Kingfisher Net Positive data collection methodology 2013/14

Contents

About this document

This document explains our methodology for collecting and calculating data that is reported in our annual Net Positive Report. We update it annually.

Additional notes on the scope of our data are included in our Net Positive performance data appendix (available at www.kingfisher.com/NetPositiveReport).

Our approach to data collection

We have two questionnaires to track progress on Net Positive:

- **Key performance indicator (KPI) questionnaire** to monitor data trends. This is completed on an annual basis by our operating companies, with the exception of eco product data which is collected quarterly.
- **Foundations questionnaire** to monitor progress against targets. This is completed on an annual basis by our operating companies[1].

Data responsibilities and sign off

The Net Positive representative for each operating company is the lead data collector and is responsible for submitting the data.

The Chief Executive of each operating company is responsible for ensuring that appropriate processes and controls are in place to monitor and report progress against our Net Positive KPIs and targets. They are required to complete an annual self-certification process to confirm that Net Positive performance data submitted to the Group is materially accurate and has been subject to an appropriate level of review prior to submission.

Assurance

We work with internal audit and external auditors to provide assurance of our Net Positive data collected via the KPI and Foundations questionnaires.

- External audit: We worked with KPMG on assurance of our 2013/14 data and their assurance statement is available to download at www.kingfisher.com/NetPositiveReport. The statement also provides details on the scope of the external and internal audit work.
- Internal audit: We have a comprehensive internal review process of KPI and Foundations data, which is overseen by our external auditors.
  - Head office review: We have a head office review process, which provides an overall sense check of the data. We use both in-house and third-party experts to review data. For example, the data on energy and other property related KPIs is reviewed by the Group property department. Data on eco products is externally reviewed by BioRegional and timber data is reviewed by Efeca, who are also the lead consultants to the UK government's timber procurement policy.

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[1] In previous years, it was completed twice a year, but we changed it to an annual questionnaire in 2013/14.

o Internal audit: Following the head office review, a selection of data is then audited by internal audit, including detailed testing of a sample of data back to source data. We use our local audit teams in each operating company to conduct the audits.

We introduced a data quality award in 2013/14 to recognise the operating company which has the most complete, accurate and on-time data submission.

Scope of data

The data covers Kingfisher's operating companies and joint ventures. The data for 2013/14 covers 100% of:

- UK businesses – B&Q UK & Ireland and Screwfix
- French businesses – Castorama France and Brico Dépôt France
- Other international businesses – B&Q China, Castorama Poland, Brico Dépôt Spain and Castorama Russia

Data for our joint venture, Koçtaş, is reported in line with the equity share approach, i.e. we have included data for Kingfisher's 50% share (except where stated).

We do not report data for associate businesses, since we do not have operating control. We have a 21% stake in Hornbach, Germany's leading DIY warehouse retailer, and data is excluded.

Information and data for B&Q Ireland and Brico Dépôt Poland are included within B&Q UK and Castorama Poland respectively.

In addition, relevant data is also collected from Kingfisher corporate centre, Kingfisher IT services, NES, Future Homes and the Kingfisher Sourcing Organisation.

Businesses are included in our report if they have been owned for the full financial year to allow sufficient time to implement the data collection systems. Kingfisher acquired one new business in Romania in April 2013 (with 15 stores), and therefore this is not included in our data for 2013/14. Data will be collected and reported next year (2014/15).

In cases where we sell an operating company or joint venture, our approach is exclude its performance in the year of sale and to restate the data from prior years, to enable a comparison of trends over time.

Kingfisher has been gathering Group-wide Net Positive data since 2005/06 and has been working to improve the quality and scope of the data progressively. We restate prior year data if we identify any material errors or if we make significant changes to our data collection methodology/ reporting criteria. We indicate any amendments to prior year data in the notes in our Net Positive Report data appendix.

Foundations questionnaire

We track progress against our targets on an annual basis through our Foundations questionnaire. It is a self-assessment completed by our operating companies at the end of the financial year.

