantly, speeds up the time-to-market of products, thanks to instant communication.

Green travel

2020 target:	2011/12 progress:
Demonstrate proactive green travel initiatives to minimise the environmental impact of travel by employees and customers	Many operating companies are now offering easier alternatives for employees to minimise the use of cars, by introducing shuttle services and car-sharing websites

Some of our operating companies have schemes in place to reduce own car travel among employees and customers, including subsidised bus passes, car sharing and shuttle services. In 2011, the following operating companies had schemes in place:

- Koçtaş in Turkey offers a shuttle service for its head office employees and for store customers in Istanbul to reduce dependency on cars.
- Castorama France has a car-sharing website for both employees and customers and pays for 60% of its employees public transport commuting costs.
- B&Q UK has a travel plans policy which encourages employees to minimise the environmental impact of their commute by using alternative means of travel such as car sharing, walking, cycling and public transport.
- B&Q China introduced a travel policy for all employees, which specifies a preference for the use of trains over air travel. In 2012, a 'no car day' will be introduced to encourage employees and customers to take public transport to the stores, timed to coincide with an energy-saving campaign.

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2015 target:

To understand the water footprint of our own operations

2011/12 progress:

We currently monitor water consumption across the Group, but much of the data is based on estimates. We therefore need to work to improve the accuracy of our data in future years

2020 target:

All water-using products to meet 'best practice' standards on water efficiency

2015 milestone:

50% of water-using products to meet 'best practice' standards on water efficiency

2011/12 progress:

Our eco product ranges includes examples of water-saving products. We need to do further work to review the water efficiency of all our water-using products to reach our target. B&Q UK has started to work on this by holding a 'water summit' for suppliers and is following up with a process to gather baseline data to ascertain water efficiency within the product range

Water: own water footprint and water-using products

We recognise that the use of water has become a key global issue, particularly in countries with increasing water scarcity. Our goal has two targets: first, to understand our own water footprint fully by 2015, and secondly to offer innovative and best practice products that will help our customers improve water efficiency in their homes.

Our own water use

Our 2015 target is to gain a better understanding of our water footprint. We currently monitor water consumption across the Group, but much of the data is based on estimates. We are working to improve the accuracy of our data.

In 2011/12, our businesses reported a total of 1.39 million m^3 of water – an 8% reduction on the previous year. This improvement was mainly due to Castorama France, which has continued to roll out a water-monitoring system that quickly identifies leaks and areas for improvement. By the end of 2011, the new monitoring was already in place across 109 stores.

B&Q UK is also planning to roll out the use of smart water meters to help minimise consumption. It had installed smart water meters across 27 stores by the end of 2011. It has also produced a best practice guide to water with sustainability partner BioRegional, after carrying out an extensive store survey in early 2011.

B&Q UK has committed to reducing water use by installing rainwater collection systems in new stores. Nine B&Q UK stores now have rainwater collection systems. A number of other operating companies are also trialling the use of rainwater collection systems. At Koçtaş in Turkey and Brico Dépôt Spain, the hot climate means that water conservation is a key sustainability issue for the company. All new stores incorporate waterless urinals and, based on levels of rainfall, some stores will implement rainwater collection systems

Water-using products

Our eco product ranges offer water-saving products but we need to do further work to review the water efficiency of all our water-using products. B&Q UK has begun work by holding a 'water summit' for suppliers. It will follow up with a process to gather baseline data to ascertain water efficiency within the water-saving product range.

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2020 target:

None of our own-brand or exclusive brand products will contain the chemicals of concern we have committed to remove (on Kingfisher's Chemical Action List)

2015 milestone:

Work is in progress to phase out, substitute or eliminate the chemicals of concern we have committed to remove (on Kingfisher's Chemical Action List) from our own-brand or exclusive brand products

2011/12 progress:

Our focus over the past year has been to identify chemicals in products identified as Substances of Very High Concern (SVHCs) under REACH. Over 26,000 product lines have been screened by the Kingfisher Sourcing Organisation using our new chemicals scorecard. Further work is planned to extend use of our chemicals scorecard across the Group. We have engaged with a number of vendors to phase out or eliminate chemicals of concern

Chemicals

We are taking a leadership position in our sector to eliminate any hazardous chemicals from products sold across the business. We are developing a comprehensive compliance programme to ensure we meet the requirements of the EU REACH directive.

Verification and REACH

REACH aims to protect consumers and the environment from harmful substances and Kingfisher's long-standing Chemicals Action List also aims to ensure that the products we sell do not adversely affect customers, employees or the environment.

Kingfisher is integrating the requirements of REACH into its working practices and has invested in bespoke systems solutions and processes to manage chemicals.

Our focus over the past year has been to identify chemicals in products identified as Substances of Very High Concern (SVHCs) under REACH. Over 26,000 product lines have been screened by the Kingfisher Sourcing Organisation (KSO) using our new chemicals scorecard. Further work is planned to extend use of our chemicals scorecard across our operating companies. Both our UK and French operating companies will be using the scorecard for all high-priority vendors by the end of 2012.

Our chemicals scorecard automatically identifies the level of potential risk based on the type of product and materials used. This risk-based assessment enables Kingfisher to focus resources on the priority product categories that are likely to contain a substance or substances of concern. If required, we use nominated testing labs and testing methods to verify and log any hazardous chemicals that are potentially inside the product.

The chemicals scorecard forms part of our new Quality Management System (QMT) – a tool to screen products to ensure they meet Kingfisher standards. We have an ongoing commitment to meet the REACH standards: we review existing products when a new SVHC is added to the REACH list, and filter those that 'may contain' the new substance and recheck them. New substances of concern are identified under REACH every six months on average, with a total of 20 added in 2011. We are currently undertaking a project trial with Eurofins, a leader in environmental laboratory testing, as a way to verify the components of each product that we stock and to improve our compliance with REACH.

We work in four stages to remove any hazardous chemical, known as the F & 3Rs (Find, Reduce, Reformulate, Resource). In addition to our work to identify any hazardous chemicals, we have engaged with a number of vendors on projects to phase out or eliminate chemicals of concern.

Common brands

In 2011, Kingfisher introduced 11 core brands across the network. This Group alignment means that we will be able to create the brand criteria (or DNA) in the coming months and years to aid in the removal of any hazardous chemicals. In future, the same DNA will be applied across the Group for new products to create a more harmonised buying process. In the medium term, REACH could also help us to realise our wider corporate ambitions around waste and recycling. Greater knowledge of a product brings us closer to the closed-loop model of recycling to which we aspire.

Consumer buying choices

We are making alternative products available that remove hazardous chemicals. We now offer Clean Spirit, a product launched by B&Q UK in 2011 as an alternative to white spirit. These product introductions also give us an opportunity to differentiate ourselves in the market and incentivise commercial teams to find and stock these products.

