Kingfisher Sustainability data collection methodology 2016/17

Contents

About this document

This document explains our methodology for collecting and calculating data that is reported in our annual Sustainability Report (available to download at www.kingfisher.com/sustainability).

Additional notes on the scope of our data are included in our Sustainability Report data appendix (available to download at www.kingfisher.com/sustainability).

Our approach to data collection

We have two questionnaires to track progress on sustainability:

- **Key performance indicator (KPI) questionnaire** to monitor data trends. This is completed on an annual basis by our operating companies, with the exception of sustainable home product data, which is collected on a half yearly basis.
- **Foundations questionnaire** to monitor progress against targets. This is completed on an annual basis by our operating companies.

Data responsibilities and sign off

The sustainability 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 sustainability KPIs and targets. They are required to complete an annual self-certification process to confirm that sustainability 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 and external auditors to provide assurance of our sustainability data collected via the KPI and Foundations questionnaires.

- External: We worked with Deloitte on assurance of our 2016/17 data and their assurance statement will be available to download at www.kingfisher.com/sustainability once our Sustainability report has been published in June. The statement also provides details on the scope of the external and internal audit work.
- Internal: We have a comprehensive internal review process of KPI and Foundations data, which is overseen by our external auditors.
  - o Head office review: We have a head office review process which provides an overall sense check of the data. The process is co-ordinated by Bioregional who work alongside in-house and other third-party experts to review data. For example, the data on energy and other property-related KPIs are reviewed by the Group Sustainability and Group Finance departments; timber data is reviewed by the in-house Sustainable Wood &

Paper team and an external consultancy, Efeca, who have acted as lead consultants to the UK Government's timber procurement policy.

- o Internal Audit: As part of the assurance process, the sustainability data is audited internally following the head office review. The scope of work completed by Internal Audit at OpCo level, in partnership with Deloitte, covers the areas of Wood & Paper, People, Environment, Energy & Carbon, Supplier & Partners, Communities and Foundations. The scope and audit methodology applied by the local audit teams are agreed with Deloitte. Purpose of the audit is to provide limited assurance over the accuracy, completeness and integrity of the Sustainability data submitted. The audit results are formally reported to OpCo Management in the presence of Deloitte, where any data amendments are agreed.

Scope of data

We report on an 'operational control basis', meaning that the data covers Kingfisher's operating companies where we have the full authority to introduce and implement operating policies. The data for 2016/17 covers 100% of:

- UK businesses – B&Q UK and Screwfix;
- French businesses – Castorama France and Brico Dépôt France;
- Other international businesses – Castorama Poland, Castorama Russia, Brico Dépôt Iberia, Brico Dépôt Romania and Screwfix Germany.

Data for our joint venture Koçtaş is included in the following areas:

- Community projects and community investment data:
- Scope 3 Greenhouse Gas (GHG) emissions, category 'Investments' (see page 10 for further details).

For both areas, 50% of Koçtaş data is included, in line with our 50% equity share.

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 collected from Kingfisher head office, Kingfisher IT Services, and Kingfisher Buying Offices. Our third-party sourcing offices in Brazil and India only report 'suppliers and partners' KPI data, as other areas are out of scope.

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.

In cases where we sell an operating company or joint venture, our approach is to 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 disposed of a controlling 70% stake in B&Q China in 2015; their performance has therefore been excluded since 2015/16 and prior years restated.

Kingfisher has been gathering group-wide sustainability 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 or reporting criteria. Our materiality threshold is 5% although we will assess any errors in the full context and if appropriate we may restate emissions if they fall under this threshold. We indicate any amendments to prior year data in the notes in our Sustainability Report Data Appendix.

To reduce the reporting requirements for our smaller operating companies, the submission of some KPI sections is optional or not required. For relevant KPI sections, we indicate the percentage of Group turnover attributed to the operating companies that submitted data in our Sustainability 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.

Our 53 targets, which run until 2020, cover our four key priorities (wood and paper, energy and carbon, product innovation, and communities) as well as three other areas of focus (people, suppliers and partners, and environment). Our operating companies report progress against 34 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%) to reflect progress to date. We have a Foundations questionnaire scoring guide which sets out the criteria for each of the four possible scores. This is available to download at www.kingfisher.com/sustainability.