We have 50 targets, which run up until 2020. They cover our four key priorities (timber, energy, innovation, communities) as well as three other areas of focus (employees, suppliers & partners, environment). Our operating companies report progress against 40 targets and we monitor progress on the other targets at Group level.

Operating companies select a score for each target (25%, 50%, 75% and 100%) which reflects progress to date. We have a Foundations questionnaire scoring guide which sets out the criteria which need to be met for the different scores. This is available to download at www.kingfisher.com/NetPositiveResources.

We work with internal audit and external auditors, KPMG, on assurance (see page 2). The 2013/14 internal audit review of Foundations covered Castorama France, Castorama Poland and Screwfix. The auditors reviewed a sample of scores for these operating companies, focussing on scores that changed during 2013/14 and the evidence to support the change in scores.

In our Net Positive Report, we publish key results at operating company and Group levels:
- Operating company results: We publish scores for each operating company across our key issues (our four key priorities and three other areas of focus). We present the score for each issue as an average by adding together the individual scores for the targets relevant to that issue and then dividing by the number of targets related to that issue.
- Group results: We publish an overall Group score for each target. This is calculated from the operating company scores for 40 targets (which are weighted by sales) and the scores for the other targets. We calculate the weighted average (based on the sales contribution of each operating company) of the individual operating company scores for each target.

KPI questionnaire

Our Net Positive KPI questionnaire collects the data needed to monitor progress against our targets, comply with regulatory requirements e.g. UK mandatory reporting of greenhouse gas emissions in Annual Reports, and to respond to investor questionnaires e.g. FTSE4Good. It is completed by our operating companies annually at the end of the financial year, with the exception of eco product data which is collected quarterly.

We have been monitoring Group Net Positive KPI's since 2005/06 and data is reported annually in our Net Positive Report. We report data going back to 2005/06 where available. The latest data available covers the financial year 2013/14.

We have also started to develop impact measures to help us assess progress towards our Net Positive aspirations for our four pillars.

Our data collection methodology in 2013/14

We collect data for the Kingfisher financial year. The 2013/14 financial year runs from 3 February 2013 to 1 February 2014.

It should be noted that some data such as energy consumption is not always available from our suppliers within our data collection timescales. Therefore, our approach is to make estimates in cases where data is not yet available. We provide guidance to our operating companies on the best estimation techniques e.g. further guidance on property related KPIs is provided in our sustainable property reporting manual.

Timber
- Our definition of timber includes solid wood, paper and other wood-fibre and wood-derived products such as plywood, chipboard, wallpaper.
- Our 2020 target is 100% responsibly sourced timber and paper in all our operations. This includes all products and any other timber and paper used in our day to day operations, from packaging, to paper and timber used in construction. We have been collecting data on timber used in our products since 2006/07. We have also collected data on paper (e.g. for catalogues) in 2013/14. We are working to develop data collection systems to track other timber used, which will enable us to report progress against our 2020 target.
- We define 'responsibly sourced timber' as timber which is from 'proven well-managed forests or recycled sources'. We include the following sources:
    - Forest Stewardship Council (FSC) certification (with a full chain of custody)
    - Formally working towards FSC certification. This includes The Forest Trust (TFT) projects, WWF GFTN members, Rainforest Alliance (SmartStep) participants
    - Programme for the Endorsement of Forest Certification (PEFC) certification or certification to PEFC endorsed schemes (with a full chain of custody)
    - Verified recycled wood
- Hardwood species sourced from the tropics are only counted as from 'proven well-managed forests' if they are FSC certified or formally working towards FSC certification.
- We also monitor data on timber from 'other legal/non-controversial sources'. This enables us to track the origin of timber as legal and non-controversial but does not yet meet our

criteria for 'proven well-managed forests or recycled sources' and to manage associated risks. We include the following:
- o Other certification schemes to those included in our 'responsibly sourced' category (see above)
- o FSC and PEFC with a broken chain-of-custody i.e. the supplier can supply a chain-of-custody certificate for the original forest source (code + certificate on-file) but the supplier is not yet certified themselves
- o Products with documentation to show the forest of origin, legal source/non-controversial

- We report data in volume sold (m^3) of roundwood equivalent (RWE), using RWE conversion factors originally provided by the environmental organisation WWF. Most timber is recorded in cubic metres (m3). We then use standard annual Forestry Commission data to allocate the correct conversion factors for different types of timber product (e.g. soft sawnwood, fibreboard) to convert raw data into roundwood equivalents (RWE). RWE volume is a measure of the volume of logs (roundwood) used in the manufacture of wood-based products (including wood pulp, paper, wooden furniture, joinery and plywood). As such, it is particularly useful when assessing our forest footprint caused by consumption of wood-based products.