Our businesses sell large volumes of paint and we have worked with suppliers over time to reduce the environmental impact, particularly the level of volatile organic compounds (VOCs). We currently measure VOCs in our own-brand paint ranges. In 2011/12, the average VOC content was 67 g/litre, a reduction of 21% over the year. There is significant variation in the VOC content of different categories of paint product – most wall and ceiling paints have minimal VOC content, while thinners such as white spirit make a relatively high contribution to the overall total (in the range of around 800 g/litre). The reduction over the past year has been due to a relative increase in own-brand sales of wall and ceiling paints.

B&Q UK tracks the VOC content of both own-brand and supplier-branded paint products – providing a more accurate reflection of performance since this data covers all paint products sold. It has achieved a reduction of 73% in the average VOC content of all paint and coating products since detailed monitoring began in 1995 – from 191 g/litre in 1995/96 to 52 g/litre in 2011/12.

Collaborations

Kingfisher has been the chair for Chemicals at The European DIY-Retail Association (EDRA) and the British Retail Consortium, representing the retailer's perspective for these associations. We also work with other retailers and external businesses, as well as enforcement agencies, such as those involved in WEEE and REACH compliance.

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2015 target:

To develop a sustainability roadmap for packaging by the end of 2012 and improve our data collection processes and systems to enable us to monitor packaging data accurately and set a packaging reduction target

2011/12 progress:

We have developed a sustainability roadmap for packaging for B&Q UK and we will be developing a Group roadmap by the end of 2012. We have started to gather packaging data from our UK and French businesses, but further work is needed to improve the accuracy and scope of our data

Packaging

This is an area of exploration and opportunity for the Group. Packaging makes an essential contribution to sustainable production and consumption – it aims to reduce product damage and to protect and conserve resources. It is an area of concern for our customers, NGOs and government. We are exploring many areas of innovation, including reusable transit packaging and reusing the waste stream for materials, working in collaboration with corporate partners and local government.

Packaging reduction and innovation

We are developing a sustainability roadmap for packaging for the Group that will involve work in the following areas up to 2014:

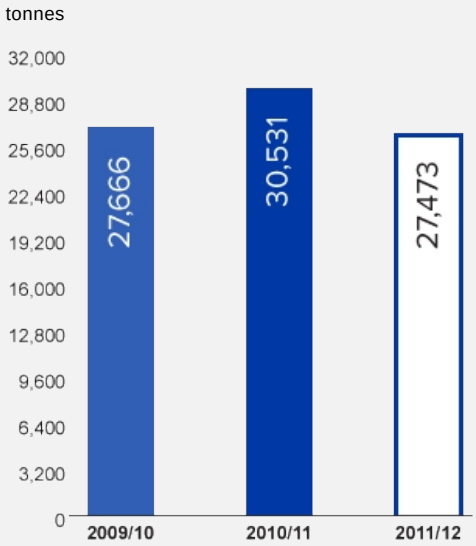
- Optimisation – to produce packaging that supports an optimised product supply chain.
- Recyclability and recycled content – ensuring that all packaging is produced with as high a recycled content as practical, and designed to be either reused, upcycled or recycled.
- Closed-loop initiatives – tying in with the work of the Group's Innovation team to reuse resources.
- Traceability, provenance and accreditation (FSC, PEFC or similar) – to understand the full lifecycle of the packaging from raw material through to end-of-life.
- Data and reporting – to create transparency on packaging and data.

In 2011, we collected data on primary packaging for own-brand and exclusive branded products from our UK and French businesses. They reported 27,473 tonnes of packaging, representing a decrease of 10% since the previous year. However, some of this data is based on estimates, so we still need to do further work to improve the data accuracy. We also need to establish data collection systems across our other businesses.

B&Q UK is a signatory to a Home Improvement Sector Agreement that includes a commitment to achieving a 15% reduction in packaging by 2012 (from a 2007 baseline) which it is on track to deliver. During 2011, B&Q optimised the packaging on kitchen taps and bathroom accessories which delivered a packaging volume reduction of 27% and 50% respectively.

Our innovation team, based in Lille, is also considering ways to reduce packaging in combined product ranges, including the 11 Group brands. For example, B&Q UK and Castorama France have worked together to produce a common light bulb pack for B&Q and Castorama. This gives us an opportunity to set common standards and replicate examples across the Group.

Packaging - weight of primary packaging for own-brand and exclusive brand products



See data section for explanatory notes to this chart

Data assurance

The data presented in the chart on this page and the explanatory notes relating to this data have been reviewed by Ernst & Young LLP, June 2012.

For more details see the Ernst & Young Assurance Statement

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

Sustainable construction for timber, waste and biodiversity

We have a dedicated resource at Group level whose role is to ensure that by 2020 Kingfisher and its operating companies demonstrate best practice in sustainable construction. A roadmap has been created at Group level with defined actions to achieve our 2020 targets.

Work is being undertaken to see what is possible to achieve in-country among our operating companies with the existing available technologies and resources. Our focus is also on establishing data collection systems to monitor progress against our targets. We also need to take into account that we do not have full ownership of our properties – about 29% of our portfolio is negotiated with landlords. This places restrictions on introducing environmental measures on construction and biodiversity.

An important part of our work in 2012 will be to create a whole-life cost model to inform how sustainable construction can contribute to our daily decision-making. This will impact on how we appraise the technologies, suppliers and maintenance of our buildings.

Timber construction:

2020 target:

100% of timber procured for construction and fit-out to be responsibly sourced

2015 milestone:

90% of timber procured for construction and fit-out to be responsibly sourced

2011/12 progress:

We are working to develop a Group methodology for collecting data during 2012

Certified timber was used in B&Q UK's new head office in Eastleigh, Southampton

Note: Responsibly sourced timber is from 'proven well-managed forests or recycled sources' according to Kingfisher's Timber Policy Standard

We want to ensure that our own buildings – including our offices and stores – reflect our leadership position on the sourcing of sustainable timber. In 2011 we opened the new B&Q Head office in Eastleigh, Southampton. The new building was constructed with certified timbers and used a range of energy-efficient measures, such as natural lighting and ventilation and recycled water usage. When the old office buildings were demolished, approximately 90% of the materials were reused. The local authority reused items such as door frames, light fittings and floor panels. Carpet tiles were also re-laid in the new building.

The building achieved a BREEAM rating of 'Excellent' which means it is highly environmentally friendly and sustainable.

Construction waste:

2020 target:

75% reduction in construction waste generated in new build and major refurbishment projects (tonnes/£1,000 construction spend) by 2020 from a 2013/14 baseline

2015 milestone:

To establish baseline data for construction waste generated in new build and major refurbishment projects (tonnes/£1,000 construction spend) during 2013/14 and achieve a reduction of 25% by 2015 from a 2013/14 baseline

2011/12 progress:

We are working to develop a Group methodology for collecting data during 2012

Biodiversity:

2020 target:

To enhance biodiversity on all new-build projects and major refurbishments

2015 milestone:

Biodiversity audits and action plans to be completed for all new-build projects and major refurbishments

2011/12 progress:

A number of biodiversity audits have been carried out, for example, at Castorama France's store in Quimper

In 2012, the Group will support the operating companies in implementing biodiversity plans

We want to contribute to the greening of areas in the neighbourhoods in which we reside by increasing biodiversity across our property portfolio. We will review the inherent damage or potential threat to biodiversity in the locality and review mitigation measures that could be implemented.