We work with internal audit and external auditors, Deloitte, on assurance (see page 2). The 2016/17 internal audit review of Foundations covered Group and operating companies' targets[1]. The auditors review a sample of scores, focussing on the ones that changed from the previous reporting year and those that were not reviewed prior year and the evidence to support the change in scores.

In our Sustainability 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 summing the individual scores for the targets relevant to that issue and dividing by the number of targets related to that issue.
- Group results: We publish a Group score for each target. For the 34 operating company targets, this score is calculated as follows:
  - For qualitative targets: Group scores are based on individual operating company performance and are signed-off by a panel consisting of the Kingfisher sustainability team, Kingfisher internal audit and Bioregional.

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[1] Screwfix Germany was not included in the audit scope as it is not material to the Group.

- o For quantitative targets: A Group score is allocated based on Group KPI performance data.

KPI questionnaire

Our Sustainability KPI questionnaire collects the data needed to monitor progress against our targets, comply with regulatory requirements e.g. UK mandatory carbon reporting, and to respond to investor indices e.g. CDP. It is completed by our operating companies annually at the end of the financial year, with the exception of sustainable home product data, which is collected on a half yearly basis.

We have been monitoring Group Sustainability KPIs since 2005/06 and data is reported annually in our Sustainability Report and our Sustainability Report Data Appendix. We report data going back to 2005/06 where available. The latest data available covers the financial year 2016/17.

Our data collection methodology in 2016/17

We collect data for the Kingfisher financial year. The 2016/17 financial year runs from 1 February 2016 to 31 January 2017.

For property-related data (energy, waste, and water), we include data for the 12-month calendar year, as financial year data is not available within our data collection timescales. In other situations where data is not available from our suppliers within our data collection timescales, our approach is to make estimates. We provide guidance to our operating companies on estimation techniques in line with industry best practice.

Wood & Paper

- Our definition of wood and paper includes goods and packaging made from, or containing, timber, wood, wood fibre, or paper (referred to as timber goods).
- Our 2020 target is 100% responsibly sourced wood and paper in all our operations. This includes all products for sale and any other wood and paper used in our day-to-day operations, such as packaging and paper and wood used in construction. We have been collecting data on wood used in our products since 2006/07. We started collecting data on paper (e.g. for catalogues) in 2014/15. We are working to develop data collection systems to track other wood and paper used, which will enable us to report progress against our 2020 target.
- We define 'responsibly sourced wood and paper' as wood and paper which is from 'proven well-managed forests or recycled sources'. Kingfisher's Wood and Paper Policy Standard sets out criteria for 'proven well-managed forests or recycled sources'.
- Our responsibly sourced criteria for non-tropical countries includes the following sources (in order of preference):
  - o Forest Stewardship Council (FSC) certification (with a full chain of custody throughout the supply chain).
  - o Programme for the Endorsement of Forest Certification (PEFC) certification (with a full chain of custody throughout the supply chain).

- o Timber goods which contain verified reused or recycled content from pre-consumer and post-consumer sources.
  - o Suppliers and supply chains that have a Memorandum of Understanding with a recognised Kingfisher partner as part of an independent verification scheme to demonstrate progress towards FSC certification in a time bound and monitored commitment. We currently accept The Forest Trust (TFT) projects, WWF GFTN, and Rainforest Alliance.
- Our responsibly sourced criteria for tropical countries, endangered and vulnerable species includes the following sources:
  - o FSC certification (with a full chain of custody).
  - o Suppliers and supply chains that have a Memorandum of Understanding with a recognised Kingfisher partner as part of an independent verification scheme to demonstrate progress towards FSC certification in a time bound and monitored commitment. We currently accept TFT projects, WWF GFTN, and Rainforest Alliance.
  - o Timber goods which contain verified reused or recycled content from post-consumer sources.
- We report data in volume sold (m^3) of roundwood equivalent (RWE). Most timber is recorded in cubic metres (m^3). We then use the 'Geneva timber and forest discussion paper 49 - Forest product conversion factors for the UNECE region' (2010 FAO, UNECE) to allocate the correct conversion factor for different types of timber product (e.g. soft sawnwood, fibreboard) to convert raw data into 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 & Carbon – 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:
  - o Our operating companies report the number of energy-saving products they sell which meet the energy-saving criteria in our Sustainable Home Product Guidelines. These are broken down into different product types e.g. insulation, energy efficient appliances. Our Sustainable Home Product Guidelines are available to download at www.kingfisher.com/sustainability.
  - o 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.
  - o 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 we sold in 2011/12 are still in use and have therefore added the annual savings from all years together to calculate the total savings achieved so far. In the future, we will

need to adapt the model to take into account the average lifetime of different product types.