Energy – customer energy

- We make an estimate of the amount of energy saved by our customers through the use of energy-saving products they have purchased from us since 2011/12.
- This estimate is made using a model we have developed with sustainability experts BioRegional.
    - Our Operating Companies report the number of energy saving products they sell (which meet the energy-saving criteria in our Eco Product Guidelines) – broken down into different product types e.g. insulation, energy efficient appliances. Our Summary Eco Product Guidelines are available to download at www.kingfisher.com/NetPositiveResources.
    - For each product, the model multiplies the number of products sold by the typical annual energy saving for that type of product. The energy savings are based upon assumptions obtained through research and calculations delivered by BioRegional. The assumptions are based on typical usage patterns and adjusted according to the country in which they are being used.
    - We then sum the energy savings for all energy-saving products sold during the year.
- Our 2020 target is 38 TWh of energy saved for customers across our international businesses. We started monitoring data in 2011/12. We have assumed that all of the products that we sold in 2011/12 are still in use and have therefore added the annual savings from 2011/12, 2012/13 and 2013/14 together to calculate the total savings achieved so far. In future, we will need to adapt the model to take into account the average lifetime of different product types.
- Our model also compares the energy saved by our customers to an equivalent number of energy efficient homes. The definition of an 'energy efficient home' is based upon the energy savings required to achieve an equivalent of a 60% reduction in CO_2 emissions (based on country-specific assumptions on the size of an average household and typical energy use, included in our customer energy saving model).
- We also estimate the amount of renewable energy generated by our customers through products they buy from us such as biomass boilers and solar panels. The savings are based on typical assumptions (researched by BioRegional) on the amount of energy generated by different types of renewable energy products and adjusted according to the country in which they are being used. We have also made the prudent assumption that the renewable energy products are being used in the context of an energy efficient home (which will require less energy than a standard home).
- Kingfisher also has a 2020 target for all energy-using products to meet 'best practice' standards on energy efficiency. We are working with BioRegional to develop 'best practice' standards.

- Our property energy data covers energy use in stores, offices and other buildings e.g. distribution centres. We only collect data for energy use in other buildings in cases where we own/operate the building or directly pay the energy bill. We do not include data for distribution centres which are operated by a third-party service provider unless we directly pay the energy bill.
- Data for stores was collected from 2005/06. Data for offices and other buildings was collected from 2007/08 (for corporate centre and KSO) and from 2008/09 (for operating companies).
- Our operating companies record energy data either through Automated Meter Readings (AMRs) or consumption data on invoices. Our operating companies make estimates if data is unavailable, based an appropriate extrapolation approach e.g. actual energy expenditure or usage based on an equivalent sized store.
- In cases where financial year data is not available within our data collection timescales, we include data for the 12 month calendar year.
- We report total energy use and also energy intensity measured relative to 'reported' floor space (kWh/m2). The 'reported' floor space (m2) includes gross internal area of our buildings and external sales area of stores. We have collected data on 'reported' floor space since 2012/13.
- Prior to 2012/13, we collected data on total sales area (internal and external). The 'reported' floor space is a more accurate measure to use for calculating our energy intensity since it covers the whole gross internal area of our stores, rather than only the sales area, and therefore covers all areas of the building where we use energy. We have estimated the 'reported' floor space back to our target baseline year of 2010/11, based on data for 2012/13.
- Our 'reported' floor space is the average over the year, rather than using the figure at the end of each year. This is calculated by recording the data at the start of the year and at the end of the year, and then dividing the total by two. This gives us a more accurate picture of our energy intensity for our operating companies that have opened new stores during the year.
- Data on propane used in on-site vehicles e.g. forklift trucks, has been collected for the past two years.