This year, Castorama Russia has undertaken a biodiversity study for a new construction site in Moscow. This has highlighted opportunities to enhance the habitat of local species of birds, insects and flora.

Castorama France plans to undertake biodiversity audits and action plans for all new-build projects and major refurbishments from 2012. To date, it has performed a biodiversity audit at its Quimper store in Brittany. In 2012, the Group will support the operating companies in implementing biodiversity plans.

Other issue areas

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

2020 target:

Reduce our dependency on peat

2015 milestone:

50% of all growing media (by volume sold) to consist of alternative materials to peat

2011/12 progress:

Progress on this issue has been led by B&Q UK where 54% of their growing media (by volume sold) consists of alternative materials to peat. We now need to work to develop a strategy and data collection across other operating companies

Note: This includes both peat used in bagged growing media as well as peat used in nursery products

Peat

We aim to reduce our dependency on peat in order to protect peatlands, which are an important habitat and store for carbon. B&Q UK & Ireland has taken the lead here and we now need to extend this work on peat across other operating companies.

Peat reduction

The UK Government has also appointed a peat task force, run by DEFRA, to explore how to overcome barriers to further reducing peat use in horticulture. The task force will be reporting its findings in mid-2012. After this report, Kingfisher will review its policy on peat and, if necessary, our existing 2020 target. We will also be working during 2012 to establish a plan to reduce peat dependency among our operating companies.

B&Q UK was one of the founding partners of the Growing Media Initiative (GMI), a scheme developed to encourage an increase in peat alternatives. Participating companies must work towards peat dilution targets and companies are awarded one of three membership levels (provisional, full and gold), depending on progress. B&Q's peat-reduction programme has enabled the company to achieve full membership of the Growing Media Initiative.

B&Q has stopped selling 100% peat bales and includes information on the peat content of all products. Overall 54% of their growing media (by volume sold) consists of alternative materials to peat. This includes both peat used in bagged growing media as well as peat used in nursery products. It offers peat-free compost products at the same price as other 'grow' products, and all planting on new B&Q store sites is peat free.

However, in early 2012, B&Q attracted press coverage in the UK for selling our Verve-branded topsoil that contained peat. The company clarified that the Verve topsoil does contain a percentage of peat and this is transparent on the packaging. However, this does not negate its ambitions to remain a leader in peat reduction: B&Q is working on a peat-free alternative with its suppliers which it aims to have in store this summer. Its long-term ambition remains to replace peat in its offerings by developing better peat-free formulations at the same price as peat-based alternatives.

Key priorities

Environment

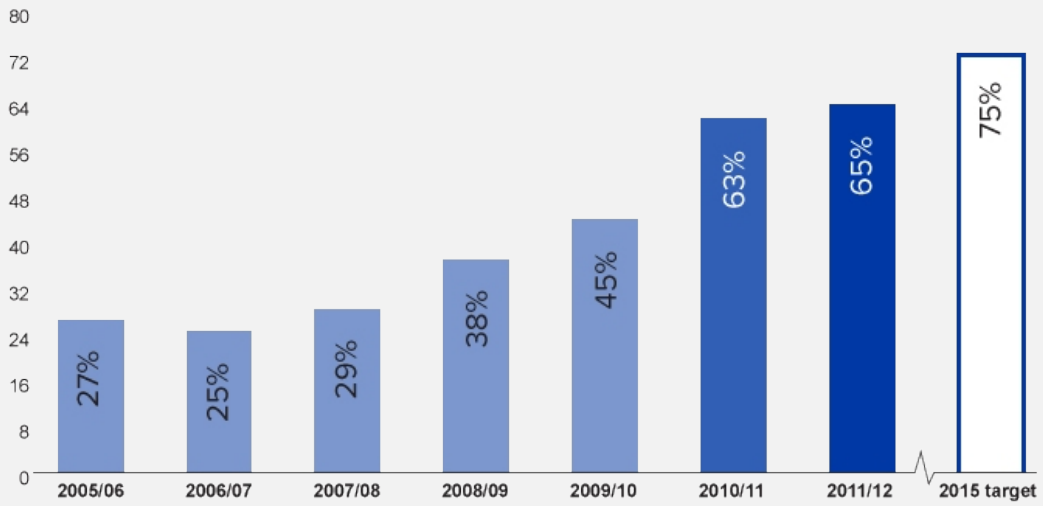
Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

OVERVIEW | PERFORMANCE | DATA | OUR STORIES

Key performance indicator

Waste recycled

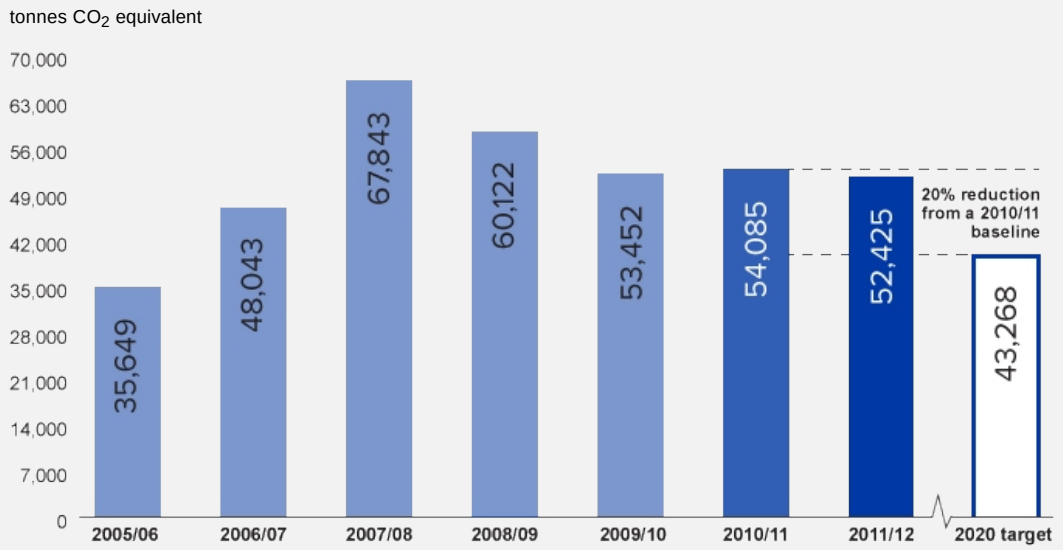
% of waste recycled



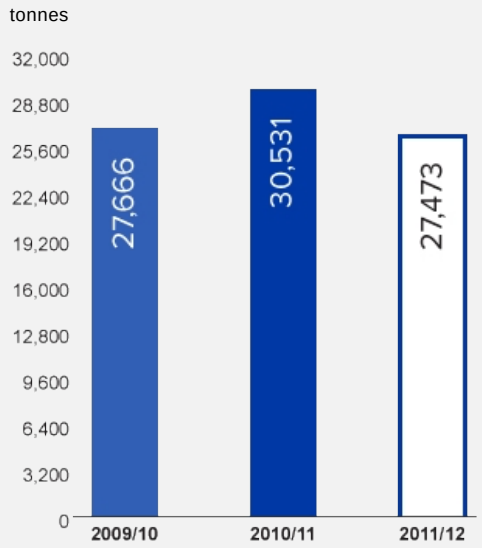
Note:

- *Waste recycled data for 2011/12 includes our stores, offices & other buildings. Data for previous years covers only stores.*

Haulage - Carbon emissions from dedicated store delivery and home delivery fleets



Packaging - weight of primary packaging for own-brand and exclusive brand products



See detailed data section below for explanatory notes for these charts

Detailed data

Waste and recycling

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Stores								
Waste disposed	thousand tonnes	143	156	148	124	112	72	**79**
Waste recycled	thousand tonnes	54	53	61	74	91	123	**143**
Recycling rate	% of total waste generated	27%	25%	29%	37%	45%	63%	**64%**

Store waste disposed	tonnes / £ million retail sales	18.5	18.8	16.3	12.2	10.5	6.8	**7.2**
Offices & other buildings								
Waste disposed	thousand tonnes	u/a	u/a	u/a	u/a	u/a	u/a	**1**
Waste recycled	thousand tonnes	u/a	u/a	u/a	u/a	u/a	u/a	**5**
Recycling rate	% of total waste generated	u/a	u/a	u/a	u/a	u/a	u/a	**83%**
All sites – stores, offices & other buildings								
Waste disposed	thousand tonnes	143	156	148	124	112	72	**80**
Waste recycled	thousand tonnes	54	53	61	74	91	123	**148**
Recycling rate	% of total waste generated	27%	25%	29%	37%	45%	63%	**65%**
Carbon emissions from waste disposed	tonnes CO_2 equivalent	28,474	30,975	29,508	24,605	22,237	14,424	**15,909**

Notes:

- We have collected data on store waste since 2005/06. We extended our data in 2011/12 to cover offices and other buildings.
- Data on store waste covers all our operating companies and joint ventures for the past three years (2009/10 – 2011/12). The data has been estimated for B&Q China (2011/12) and Koçtaş (2009/10 – 2011/12). In previous years, data was collected from operating companies and joint ventures which accounted for the following percentage of Group turnover: 88% in 2008/09, 94% in 2007/08, 58% in 2006/07, 76% in 2005/06. Estimates were made for the unreported element in previous years.
- The data for offices & other buildings in 2011/12 covers B&Q UK, Castorama France and Screwfix, which account for 61% of Group turnover.
- Our UK operating companies, B&Q UK & Screwfix, backhaul waste to their distribution centres for recycling. Therefore, the data for these two operating companies cover both store and distribution centre waste.
- The data for waste disposed includes both waste to landfill and waste to incineration. Our target is for 'zero waste to landfill' by 2020. We are therefore working to improve our data collection to calculate the specific amount to landfill and the amount to incineration. For 2011/12, we know that our UK operating companies sent 9.5 thousand tonnes to incineration with energy recovery (which accounts for 4% of the total waste generated across the Group). Across our other businesses, we believe that most of the waste is disposed to landfill (although we still need to do further work to confirm this). Our businesses reported 80 thousand tonnes of waste disposed in 2011/12. Therefore, if we deduct the 9.5 thousand tonnes to incineration in the UK, this leaves a total of 70.5 thousand tonnes which we estimate went to landfill. This is 31% of the total waste generated across the Group.
- Waste disposed includes non-hazardous and hazardous waste. It excludes building rubble/waste.
- The data on waste disposed is generally calculated from the number of waste collections – based on the size of waste disposal bins and the average weight.

Recycling - breakdown of materials recycled

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Wood	thousand tonnes	27	25	28	34	40	59	**77**
Cardboard/paper	thousand tonnes	20	21	24	24	28	32	**38**
Plastic	thousand tonnes	2	2	3	3	3	5	**5**
Metal	thousand tonnes	2	2	1	1	2	4	**4**
Other	thousand tonnes	3	3	5	12	18	23	**24**

Note:

- Data for 2005/06 – 2010/11 covers stores only. Data for 2011/12 covers stores and offices & other buildings.

Carrier bags

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Single-use plastic carrier bags	million	u/a	u/a	u/a	u/a	27.9	32.5	**37.8**
Single-use paper bags	million	u/a	u/a	u/a	u/a	u/a	u/a	**1**
Reusable bags/'bag for life'	million	u/a	u/a	u/a	u/a	2.9	3.5	**2.4**

Notes:

- We collected Group-wide data on carrier bags for the first time in 2009/10.
- Most of our businesses record the number of bags ordered from suppliers, rather than the actual number used by customers during the year.
- In 2011/12, 11% of the single-use carrier bags carried a charge in order to encourage consumers to reduce carrier bag usage. Operating companies which provide bags that carry a charge include B&Q China (required by law), B&Q UK (charge for the wallpaper bag; also charge for the vest carrier in Wales & Republic of Ireland which is required by law), Castorama Poland, Castorama Russia and Screwfix.
- All operating companies, except Screwfix, offer customers a reusable bag/'bag for life'.
- u/a – data unavailable.

Packaging - own-brand and exclusive brand products

	Unit	2009/10	2010/11	2011/12
Weight of primary packaging	tonnes	27,666	30,531	**27,473**
Weight of primary packaging relative to sales	tonnes per £ million sales	12.6	13.3	**10.8**

Notes:

- Data on packaging was collected for the first time in 2009/10.
- The data covers product packaging, sometimes referred to as 'primary packaging', for own-brand and exclusive-brand products.
- It covers our UK and French businesses which account for over 80% of total Group sales.
- The data for B&Q UK is collected for all packaging and then an estimate is made for the own- and exclusive-brand products based on the sales value.
- The data for Castorama France is extrapolated from data covering imported products (imported products accounted for 37% of the total in 2011/12; 33% of the total in 2010/11 and 37% of the total in 2009/10). The packaging regulations in France impose a tax on import packaging.
- The data for Brico Dépôt France covers all own-brand and exclusive-brand packaging in 2011/12 and 2010/11. In 2009/10, the data was extrapolated from data covering imported products only (which accounted for 50% of the total).