Energy & Carbon– Our operations

- Our property energy data covers energy used in stores, offices and other buildings (e.g. distribution centres or data centres) that are owned or leased by us. We do not include data for distribution centres which are not owned or leased by us. We also exclude one of our distribution centres in France which is leased by us but is a multi-tenanted site, making it difficult to obtain specific energy consumption data. We expect this to be immaterial to Group level energy consumption.
- Data for stores was collected from 2005/06. Data for offices and other buildings was collected from 2006/07 for B&Q, 2007/08 for (Kingfisher head office and Kingfisher Buying Offices) and from 2008/09 (for other 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 on an appropriate extrapolation approach e.g. actual energy expenditure or usage based on an equivalent sized store.
- We report total energy use as well as energy intensity relative to floor space (kWh/m^2). The reported floor space (m^2) includes gross internal area of our buildings and external sales area of stores. We have collected data on floor space since 2012/13.
- Prior to 2012/13, floor space was defined as total sales area (internal and external). The current floor space definition is a more accurate measure, as it 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 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, was collected from 2006/07 for B&Q, 2010/11 for Brico Dépôt France, Castorama France and Screwfix, 2011/12 for Castorama Russia and from 2013/14 for other operating companies.
- We do not currently collect or report on refrigerants, though they are used in a portion of our store portfolio. We will be reassessing the materiality of refrigerant emissions for 2017/18.

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 and hire cars, which is classified as a scope 3 emission under the WRI/WBCSD GHG Protocol and makes a small contribution to our total carbon footprint. Our scope 2 emissions

have been calculated using a location-based approach. Our Sustainability Report and Data Appendix also include our market-based scope 2 total from 2015/16.

- We also have separate targets on other activities which contribute to our scope 3 CO_2e emissions such as waste, water and non-dedicated delivery fleets.
- Organisational boundary: We use an operational control boundary. This means that we include emissions from our wholly-owned operating companies. For our Koçtaş joint venture, as we do not have full operational control, we include proportional emissions under scope 3 (category investments). This is in line with the operational control approach as defined by the WRI/WBCSD GHG Protocol.
- We calculate our carbon emissions using the CO_2 equivalent (CO_2e) emission factors published by the UK Government (DEFRA/DECC) where available. See the following section for more detailed notes about our methodology.
- In our Sustainability Report Data Appendix (available at www.kingfisher.com/sustainability), we report the breakdown of our CO_2e emissions in line with the three scopes defined under the WRI/WBCSD GHG Protocol. These are scope 1 (direct emissions), scope 2 (energy indirect emissions) and scope 3 (other indirect emissions). We have progressively extended the scope of our carbon footprint data and we have indicated where data is unavailable (u/a) rather than backcasting data.

Carbon footprint – detail of methodology for calculating CO_2 equivalent emissions:

- We calculate our carbon emissions using the CO_2e emission factors published annually by the UK Government (DEFRA/DECC), except where indicated below. The data for 2016/17 is calculated using the '2016 UK Government Conversion Factors for Company Reporting', version 1.0 (expiry 30 June 2017). We record activity data (e.g. electricity consumption, gas consumption) and multiply by the relevant emission factors.
- The CO_2e includes the following greenhouse gases: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).
- We do not restate CO_2e emissions for past years unless the change in emission factors is material to our data. Our materiality threshold is 5% although we will assess any errors in the full context and if appropriate we may restate emissions if they fall under this threshold.
- Details of emission factors:
  - *Electricity:* We use country-specific (i.e. location-based) emission factors, which are based on the different energy mixes used to generate electricity in each country. For our UK operations, these are obtained from DEFRA/DECC. Since 2016, DEFRA/DECC no longer provide emission factors for countries outside the UK. For all our non-UK operations, we therefore obtained the emission factors from the IEA (source: IEA CO_2 Emissions from Fuel Combustion, 2016 edition, expires 15/04/2017). The emissions factors for non-UK electricity are in CO_2 only (not CO_2e). We calculate transmission and distribution emissions from electricity in our scope 3 data (see details below).
  We also publish a market-based scope 2 CO_2 total, for which we have used a combination of conversion factors according to the data hierarchy (as defined under the WRI/WBCSD GHG Protocol):
    - Zero or low carbon conversion factors for renewable energy products/tariffs where Guarantees of Origin are available;