Carbon footprint – general approach

- Carbon footprint: The scope of our target to reduce our carbon footprint covers emissions from property energy use, dedicated delivery fleets and business travel by road. We consider these as our scope 1 and 2 emissions (as defined under the WRI/WBCSD Greenhouse Gas (GHG) Protocol), with the exception of data on business travel using non-company cars, which is classified as a scope 3 emission under the GHG Protocol and makes a small contribution to our total carbon footprint.
- We also have separate targets on other activities which contribute to CO2e emissions such as waste, water and non-dedicated delivery fleets.
- We calculate our carbon emissions using the CO_2 equivalent (CO_2e) emission factors published by the UK government (DEFRA) where available. See the section below for more detailed notes about our methodology.

- In the performance data appendix of our Net Positive Report (available at www.kingfisher.com/NetPositiveReport), we report the breakdown of our CO2e emissions in line with the three scopes defined under the GHG Protocol. These are scope 1 (direct emissions), scope 2 (energy indirect emissions i.e. electricity) and scope 3 (other indirect emissions).
- We have progressively extended the scope of our carbon footprint data. In previous CR Reports, we made estimates for all data going back to 2005/06. However, this year we have indicated where data is unavailable (u/a) rather than making estimates.

Carbon footprint – detail of methodology for calculating CO_2 equivalent:

- We calculate our carbon emissions using the CO_2 equivalent (CO_2e) emission factors published annually by the UK government (DEFRA/DECC), except where indicated below. The data for 2013/14 is calculated using the '2013 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting', version 1 (expiry 31 May 2014).
- The CO_2e includes the greenhouse gases: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).
- We do not restate CO_2 equivalent emissions for past years unless the change in emission factors is material to our data. This year, DEFRA/DECC made a number of significant changes to the methodology for calculating GHG Conversion Factors for electricity and air travel (see details below). These changes have a material impact on our data trend and therefore we have updated these emissions factors for past years (in line with the DEFRA/DECC recommended approach).
- We record activity data (e.g. electricity consumption, gas consumption) and multiply by the relevant emission factors.
- Details of emission factors:

    o *Electricity:* We use country-specific emission factors from DEFRA/DECC (which are based on the different energy mixes used to generate electricity in each country). This year, DEFRA/DECC changed its methodology – replacing emission factors based on a 'five-year rolling average' with annual emission factors. We have recalculated our data for all years, using the annual emission factors. It should be noted that the non-UK emission factors provided by DEFRA/DECC cover only CO_2 and do not include methane (CH_4) and nitrous oxide (N_2O). We also calculate transmission and distribution emissions from electricity in our scope 3 data (see details below).
    o *Gas and other fuels:* We use standard DEFRA/DECC factors for gas and other fuels we use (e.g. gas oil, diesel, LPG/propane). We use the 'gross' calorific value (higher heating value) for gas and other fuels where this is an option to use 'gross' or 'net' values.
    o *District heating:* We have used UK district heating emission factors from DEFRA/DECC since we do not have country specific information. We also calculate transmission and distribution emissions from district heating in our scope 3 data (see details below).
    o *Road transport:* For diesel and petrol, we use the '100% mineral fuel' emission factors, except in the UK where we have used the 'retail station biofuel blend' emission factors since 2011/12 in line with DEFRA/DECC guidelines. We use standard DEFRA/DECC factors for LPG, LNG and biomethane. Where fuel use is unknown for

haulage, we calculate CO_2 from km travelled, using the DEFRA/DECC emission factor for 'all HGVs, UK average loading'. Where fuel use is unknown for business travel, we use the DEFRA/DECC emission factor for an 'average car, unknown fuel'.