Haulage - own/dedicated fleet vehicles

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Store deliveries – own/dedicated fleet vehicles								
Diesel	thousand litres	13,364	18,010	19,965	17,336	14,956	14,993	**14,966**
Carbon emissions from diesel	tonnes CO_2 equivalent	35,649	48,043	53,259	46,246	39,896	39,995	**38,602**
Distance travelled	thousand km	43,483	56,411	64,559	56,353	48,293	47,026	**47,020**
Volume of products delivered	thousand m^3	3,801	4,445	4,594	4,063	3,641	3,734	**3,720**
Loading efficiency	litres of fuel used per m^3 of product delivered to stores	3.52	4.05	4.35	4.27	4.11	4.02	**4.02**
Fuel efficiency	km travelled per litre of fuel used	3.25	3.13	3.23	3.25	3.23	3.14	**3.14**
Vehicles	number	294	273	305	266	288	293	**297**
Vehicles meeting Euro 4 or higher standards	% of vehicles	u/a	u/a	54	93	100	100	**100**
Vehicles meeting Euro 5 or higher standards	% of vehicles	u/a	u/a	u/a	u/a	u/a	54	**81**

Home deliveries – own/dedicated fleet vehicles								
Diesel	thousand litres	u/a	u/a	5,467	5,202	5,082	5,282	**5,332**
Carbon emissions from diesel	tonnes CO_2 equivalent	u/a	u/a	14,583	13,876	13,556	14,090	**13,823**
Total store and home deliveries – own/dedicated fleet vehicles								
Diesel	thousand litres	13,364	18,010	25,432	22,538	20,038	20,275	**20,298**
Carbon emissions from diesel	tonnes CO_2 equivalent	35,649	48,043	67,843	60,122	53,452	54,085	**52,425**

Notes:

- The following operating companies used dedicated store delivery fleets in 2011/12 – B&Q UK (approximately 70% of store deliveries), Castorama France (approximately 25% of store deliveries) and Screwfix (100% of store deliveries).
- The following operating companies used dedicated home delivery fleets in 2011/12 – B&Q UK, Castorama France and Koçtaş.
- We have used the CO_2 equivalent emission factors for transport published by the UK government (DEFRA). CO_2 equivalent from diesel and petrol is calculated using the '100% mineral fuel' emission factors, except in the UK where we have used the 'retail station biofuel blend' emission factors for 2011/12. See 'energy data' section for further notes on the CO_2 calculations.
- Castorama France has estimated data on diesel from distance travelled.
- u/a – unavailable.

Haulage - third-party non-dedicated store delivery fleet

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Carbon emissions	tonnes CO_2 equivalent	u/a	u/a	12,226	9,571	21,972	26,343	**54,637**

Notes:

- Where we use haulage via third-party non-dedicated fleets, data was collected for 80% of operating companies by turnover in 2011/12 (88% in 2010/11, 88% in 2009/10).
- B&Q China reported data for the first time in 2011/12. This is an estimate.
- The CO_2 equivalent emissions are calculated from fuel use where available. If fuel use is not available, it is estimated from distance travelled.
- We have used the CO_2 equivalent emission factors for transport published by the UK government (DEFRA).

Business travel

	Unit	2008/09	2009/10	2010/11	2011/12
Business travel by air					
Flights	number	42,901	40,634	42,690	**42,003**
Carbon emissions from business travel by air	tonnes CO_2 equivalent	7,208	5,894	5,789	**6,925**

Business travel by road						
Carbon emissions from business travel by road	tonnes CO_2 equivalent	u/a	6,238	9,148		**9,444**
Business travel total (air and road)						
Carbon emissions from business travel by air and road	tonnes CO_2 equivalent	7,208	12,132	14,937		**16,369**

Notes:

- We have gathered Group data on business travel by air since 2008/09 and business travel by road since 2009/10.
- Data on business travel by air was collected from operating companies and joint ventures which account for 90% of Group turnover in 2011/12 (90% in 2010/11, 89% in 2009/10, 89% in 2008/09).
- Data on business travel by road was collected from operating companies and joint ventures which account for 90% of Group turnover in 2011/12 (86% in 2010/11, 85% in 2009/10).
- We have used the CO_2 equivalent emission factors for transport published by the UK government (DEFRA). For all countries, except the UK, we have used the emission factors for 100% mineral diesel and petrol. In the UK, we have used the retail station biofuel blend for petrol and diesel for 2011/12.
- The number of flights comprises 18,044 short-haul flights, 20,237 medium-haul flights and 3,723 long-haul flights.
- We have calculated the CO_2 equivalent emissions from air travel from the number of short-haul, medium-haul and long-haul flights (based on average distances for the three categories). The only exception to this is in the UK, where we have calculated the CO_2 equivalent emissions from air travel from the passenger-km travelled for short-haul, medium-haul and long-haul flights for the past three years (2009/10 to 2011/12).
- u/a – data unavailable.

Property water use

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Stores								
Water use	million m^3	u/a	1.65	1.57	1.73	1.46	1.51	**1.33**
Water efficiency	litres/m^2 of total sales area	u/a	u/a	u/a	u/a	265	273	**231**
Offices & other buildings								
Water use	million m^3	u/a	u/a	u/a	u/a	u/a	u/a	**0.06**
Water efficiency	litres/m^2	u/a	u/a	u/a	u/a	u/a	u/a	**308**
All sites – stores, offices & other buildings								
Total water use	million m^3	u/a	1.65	1.57	1.73	1.46	1.51	**1.39**
Water efficiency	litres/m^2	u/a	u/a	u/a	u/a	265	273	**233**
Carbon emissions from water use & effluent	tonnes CO_2 equivalent	u/a	1,381	1,314	1,580	1,333	1,373	**1,267**

Notes:

- Water data is collected from a combination of meter readings and water bill data. Some estimates have been made for stores where water data is not available.
- Store water use data was collected from all our operating companies and joint ventures for the past three years (2009/10 – 2011/12). In previous years, data was collected from operating companies and joint ventures which accounted for the following percentage of Group turnover: 69% in 2008/09, 72% in 2007/08 and 70% in 2006/07. Estimates were made for the unreported element in previous years.
- The data for offices & other buildings in 2011/12 was collected from operating companies and joint ventures that account for 95% of Group turnover.
- We have reported store water efficiency for the past two years. It is not meaningful to calculate this for previous years because the data included estimates.
- u/a – data unavailable.

VOCs in own-brand paint ranges

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Average volatile organic compounds (VOCs) in own-brand paint ranges	g/litre	97	82	77	83	85	**67**

Note:

- Data on VOCs was collected from operating companies and joint ventures which account for 97% of the Group turnover in 2011/12 (88% in 2010/11, 89% in 2009/10).

Data assurance

Ernst & Young

The data on this page and the accompanying explanatory notes have been reviewed by Ernst & Young LLP. June 2012

For more details see the Ernst & Young Assurance Statement

Key priorities

Environment

Our environmental performance is a core part of how we perform overall in sustainability. This section covers areas of our business where we impact upon the environment including waste, transport, packaging, water, chemicals, sustainable construction and peat.