- Supplier-specific residual mix emission rates where available;
- Supplier-specific overall emission rates where a breakdown of tariff-specific information is not available;
- National residual mix emission rates, available for European countries from Association of Issuing Bodies. The data for 2016/17 is calculated using the 'European Residual Mixes 2015, Version 1, 13th May 2016';
- Location-based emission rates, for countries outside Europe and for district heating. For electricity, we use the IEA emissions factors; for district heating, we use the DEFRA/DECC emission factors.

o *Gas and other fuels:* We use standard DEFRA/DECC factors for gas and other fuels we consume (e.g. gas oil, diesel, LPG/propane, biomass). We use the 'gross' calorific value (higher heating value) for gas and other fuels where there is an option to use 'gross' or 'net' values.

o *District heating:* We have used UK location-based district heating emission factors from DEFRA/DECC since we do not have country-specific information. We also calculate location-based transmission and distribution emissions from district heating in our scope 3 data (see details below). We do not yet have supplier-specific emissions rates for district heating and we have therefore also used the location-based emission factors in our market-based scope 2 emissions totals.

o *Road transport:* For diesel and petrol, we use the '100% mineral fuel' emission factors, except in the UK where we have used the 'average 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_2e 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 *Rail transport:* We have used UK rail freight emission factors from DEFRA/DECC since we do not have country-specific information.

o *Sea and air transport:*
  - *Haulage – buying office exports:* We use emission factors for sea freight (DEFRA/DECC 'average container ship') and air freight (DEFRA/DECC 'short haul, to/from UK' and 'long haul, to/from UK').
  - *Business travel by air:* We use emission factors for short haul flights (DEFRA/DECC 'domestic to/from UK' factor), medium haul flights (DEFRA/DECC 'short-haul to/from UK' factor) and long haul flights (DEFRA/DECC 'long-haul to/from UK' factor).
  - While DEFRA/ DECC introduced a new factor for international flights for air freight and business travel by air, we have decided to continue using the emissions factors split for all our air travel to ensure our emissions data remains comparable to previous years.
  - For both haulage and business travel by air, we use the DEFRA/DECC conversion factors which include an 8% uplift factor and a 90% increase due to radiative forcing.

o *Waste:* In line with the latest DEFRA/DECC guidelines, we calculate carbon emissions from waste using different emission factors for waste to landfill, incineration and

recycling. Since the factors only cover transport to the combustion facility, the same factor is used for incineration with energy recovery and incineration without energy recovery. We have been able to report these carbon emissions since 2013/14, since that was the first year we collected a more detailed breakdown of our waste by landfill and incineration.

- o *Investments:* We include proportional scope 1 and 2 emissions from any investments (where we have at least a 50% share) under our scope 3 emissions. This is in line with the operational control approach as defined by the WRI/WBCSD GHG Protocol.
- 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. For our operating companies with garden centres, we have assumed that around 20% of water will be taken up by plants (during watering) and around 80% of total water use will end up as effluent; for businesses without garden centres, it is assumed that 100% of the water ends up as effluent.
- o *Transmission and distribution:* For electricity transmission and distribution we have used country-specific (i.e. location-based) emission factors (provided by DEFRA/DECC). For district heating transmission and distribution, we have used UK location-based district heating emission factors 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:* We have used country-specific location-based emission factors for well-to-tank emissions from electricity and UK location-based factors for well-to-tank emissions for district heating. We use standard DEFRA/DECC location-based 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 up to 2013/14 (since annual emission factors have only been provided from 2012).
- o *Outside of scope:* The data covers emissions from biofuel, biomass and forecourt fuels containing biofuel.
- See the environment section (page 155) for further details on the scope of data collection for transport (haulage, business travel by air and road), waste and water use.