- o *Flights:*
    - *Haulage – KSO exports:* We use emission factors for sea freight (DEFRA/DECC 'average container vessel') and air freight (DEFRA/DECC 'short haul international' and 'long haul international).
    - *Business travel by air:* We use emission factors for short haul flights (DEFRA/DECC 'domestic' factor), medium haul flights (DEFRA/DECC 'short-haul international' factor) and long haul flights (DEFRA/DECC 'long-haul international' factor).
    - For both haulage and business travel by air, we apply a 9% uplift factor in line with DEFRA/DECC recommendations. This year, DEFRA/DECC also introduced a 90% increase in the CO_2 factor to account for radiative forcing. We have recalculated our data for all years, using both the 9% uplift and the 90% increase due to radiative forcing.
- o *Waste:* This year we have changed the way we calculate carbon emissions from waste, using different emission factors for waste to landfill, incineration and recycling (in line with the latest DEFRA/DECC guidelines). In previous years, we only calculated the emissions from the total waste disposed. We have only reported carbon emissions from waste for the current year, since it's the first year we have a detailed breakdown of our waste by landfill and incineration (which are needed for the calculation).
- o *Water and effluent:* We use the DEFRA/DECC emission factors for 'water supply' and 'water treatment'. We estimate the volume of effluent from the volume of water used.
- o *Transmission and distribution:* This is the first year we have reported scope 3 transmission and distribution emissions from electricity and district heating. We have used country-specific emission factors for electricity transmission and distribution (provided by DEFRA/DECC). We have used UK district heating emission factors for transmission and distribution from DEFRA/DECC since we do not have country specific information. We have reported the data going back to 2005/06, using annually updated emission factors.
- o *Well-to-tank:* This is the first year we have reported scope 3 well-to-tank emissions from energy. We have used country-specific emission factors for well to tank emissions from electricity and UK factors for well-to-tank emissions for district heating. We use standard DEFRA/DECC factors for well to tank emissions from gas and other fuels. We have reported the data going back to 2005/06, using annually updated emission factors for electricity and district heating. We have used the 2013 emission factor for gas and other fuels for all years (since annual emission factors have only been provided from 2012).
- o *Outside of scope:* This is the first year we have reported outside of the GHG Protocol scopes. The data covers emissions from biofuel, biomass and forecourt fuels containing biofuel.
- See environment section for further details on the scope of data collection for transport (haulage, business travel by air and road), waste and water use.

Eco products
- We report sales of products and services with eco credentials, including 'best in class' and 'eco compliance' products (see definitions below).
- Products must comply with our Eco Product Guidelines. A summary of the guidelines is available to download at www.kingfisher.com/NetPositiveResources.
- The Eco Product Guidelines have been developed with sustainability experts BioRegional and are updated annually.
- We have two classes of eco product:
    - 'Best in class' eco products – the most innovative eco products in our ranges
    - 'Eco compliance' products – products which have certain environmental benefits. Responsibly sourced timber is included in our figure for eco-compliance products.
- We also classify products into six eco product categories: Save Energy, Save Water, Conserve Nature, Grow your Own, Reduce and Recycle, and Health and Wellbeing.
- The Guidelines set out detailed criteria for specific types of products (there are currently around 50 product types).
- Data is collected quarterly. New products nominated by our operating companies are reviewed by BioRegional to check they meet the criteria in our Eco Product Guidelines.

Products with closed loop credentials

- By 2020, we aim to have 1,000 different products with closed loop credentials. In 2013/14, we developed a closed loop calculator to track progress towards this target.
- The calculator uses 10 questions to measure how closed loop a product is. It includes criteria relating to materials, whether a product can be rented or repaired, and whether it can be disassembled for recycling at the end of life. Products which achieve a rating of 'excellent' (over 70%) and 'very good' (50%-70%) are counted as products with closed loop credentials. We have counted individual product SKUs, rather than grouping similar SKUs together.
- In 2013/14, four of our operating companies (B&Q UK, Castorama France, Castorama Poland and Screwfix) used the calculator to start to identify products with closed loop credentials. BioRegional reviewed a sample of products submitted and has provided feedback on ways we can improve the calculator. We will be working to further refine the calculator next year.