Reducing waste across the group

65%

of waste recycled across the Group

We are working on ways to reduce waste across all of our operating companies. This includes exploring alternative innovations to reuse waste, converting waste to energy, product donation and product refurbishment. We aim to have zero waste to landfill by 2020.

Store recycling rates have improved across most of our operating companies. In many of businesses, store managers are given targets to reduce in-store waste and, in some cases, this is linked to manager performance targets.

For example, Castorama France increased its recycling to 62% in 2011/12, up from 48% in the previous year – an improvement achieved by sorting wood waste and one-way pallets. Brico Dépôt Spain is trialling an in-store recycling area for customers while, at B&Q China, a pilot study on waste is being conducted in its Shanghai stores to review the waste and recycling processes.

B&Q UK is working towards its One Planet Home® objective of 'zero waste' with a target to reclaim, recycle or compost 90% of waste by 2012, and aims for no more than 2% of waste to be sent to landfill by 2023. The company is working on a project to reuse hard plastic store waste to create bases for the flat-bed trolleys that are used in store.

To date, across the Group, we have recycled 65% of waste. From the remaining waste, we estimate that around 31% went to landfill and 4% to incineration with energy recovery.

Group performance snapshot

We have 50 targets to support our Net Positive strategy.

Our targets set out an ambitious programme of action from 2011/12 through to 2020 in order to work towards our Net Positive ambitions. This is our first year of reporting progress against our new targets. Our targets build on progress already achieved through our previous CR programme, called Steps, which ended last year.

Key priorities

Timber

Net Positive target	Progress
Timber: key 2020 target 100% responsibly sourced timber and paper in all our operations *Note: responsibly sourced timber is from 'proven well-managed forests or recycled sources' according to Kingfisher's Timber Policy Standard*	**2011/12 progress:** 86% of reported timber products sold (by volume) responsibly sourced. To demonstrate a leadership position on timber, we are planning to extend our work on responsible sourcing to cover all timber and paper we use from packaging right the way through to timber used in construction Find out more about timber overview and responsible sourcing
Tropical hardwood **2020 target:** All products containing tropical hardwood will be FSC certified or endorsed by schemes working towards FSC certification	**2011/12 progress:** Our UK operating companies have met this target and our French operating companies are committed to achieving it by the end of 2012 Find out more about tropical forests
Tropical deforestation **2020 target:** None of our products to be sourced from materials that are linked to tropical deforestation **2015 milestone:** To determine the origin of all materials in products that may potentially contribute to deforestation (e.g. timber, palm oil and leather)	**2011/12 progress:** In addition to our work on responsible timber sourcing, we have conducted some initial research to identify other forest-derived materials in products. We have found that the scale of the impact is relatively small compared to our timber sourcing, but recognise that we need to do further work in this area to understand our impact fully and establish sustainable sourcing policies Find out more about tropical forests
Strategic sourcing **2015 target:** Demonstrate a resilient timber supply chain that secures the future supply of environmentally and socially beneficial timber for our products	**2011/12 progress:** We are working on an approach that will commit us to a longer-term view on sourcing timber and our relationship with forests Find out more about strategic sourcing

Energy

Net Positive target	Progress
Energy: key 2020 target Create energy savings equivalent to 2.5 million energy-efficient homes *Note: the number of energy-efficient equivalent homes is measured using a Kingfisher methodology developed by independent sustainability experts BioRegional*	**2011/12 progress:** In 2011, we have estimated that our customers saved 2,513 million kWh of energy through the use of our energy-efficient products and services This is equivalent to creating 130,898 energy-efficient homes. In the UK, we have made a £10 million investment this year, with a further £8 million investment allocated for next year, to build our Future Homes business. This will offer home energy retrofits and help to significantly increase the number of energy-efficient homes we create. Find out more about energy overview and energy-efficient homes
Energy-using products **2020 target:** All energy-using products to meet 'best practice' standards on energy efficiency **2015 milestone:** 50% of energy-using products to meet 'best practice' standards on energy efficiency	**2011/12 progress:** Our eco product ranges include many examples of energy-efficient products. B&Q UK & Ireland has already established best practice standards for certain energy-using products and we need to work to replicate this approach across our other Group businesses Find out more about energy-using products
Customer communications **2020 target:** To promote a shift to more sustainable patterns of consumption through our marketing activity, in line with our guidelines on responsible brand management and marketing **2015 milestone:** To give customers comprehensive information and advice in-store and online to help them with their sustainable choices	**2011/12 progress:** We continue to adhere to responsible marketing practices and promote consumer behaviour change towards energy efficiency Find about more about customer communications
Total carbon footprint **2020 target:** 25% reduction in our absolute carbon footprint (tonnes CO^2e) from a 2010/11 baseline *Note: our carbon footprint covers our CO^2e emissions from energy, haulage, business travel, waste and water*	**2011/12 progress:** 5% reduction in our absolute carbon footprint (tonnes CO^2e) from a 2010/11 baseline Find about more about carbon footprint
Property carbon intensity **2020 target:** 50% reduction in the carbon intensity (CO^2e/m^2) of our property portfolio from a 2010/11 baseline **2015 milestone:** 20% reduction in the carbon intensity(CO^2e/m^2) of our property portfolio from a 2010/11 baseline	**2011/12 progress:** 10% reduction in the carbon intensity (CO^2e/m^2) of our property portfolio from a 2010/11 baseline Find about more about carbon intensity

Property energy intensity **2020 target:** 45% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline **2015 milestone:** 15% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline	**2011/12 progress:** 12% reduction in the energy intensity (kWh/m^2) of our property portfolio from a 2010/11 baseline Find about more about carbon intensity

Innovation

Net Positive target	Progress
Innovation: key 2020 target 1,000 products that are closed loop or made from 100% waste material	**2011/12 progress:** We have embarked on a number of closed-loop research projects in trial phase. B&Q UK is also working closely with the Ellen MacArthur Foundation to understand ways to move towards a circular economy, building on its role as a founding corporate partner Find out more about innovation overview and closed-loop supply chains
Products with eco credentials **2020 target:** To bring eco products into the mainstream, by achieving 50% of Group sales from products and services with eco credentials **2015 milestone:** To bring eco products into the mainstream, by achieving 25% of Group sales from products and services with eco credentials	**2011/12 progress:** 20% of Group sales from products and services with eco credentials, including 'best in class' and 'eco compliance' products Find out more about eco products
Eco product innovation **2020 target:** To be at the forefront of sustainable product innovation, with 10% of Group sales from the most innovative eco products and services **2015 milestone:** To be at the forefront of sustainable product innovation, with 5% of Group sales from the most innovative eco products and services	**2011/12 progress:** 4% of Group sales from 'best in class' eco products – the most innovative eco products and services in our ranges Find out more about eco products
Sustainability rating scheme **2020 target:** To enhance the eco credentials of all our products by improving the sustainability rating of every product range **2015 milestone:** Conduct a sustainability rating for every product range	**2011/12 progress:** B&Q UK has started to develop a methodology for a 'range sustainability rating' and will be trialling it during 2012. Kingfisher plans to investigate how this can be adapted for use across other operating companies in the future Find out more about eco products