Product innovation

Sustainable home products

- We report sales of products and services with eco credentials, including 'best in class' and 'compliant' products (see definitions below).
- Products must comply with our Sustainable Home Product Guidelines; our Guidelines have been developed with sustainability experts, Bioregional, and are updated annually. A summary is available to download at www.kingfisher.com/sustainability.
- We have two classes of sustainable home products:
  - o 'Best in class' products – the most sustainable products available on the market, which can help our customers to significantly reduce their environmental impact and which help to drive innovation through our ranges;

- o 'Compliant' products – products which have at least one sustainable credential (better than the industry standard), and which act as an incentive to make all products more sustainable. Responsibly sourced timber is included in our figure for compliant products.
- We also classify products into six sustainable home product categories: Save Energy, Save Water, Sustainable Materials, Greener Gardens, Closed Loop, and Better Homes.
- The Guidelines set out detailed criteria for specific types of products (there are currently over 50 product types covered).
- Data is collected on a half yearly basis. New products nominated by our operating companies are reviewed by Bioregional to check they meet the criteria in our Sustainable Home Product Guidelines.

Products with closed loop credentials

- By 2020, we aim to have 1,000 different products with closed loop credentials. We define a product with 'closed loop credentials' as any product which meets the 'best in class' criteria in the closed loop category under the Sustainable Home Product Guidelines.
- Data is collected on a half yearly basis. New products nominated by our operating companies are reviewed by Bioregional to check they meet the criteria of a closed loop product.

Energy and water using products

- Kingfisher has set a target for all energy and water using products to meet 'best practice' standards on energy efficiency by 2020, with 50% achieving 'best practice' standards by 2016.
- In 2015/16 we worked with Bioregional to determine the scope of energy and water using products reporting, a definition of 'best practice' and a methodology for gathering data which allows us to report on these KPIs for the first time.
- We define an energy using product as any product covered under the EU Ecodesign and energy labelling initiative. Best practice products must also meet the 'compliance' criteria of Kingfisher's Sustainable Home Product Guidelines as a minimum.
- We define water using products as any product covered under the European water labelling initiative. Best practice products must also meet the 'compliance' criteria of Kingfisher's Sustainable Home Product Guidelines as a minimum.
- The progress Kingfisher is making against its targets is measured by the sales of best practice products against the total products sales and reported as a percentage.
- Data is collected on a half yearly basis. New products nominated by our operating companies are reviewed by Bioregional to check they meet the scope and criteria outlined above.

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 improvements to homes and lives.
  - Have a minimum company contribution of 35 hours or £250 (or equivalent in local currency; the French operating companies have a threshold of 35 hours or €345).
- Eligible projects should also achieve one or more of the following outcomes:
  - Equipping people with skills based around home improvement;
  - 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 which focus on home improvement.
- Kingfisher's 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 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.

Community investment

- Our data on community investment covers company input and output (leverage).
- Our company input includes cash donations, gifts in kind and employee time. We only count company contributions (donations made by customers, employees or suppliers are reported separately as output (leverage)).
  - *Cash donations* – we record two types of contribution: charitable giving i.e. cash donations given directly to charity or community organisations; and cash donated to charity through cause related marketing.
  - *Gifts in kind* – we record two types of gifts in kind: the value of 'new products' (based on cost price) donated to charity or 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 three types of time: employee volunteering during work time, time spent by employees on the supervision of work experience programmes, and management costs. We calculate the value of employee volunteering and work experience supervision by recording the number of hours employees spend 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).

- Our output data covers charity collections in-store, payroll giving, other employee fundraising initiatives, other funds raised by our charity partners as a result of our input (this is called 'leverage'), and employee volunteering time outside of work hours but in the name of the company.

People

Employee numbers

- We report data on number of employees at each operating company. This data is collected monthly by Group Finance.
- Number of employees are recorded in headcount and in full-time equivalent employees (FTE):
    - Headcount: the number of employees paid on the payroll
    - FTE: full-time employees are counted as 1 FTE and part-time staff are pro-rated to a 37.5 hour week.

Health & safety – employee accidents

- We collect data on the following categories of work-related accidents, including number of accidents and work days lost:
    - Fatalities;
    - Total number of employee accidents;
    - Total number of work days lost as a result of all work-related employee accidents.
- Regulatory definitions and mandatory accident reporting requirements vary significantly between the countries in which we operate, resulting in, for example, differences in classification of major accidents and sign-off time. We therefore focus on a reduction in total number of employee accidents rather than focussing on major and over three day lost-time accidents.
- 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 & safety cultures across countries.
- We have collected data on total number of employee accidents since 2012/13.
- Work days lost are captured as calendar days, in line with statutory requirements.
- Our target to reduce our lost-time accident rate covers all 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. Contractor accidents cover accidents in trading stores, including during maintenance, revamp, range reviews and fit-out work.