Communities

Community projects

- Kingfisher's 2020 target is to complete 4,000 community projects by our people that deliver 'Better Homes, Better Lives'.
- In 2013/14, we introduced criteria for community projects. Every project must:
    - Demonstrate and measure positive impacts that bring 'Better Homes Better Lives'.
    - Have a minimum company contribution of 35 hours or £250 (or equivalent in local currency).
    - We recognise that the relative value of £250 is different in countries across the world. Most of our businesses are in Europe and therefore the value is similar. However, in 2013/14, we adjusted the value for B&Q China to £60, using the 'purchasing power parity (or PPP)' exchange rate of 4.315 CNY per international dollar.
- Projects should achieve one or more of the following outcomes:
    - Equipping people with skills
    - Supporting the social infrastructure in the local community
    - Helping to improve the lives of the people who make our products
    - Connecting people – e.g. online platforms & local networks to share ideas and skills
    - Empowering people to do more for themselves (please specify how)
- It should be noted that the company contribution includes value of cash donations, product donations and employee time. Any money raised via fundraising (from customers or employees) is not counted.
- Employee time is generally only be included if it is during work time (since this is a company contribution). In exceptional cases, employee time outside work can be included for a company-led activity which is done in the company name e.g. in company uniforms.
- Please note that in-store classes are only counted if they are provided for free.

Community investment

- Our data on community investment covers company giving and fundraising.
- Our company giving includes cash donations, gifts in kind and employee time. We only count company contributions (we do not include donations made by customers, employees or suppliers which are reported separately in the section on fundraising).
    - Cash donations – we record two types of contribution: charitable giving i.e. cash donations given directly to charity/community organisations; and cash donated to charity through cause related marketing.
    - Gifts in kind – we record two types of gift in kind: the value of 'new products' (based on cost price) donated to charity / community organisations; and the value of 'other items' donated e.g. written off stock or old office equipment. We record the retail price of new products and then estimate the cost price based on an average mark-up for products. The value of 'other items' is based on the estimated current market value.
    - Employee time – we record two types of time: employee volunteering in work time and management costs. We calculate the value of employee volunteering by recording the number of hours employees spend in work time on volunteering and multiplying this by an average hourly salary per operating company. Management costs include the direct cost of salary & other benefits (and exclude office costs).
- We also report data on money raised through fundraising. This includes charity collections in-store, pay roll giving and other employee fundraising initiatives.

Employees

Employee numbers

- We report data on number of employees at each operating company (at the front of our Net Positive Report in the table about our brands). This table is from the Kingfisher Annual Report and the data on number of employees is collected monthly by Group finance. The table includes the total number of employees for our joint venture, Koçtaş. The other data in our Net Positive report covers 50% of Koçtaş.

Health & safety – employee accidents

- We collect data on the following categories of work-related accidents, including number of accidents and days lost:
    - Fatalities
    - Major accidents – operating companies use their own country-specific regulatory definition of what constitutes a major accident. In countries that do not have a regulatory definition of a major accident, we use the UK definition: 'serious injuries to employees, including fractures, amputations and other injuries leading to resuscitation or 24 hour admittance to hospital.'
    - Over three-day lost-time accidents – this includes 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.
    - Other accidents – this includes all other accidents that are reported by employees including accidents that result in three days or less of lost time as well as accidents that result in no time off work.
- Our operating companies maintain accident record books at each site to record data. 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.
- We have collected data on number of major accidents and over three-day lost-time accidents from 2006/07.
- We extended our data collection in 2012/13 to cover other accidents.
- Our target to reduce our lost-time accident rate covers major accidents and over three-day lost time accidents.
- We calculate our accident rate per 100,000 full-time equivalent employees (using the FTE average, calculated from monthly data).

Health & safety – customer and contractor accidents

- We have collected data on customer accidents from 2012/13 and contractor accidents from 2013/14.
- The data covers all accidents in our stores that are reported to us by our customers and contractors. A customer includes any person who visits our stores or sites who is not an employee or contractor.
- We have also started to collect data on construction contractor accidents for new stores and major refurbishment projects. We will report data next year.