Sustainability of own brand **2020 target:** Design sustainability into all new Group own-brand products **2015 milestone:** Create sustainability criteria for each of the Group own brands	**2011/12 progress:** Kingfisher's brand and sustainability experts have started to work together to develop sustainability criteria Find out more about eco products
Alternative services **2020 target:** Provide a range of alternative services which offer the most sustainable options, e.g. product hire and repair	**2011/12 progress:** Castorama France introduced a skills-swapping website and trials are underway by B&Q UK for a neighbourhood sharing scheme Find out more about alternative services
Learning stores **2015 target:** Every operating company to develop at least three 'Learning Stores' and to have delivered, or confirmed, the site for one 'Eco Store' – a store that champions low carbon and sustainability innovation – by 2015 *Note: Learning Stores are individual trials of specifications that have been selected to mitigate a specific property target. Eco stores are flagship stores that showcase the Operating Company's leadership ambition for low carbon and sustainability innovation*	**2011/12 progress:** Learning stores have opened, or are planned, in a number of our operating company markets. New technologies that are incorporated include solar as well as water and carbon reduction technologies, with learnings shared across the Group Find out more about learning stores
Sustainability accounting **2015 target:** Calculate and account for the impact and value of our sustainability strategy to the business and communicate this to investors and employees	**2011/12 progress:** A pilot sustainable accounting project was conducted in 2011 with further analysis to be undertaken in 2012. Over £18.5 million of savings have been achieved from efficiencies in utilities consumption Find out more about sustainable accounting

Communities

Net Positive target	Progress
Communities: key 2020 target Work with 4,000 local community projects	**2011/12 progress:** We are engaged in a wide range of initiatives to help build skills within our local communities: from Brico Dépôt France providing DIY skills for unemployed people, to B&Q China helping to modernise school libraries. In 2011, B&Q UK established a 'Youth Can Do It' grant programme which aims to twin each store to a local youth group to build skills in the community Find out more about community overview and community skills

Other issue areas

Employees

Net Positive target	Progress
Performance management systems **2020 target:** Integrate sustainability into the performance management systems for all relevant employees **2015 milestone:** Integrate sustainability into the performance management systems for the top 250 managers from around the Group	**2011/12 progress:** Some of our operating companies have set sustainability objectives for a number of job functions. For example, Castorama France has set objectives for commercial teams on eco products and sustainable timber sourcing. In addition, store security managers have specific objectives on energy and store supply-chain managers on waste Find out more about involving managers
Involving managers **2015 target:** Development programme on sustainability issues for the top 250 managers from around the Group	**2011/12 progress:** Some of our operating companies have set sustainability objectives for a number of job functions. For example, Castorama France has set objectives for commercial teams on eco products and sustainable timber sourcing. In addition, store security managers have specific objectives on energy and store supply-chain managers on waste. Find out more about involving managers
Training **2020 target:** Engagement and development programmes to motivate all employees to become more sustainable at work and at home **2015 milestone:** Train all customer-facing staff on eco products and services so they can help customers make more sustainable choices	**2011/12 progress:** During 2011, many operating companies continued to train customer-facing store employees to inform customers about eco products and/or energy-saving products. Many operating companies promote eco-awareness among employees including tying in with WWF's Earth Hour Find out more about training
Equality & diversity **2020 target:** To be recognised as a 'best practice' retailer for equality and diversity **2015 milestone:** All our operating companies to have in place an action plan to become a 'best practice' retailer in their market on equality and diversity	**2011/12 progress:** B&Q UK and Castorama France have demonstrated 'best practice' in retail on a number of diversity issues. However, further work needs to be done across other operating companies to ensure a level of consistency Find out more about equality & diversity

Employee health & safety

2020 target:
20% reduction in the employee lost-time accident rate from a 2010/11 baseline

2015 milestone:
10% reduction in the employee lost-time accident rate from a 2010/11 baseline

Note: the lost-time accident rate is the number of accidents per full-time equivalent employee

2011/12 progress:
We have safety managers across each of our operating companies and have achieved a 6% reduction in the employee lost-time accident rate from the 2010/11 baseline

Find out more about health & safety

Customer & contractor health & safety

2015 target:
Develop a Group-wide accident reporting framework for customers and on-site contractors and set a reduction target

2011/12 progress:
An accident reporting framework will be developed in 2012

Find out more about health & safety

Employee surveys

2020 target:
Improve our employee engagement by extending engagement surveys to cover all employees

2011/12 progress:
Kingfisher Corporate Centre and five operating companies (B&Q UK, Castorama France, Screwfix, Brico Dépôt Spain and Koçtaş) conducted employee engagement surveys covering all employees. Other operating companies also conducted surveys but they were limited in scope

Find out more about employee surveys

Suppliers & partners

Net Positive target	Progress

Supplier ethical assessment

2020 target:
All suppliers of own-brand/exclusive brand products will meet or exceed our ethical and environmental standards

2015 milestone:
High priority suppliers of own-brand/exclusive brand products will meet or exceed our ethical and environmental standards

Note: Our 2020 target for all suppliers includes our first- and second-tier suppliers. Our assessment will cover implementation of standards through their own supply chains

2011/12 progress:
At this stage, we are unable to give a data breakdown for own-brand/exclusive brand. We have started to develop a new Group-wide supplier assessment process and are working towards providing more detailed data in future years

Find out more about supplier ethical assessment

Supplier footprint

2020 target:
Reduce the carbon and water footprint of 100 key suppliers from our 2015 baseline

2015 milestone:
Measure the carbon and water footprint of 100 key suppliers

Note: we will prioritise suppliers which have a significant carbon and water footprint and those which we collaborate closely with e.g. suppliers of branded products

2011/12 progress:
The Kingfisher Sourcing Organisation (KSO) in Hong Kong is now building on its work with factories to include environmental standards. Two of KSO's main suppliers have achieved a gold environmental standard from working with KSO and WWF in Hong Kong

Find out more about supplier footprint

Goods Not For Resale (GNFR) **2020 target:** Our Goods Not For Resale (GNFR) suppliers will meet or exceed our ethical and environmental standards and we will actively work to minimise the sustainability impacts of high priority GNFR goods and services	**2011/12 progress:** Operating companies have started to incorporate sustainability requirements into their GNFR purchasing Find out more about Goods Not For Resale
Government affairs **2020 target:** Preferred retail partner for governments, NGOs and other stakeholders in all the countries we operate in to promote sustainable living **2015 milestone:** We actively engage with governments, NGOs and other stakeholders in all the countries we operate in to promote sustainable living	**2011/12 progress:** Ongoing work continues with the UK Government to progress the UK's 'Green Deal'. We also take part in discussions at European level on energy efficiency. Our operating companies are preparing for the EU timber regulation to come into force in 2013 Find out more about government affairs
Socially responsible investment **2015 target:** Kingfisher to maintain its leadership position in key SRI indexes and CR ratings	**2011/12 progress:** We continue to be included in the key socially responsible investment indices and were selected for the SAM Sustainability Yearbook 2012. SRI roadshows were attended by 13 investment firms in 2011 Find out more about socially responsible investment
Business ethics **2020 target:** Maintain highest standards of ethical business conduct through ongoing implementation of and compliance with the Group Governance Manual and Code of Conduct	**2011/12 progress:** We have updated our Group Governance Manual and Code of Conduct to align with the Net Positive strategy Find out more about business ethics