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, which includes our Board Directors, as well as heads and directors of departments at the operating company level. The data on Board Directors is collected by Group HR.
  - *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 do not 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). For one of our French operating companies, data up to 2015/16 excludes employees who left the company because they were on a fixed term contract.

Suppliers and partners

- Kingfisher's 2020 target is for all Goods For Resale (GFR) suppliers to meet or exceed our ethical and environmental standards This covers suppliers of own- and exclusive-brand products, unbranded product and manufacturer branded products.
- Part of our ONE Kingfisher plan is to unify our procurement and we now source goods for resale via our group buying offices, not via our operating companies. We established additional buying offices during 2016.
- We report on total number of suppliers and on ethical audits at the buying offices that were operational for the full financial year.
  - Total number of suppliers covers our first tier own- and exclusive-brand as well as manufacturer branded suppliers.

- o Our data for ethical audits during 2016/17 covers the group buying offices that were operational for the full financial year (located in Brazil, China, India, Poland, Turkey and Vietnam) and excludes vendors previously managed by our operating companies.. The data excludes our newly established buying offices in Europe.
- Kingfisher's supply-chain ethical and environmental standards are contained in the Kingfisher Supply Chain Workplace Standards and the Kingfisher Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy Standard. The Standards are available to download on our website at www.kingfisher.com/sustainability.
- All factory audits conducted by Kingfisher Buying Offices check compliance with the Kingfisher Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy Standard.
- We report the number of factories which have been assessed at some stage during the past three years. Our data is broken down by onsite audits and desktop assessments.

Environment

Waste

- Our waste data covers stores (from 2005/06), as well as 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.
- From 2013/14, we have collected data on waste disposed to landfill, waste disposed to incineration (with and without energy recovery), and recycled waste. The data covers non-hazardous as well as hazardous waste. Data in previous years covered waste disposed (landfill and incineration combined into one category) and recycled waste.
- The data covers our day-to-day operational waste and excludes customer waste and waste from major construction and refurbishment projects. 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.
- 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.
- 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.
- Our data on recycled waste is split by material – cardboard or paper, wood, plastic, metal, rubble and other (e.g. WEEE, hazardous waste).

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 B&Q UK, Brico Dépôt France and Castorama France, see the Sustainability Report data appendix for further details. The data is collected in line with

reporting requirements under the UK and French packaging regulations. Key area of estimation:

- o 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.
- Our vision for a circular economy is supported by Kingfisher's Sustainable Packaging Materials Policy Standard, which is available to download on our website at www.kingfisher.com/sustainability.

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 third party contractor.
- Data for dedicated fleets on fuel use and volume delivered is based on actual data recorded through our logistics monitoring.
- We report carbon emissions from our non-dedicated fleets, which includes third party road and rail transport for our operating companies, as well as exports via sea and air arranged by Kingfisher Buying Offices. For road transport this is based on either fuel use data or distance travelled and for rail transport this is based on tonne.km.

Business travel by air

- We have gathered Group data on business travel by air since 2008/09.
- Actual passenger-km travelled for short-haul, medium-haul and long-haul flights has been collected in our UK operations (from 2009/10), Brico Dépôt France (from 2014/15) and Castorama Russia (from 2010/11 [excl. 2013/14]). For operating companies that do not have data on passenger-km, we collect 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, 1108 km medium-haul, 6482 km long-haul). We do not 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 8).
- The data is generally obtained 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.
- We have collected data separately for company cars, hire cars and non-company cars from 2012/13. See our Sustainability Report Data Appendix for details of the scope of the data.
- This covers travel by employees for business purposes. 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.
- 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 or fuel use from hire car records.

Water

- Our property water data covers water use in stores (from 2006/07) as well as water use in offices and other buildings such as 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. 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 on an appropriate extrapolation approach. An example of this is estimating actual expenditure or usage based on an equivalent sized store. Properties with 100% estimated data account for around 10% of our total consumption.
- We have reported store water efficiency measured relative to 'reported' floor space (litres/m^2) from 2010/11. See the energy section (page 7) for further details about the 'reported' floor space.

Peat

- We report data for B&Q UK on percentage of 'bagged' growing media which consist of alternative materials to peat.
- 'Bagged' growing media include bags and containers of compost, mulches, soil improvers and additives, as well as growing bags.
- Examples of alternative materials to peat include green waste, bark, coir, and wood fibre.