Diversity

- Our diversity data covers:
    - Gender – % of employees that are male and female and % of managers that are male and female (the data on managers covers senior, middle and junior management levels). We also report gender diversity at senior management level - our Board Directors and our One Team Leadership Group. The senior management data is collected by Group HR and is from our Annual Report.
    - Age - % of employees broken down by age category (24 and under, 25-49 and 50 and over)
    - Disability - % of employees that have voluntarily self-declared a disability. This includes mobility, visual and hearing impairments as well as learning disabilities.
    - Ethnic minorities (UK only) - % of UK employees who have voluntarily self-declared they are from an ethnic minority. We don't report a group figure for ethnicity since definitions of what constitutes an ethnic minority vary by country. It is also illegal in some of our markets such as France to ask employees to declare their ethnicity.
- The data is monitored from our personnel records.
- The data is reported in full-time equivalents, as at the end of the financial year.

Other HR data

- Data on training hours includes formal internal and external training, including any online and e-learning training. We calculate the number of training hours per employee (using the total headcount average, calculated from monthly data).
- Data on our employee turnover rate includes employees who left the company both voluntarily and involuntarily (including redundancies, dismissals, death in service). We calculate the number of leavers as a % of the total number of employees (using the total headcount average, calculated from monthly data).

Suppliers & partners

- We reviewed and updated our KPIs on supplier ethical assessment in 2012/13 and therefore data is reported for the past two years. We have reported data for factory audits conducted by the Kingfisher Sourcing Organisation (KSO) from 2005/06.
- Our target on supplier ethical assessment covers suppliers of own/exclusive brand products. In order to track progress against our target, we record data separately for suppliers of own/exclusive brand products and suppliers of manufacturer brand products.
  - o Data for own/exclusive brand products includes the Kingfisher brands, products that have the name of a Kingfisher operating company on the packaging and exclusive products made for Kingfisher operating companies (and may not have the name of the operating company on the packaging). In 2013/14, we extended the scope of our data to cover unbranded products (for our UK and French operating companies), which has led to an increase in the total number of own/exclusive brand suppliers that require assessment. Our other operating companies do not currently record data in a way which enables us to split out the suppliers of unbranded products from manufacturer brand products.
  - o We report data for factories used by the Kingfisher Sourcing Organisation (KSO) in the section on own/exclusive brand products. The majority of products sourced via the KSO are own/exclusive brand, but the data does include some sourcing of manufacturer brand products. Our data for the KSO covers all sourcing offices (these were in Brazil, China, India, Poland, Turkey and Vietnam in 2013/14).
- All data for operating companies covers first-tier suppliers.
- Kingfisher's supply-chain ethical and environmental standards are contained in the Kingfisher Code of Conduct for Factory Working Conditions. This includes 'critical failure points' (which are Kingfisher's minimum standards). The Code is available to download on our website at www.kingfisher.com/NetPositiveResources.
- All factory audits conducted by the KSO check compliance with the Code of Conduct for Factory Working Conditions. In cases where our operating companies don't source directly from factories, our assessment focuses on the processes our suppliers have to manage ethical standards through their own supply chain.
- We report the number of suppliers or factories which have been assessed at some stage during the past three years. Our data is broken down by onsite audits and desktop assessments.

Waste

- Our waste data covers stores (from 2005/06) as well offices and other buildings e.g. distribution centres (from 2011/12). We only collect data for other buildings in cases where we manage the waste contract.
- The data covers non-hazardous and hazardous waste.
- The data covers our day to day operational waste and excludes waste for major construction and refurbishment projects. We are working to implement data collection systems for construction waste.
- Most operating companies collect data on store waste from national or regional contractors. Where actual measurements are not available, the data is generally estimated from the number of waste collections multiplied by average bin weight – which is estimated based on the size of the bins.
- 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.
- In 2013/14, we collected data on waste disposed to landfill, waste disposed to incineration (without energy recovery and with energy recovery), and waste recycled. Data in previous years covered waste disposed (landfill and incineration combined into one category) and recycling.
- Our data on waste recycled is collected by material – cardboard/paper, wood, plastic, metal, rubble and other. The data on rubble was included within the 'other' waste up until 2012/13.
- Some of our waste contractors do not provide a breakdown of the waste disposed by destination (landfill or incineration). In such cases, we have taken a prudent approach and assumed the waste goes to landfill.