Environment

Net Positive target	Progress
Waste **2020 target:** Zero waste to landfill **2015 milestone:** Recycle at least 75% of the waste we generate	**2011/12 progress:** We recycled 65% of waste, up from 63% the previous year. Of the remaining waste, we estimate that around 31% went to landfill and 4% to incineration with energy recovery Find out more about waste

Direct transport impacts **2020 target:** 20% reduction in CO^2 emissions from our direct transport impacts from a 2010/11 baseline **2015 milestone:** 10% reduction in CO^2 emissions from our direct transport impacts from a 2010/11 baseline *Note: our direct transport impacts include our dedicated store delivery and home delivery fleets*	**2011/12 progress:** 3% reduction in CO^2e emissions from our direct transport impacts from a 2010/11 baseline Find out more about transport
Indirect transport impacts **2020 target:** Demonstrate a comprehensive programme of action to reduce the overall carbon footprint of our indirect transport impacts	**2011/12 progress:** We currently measure business travel and non-dedicated fleet deliveries. Our impacts in these areas have increased this year as a result of business growth and also improvements in data collection systems. A number of our businesses have started to put in place initiatives to reduce business travel and other indirect transport impacts Find out more about transport
Green travel **2020 target:** Demonstrate proactive green travel initiatives to minimise the environmental impact of travel by employees and customers	**2011/12 progress:** Many operating companies are now offering easier alternatives for employees to minimise the use of cars, by introducing shuttle services and car-sharing websites Find out more about transport
Our own water use **2015 target:** To understand the water footprint of our own operations	**2011/12 progress:** We currently monitor water consumption across the Group, but much of the data is based on estimates. We therefore need to work to improve the accuracy of our data in future years Find out more about water
Water-using products **2020 target:** All water-using products to meet 'best practice' standards on water efficiency **2015 milestone:** 50% of water-using products to meet 'best practice' standards on water efficiency	**2011/12 progress:** Our eco product range includes examples of water-saving products. We need to do further work to review the water efficiency of all our water-using products to reach our target. B&Q UK has started to work on this by holding a 'water summit' for suppliers and is following up with a process to gather baseline data to ascertain water efficiency within the product range Find out more about water

Chemicals

2020 target:
None of our own-brand or exclusive brand products will contain the chemicals of concern we have committed to remove (on Kingfisher's Chemical Action List)

2015 milestone:
Work is in progress to phase out, substitute or eliminate the chemicals of concern we have committed to remove (on Kingfisher's Chemical Action List) from our own-brand or exclusive brand products

2011/12 progress:
Our focus over the past year has been to identify chemicals in products identified as Substances of Very High Concern (SVHCs) under REACH. Over 26,000 product lines have been screened by the Kingfisher Sourcing Organisation using our new chemicals scorecard. Further work is planned to extend use of our chemicals scorecard across the Group. We have engaged with a number of vendors to phase out or eliminate chemicals of concern

Find out more about chemicals

Packaging

2015 target:
To develop a sustainability roadmap for packaging by the end of 2012 and improve our data collection processes and systems to enable us to monitor packaging data accurately and set a packaging reduction target

2011/12 progress:
We have developed a sustainability roadmap for packaging for B&Q UK and we will be developing a Group roadmap by the end of 2012. We have started to gather packaging data from our UK and French businesses, but further work is needed to improve the accuracy and scope of our data

Find out more about packaging

Sustainable construction - timber

2020 target:
100% of timber procured for construction and fit-out to be responsibly sourced

2015 milestone:
90% of timber procured for construction and fit-out to be responsibly sourced

Note: responsibly sourced timber is from 'proven well-managed forests or recycled sources' according to Kingfisher's Timber Policy Standard

2011/12 progress:
We are working to develop a Group methodology for collecting data during 2012. Certified timber was used in B&Q UK's new head office in Eastleigh, Southampton

Find out more about sustainable construction

Sustainable construction - waste

2020 target:
75% reduction in construction waste generated in new build and major refurbishment projects (tonnes/£1,000 construction spend) by 2020 from a 2013/14 baseline

2015 milestone:
To establish baseline data for construction waste generated in new build and major refurbishment projects (tonnes/ £1,000 construction spend) during 2013/14 and achieve a reduction of 25% by 2015 from a 2013/14 baseline

2011/12 progress:
We are working to develop a Group methodology for collecting data during 2012

Find out more about sustainable construction

Sustainable construction - biodiversity

2020 target:
To enhance biodiversity on all new-build projects and major refurbishments

2015 milestone:
Biodiversity audits and action plans to be completed for all new-build projects and major refurbishments

2011/12 progress:
A number of biodiversity audits have been carried out, for example, at Castorama France's store in Quimper

In 2012 the Group will support the operating companies in implementing biodiversity plans

Find out more about sustainable construction

Peat

2020 target:
Reduce our dependency on peat

2015 milestone:
50% of all growing media (by volume sold) to consist of alternative materials to peat

Note: This includes both peat used in bagged growing media as well as peat used in nursery products

2011/12 progress:
Progress on this issue has been led by B&Q UK where 54% of its growing media (by volume sold) consists of alternative materials to peat. We now need to work to develop a strategy and data collection across other operating companies

Find out more about peat

Measuring performance

We have 50 targets to support our Net Positive strategy.

Our targets set out an ambitious programme of action in order to work towards our Net Positive ambitions. The targets run from 2011/12 through to 2020 and include some 2015 milestones.

This is our first year of working towards our new targets. These targets build on the progress already achieved through our previous programme, called Steps, which ran from 2005 to 2010. See our Steps archive.

In addition to our new 2020 targets, there were a number of environment targets from our previous CR programme that ran from 2006/07 through to 2011/12. These covered our carbon footprint, energy intensity, waste and transport. We achieved or exceeded all these targets and have provided further details in the Group performance section. New targets have now been set on these issues through to 2020.

Monitoring progress – our Foundations

Our Foundations questionnaire tracks progress against our targets and is completed twice a year by our operating companies.

We report Group progress against the targets on an annual basis (see Group performance section).

We report operating company progress twice a year (see operating company performance section).

We have been monitoring Group CR performance data since 2005 and have reported Group CR key performance indicators (KPIs) going back to this date where available.