Packaging

- 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 only.
- The data we report covers our only UK and French businesses, which accounted for 94% of our own /exclusive brand sales in 2013/14.
- The data is collected in line with reporting requirements under the UK and French packaging regulations. Key areas of estimation:
  - The data for B&Q UK for own and exclusive-brand products is derived from taking the weight collected for all packaging and then making an estimate based on the sales value of own and exclusive-brand products.
  - The data for Castorama France was estimated for 2013/14 (total sales in 2013/14 multiplied by the average weight per £ sales in 2012/13). The data for 2012/13 was collected for products that were imported (required by law), and then an estimate was made for domestic sourced products.

Haulage

- We report data separately on dedicated delivery fleets and non-dedicated delivery fleets.
- Dedicated delivery fleets are those we directly control including those which are operated on our behalf by a supplier.
- Data for dedicated fleets on fuel use and volume delivered is based on actual data recorded through our logistics monitoring, except for fuel use data at Castorama France (which is estimated from data on distance travelled).
- We report carbon emissions from our third-party non-dedicated fleet. This is based on either fuel use data or distance travelled. Data for B&Q China (collected from 2011/12) is an estimate based on number of deliveries and average distances between the distribution centre and stores.

Business travel by air

- We have gathered Group data on business travel by air since 2008/09.
- We record the actual passenger-km travelled for short-haul, medium-haul and long-haul flights in our UK operations (from 2009/10), B&Q China (from 2013/14) and Castorama Russia (2010/11 and 2012/13 only). For operating companies that do not have data on passenger-km, we collect data on the number of short-haul, medium-haul and long-haul flights and then estimate the km travelled based on an average distance for each of these three categories. We have used the average distances from the EMEP/EEA Guidebook, which are given in the notes to the '2012 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting', Annex 6 (463 km short-haul, 1108km medium-haul, 6482 km long-haul). We don't record the data by cabin class, so we use the 'average' carbon emission factors published by DEFRA (see further details on the carbon emission factors we use on page 10).
- The data is generally from booking records provided by our travel agents.

Business travel by road

- We have gathered Group data on business travel by road since 2009/10.
- This covers travel by employees for business purposes e.g. travel to meetings. Personal mileage and travel to and from work is usually excluded unless it is an allowable expense or forms part of the employees' remuneration package.
- We report data on CO2 from business travel by road. This is calculated from data on fuel use (where available) or distance travelled. The activity data is generally recorded in one of the following ways:
  o Fuel cards – fuel use from fuel card records
  o Expense claims – distance travelled from employee expense claims. In some cases, distance is estimated from cost.
  o Hire cars – distance travelled from hire car records
- We have collected data separately for company cars, hire cars and non-company cars from 2012/13. See our data appendix for details of the scope of the data.

Water

- Our property water data covers water use in stores (from 2006/07) as well as water use in offices and other buildings e.g. distribution centres (from 2011/12). We only collect data for

other buildings in cases where we directly pay the water bill. We do not include data for distribution centres which are operated by a third-party service provider unless we directly pay the water bill.

- Our data is based on a mixture of actual consumption (recorded through meter readings) and estimated data (based on cost). Many water companies do not provide regular meter readings and therefore estimates account for a significant part of our water data. Our operating companies make estimates if data is unavailable, based an appropriate extrapolation approach e.g. actual expenditure or usage based on an equivalent sized store.
- We have reported store water efficiency from 2010/11 measured relative to 'reported' floor space (litres/m2). See energy section (page 8) for further details about the 'reported' floor space.

Peat

- We report data for B&Q UK on % of 'bagged' growing media which consists of alternative materials to peat.
- 'Bagged' growing media includes bags/containers of compost, mulches, soil improvers and additives and also growing bags.
- Examples of alternative materials to peat include green waste, bark, coir, woodfibre.