

One Planet Living[®] at B&Q

Progress against targets in 2010



BioRegional

solutions for sustainability

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“ B&Q continue to lead and
set the standard for other
businesses to follow ”

Sue Riddlestone

Executive Director of BioRegional



Message from Sue Riddlestone

Executive Director and co-founder of BioRegional

B&Q continues to be one of our leading partners in the One Planet initiative and we were delighted to see that B&Q's commitments to sustainability were recognised in some major awards including Observer Ethical Business 2010 and the Sunday Times Top 60 Best Green Companies.

With a target of a 90% carbon footprint reduction by 2023, a key focus of our review is whether B&Q has made further progress towards this ambitious target. Investments in lighting upgrades, recycling and transport initiatives continue to help with reducing their carbon footprint, which is now 20% lower in absolute terms compared to emissions in 2006. A big challenge B&Q continue to face is how to reduce heating emissions, as like many homes and businesses in the UK, B&Q faced an increased demand for gas and other heating fuels over the cold winter we experienced in 2010.

But of course One Planet Living is about much more than reducing carbon emissions. Looking after woodlands has been at the heart of BioRegional's work and approach to sustainability since our inception in 1992. It is clear that that B&Q has worked tirelessly over the past 20 years to ensure that it only buys timber from responsible sources and in 2010, achieved 100% compliance with their sustainable timber policy. We now look forward to working with B&Q on specific initiatives to support sustainable management of UK woodlands.

The One Planet initiative is about everyone making a commitment to leading a more sustainable lifestyle and we were excited to see over 6,000 employees at B&Q take part in the One Planet Home Employee Engagement programme. B&Q also continues to help its customers to create One Planet Homes with over 5,500 One Planet Home products now available in stores, all of which have been verified by BioRegional.

Next year is another milestone for the One Planet initiative with the Rio +20 Earth Summit. We are working on a campaign to use the experience and insights of BioRegional, B&Q and other one planet partners to support the delivery of a positive outcome from Rio+20 that would help to re-set the world on a trajectory towards one planet living. Over the next year, we hope that B&Q will continue to make great strides towards becoming a One Planet Company and inspire others to take action.



Sue Riddlestone

Executive Director of BioRegional,
Co-founder of the One Planet Living initiative

Summary of B&Q's One Planet targets and commitments

Using the One Planet Living framework (see Appendix 3), BioRegional partnered with B&Q in 2007 to develop a detailed sustainability action plan. The tables on pages 6 and 7 summarise the company's key targets and commitments in the short and longer term. In addition, B&Q has incorporated its commitment to One Planet Living into its Social Responsibility Policy which is signed and approved by the Board every year. The One Planet Living framework which consists of 10 principles, along with One Planet Home[®] products which is an additional aspect of the programme for B&Q, has been split into three key areas of impact and influence:

- business operations
- products and materials
- customer, staff and employee engagement

In addition, B&Q has an overarching target for achieving a Sustainable Carbon Footprint. Further short term targets are developed year-on-year as the programmes evolve. All percentage reduction targets are absolute reductions set against their 2006 baseline unless otherwise stated.

Sustainable Carbon Footprint

- Reduce B&Q's carbon footprint from energy, waste, transport and water by 90% by 2023
-

Business Operations

Zero Carbon	<ul style="list-style-type: none">• Reduce electricity use in line with CO₂ reduction target of 20% by 2012• New stores zero carbon by 2012• Zero carbon across existing estate by 2023 in line with 90% target
Zero Waste	<ul style="list-style-type: none">• 90% of waste by weight generated reused, composted or recycled by end 2012 onwards• 50% reduction in waste to landfill¹ by 2012• No more than 2% of 2006 tonnage sent to landfill by 2023
Sustainable Transport	<ul style="list-style-type: none">• 3% reduction in CO₂ from logistics (in 2010, against 2009)• 50% cut in the number of flights within Great Britain by 2012• 50% CO₂ reduction across business travel and haulage by 2023
Sustainable Water	<ul style="list-style-type: none">• Undertake best practice assessment of water use across the store estate by end of 2010• 10% reduction in water usage/ m² by 2012 (against 2007/08 baseline)• Develop a water footprinting strategy for B&Q's supply chain by end of 2011

1. Against 2007 figures – WRAP Home Improvement Sector Commitment

To better align with B&Q's business, some changes have been made to how the One Planet Living framework is being applied. Sustainable Packaging has been introduced as a new specific one planet principle for B&Q as it represents such a significant area of impact for the business and needed its own emphasis and targets. With food only forming a small part of B&Q's purchasing, the Local and Sustainable Food principle has been removed. Details on progress towards more local and sustainable food sourcing have been incorporated into B&Q's wider commitments to reduce the impacts of Goods Not For Resale under Sustainable Materials.

Products and Materials

Sustainable Materials	<ul style="list-style-type: none"> • Introduce supplier assessment procedure for Goods Not for Resale. Top 250 vendors (by spend) assessed by January 2011 • Work with partners to reduce the chemical impact of products in the home • Assess the full carbon impact of B&Q's supply chain through TBL2 analysis
Sustainable Packaging	<ul style="list-style-type: none"> • Reduce packaging on B&Q own and exclusive label products by 15% by 2012 (from a 2007 baseline) • Make all own-label packaging recyclable by 2013 • Increase recycled content of own brand packaging to 75% by 2013
Natural Habitats and Wildlife	<ul style="list-style-type: none"> • Obtain Full Membership of the Growing Media Initiative (55% peat dilution) by end of 2010 • Ensure that 100% of timber bought is compliant with stated policy – legal, sustainable with full chain custody by end of 2010
One Planet Home® Products	<ul style="list-style-type: none"> • Launch Eco Advisor training in 2010 • Deliver £1 million PAYS retrofit pilot by May 2011 • Introduce new products to the range that will enable customers to reduce their footprint by 10% by 2023

Community, Customer and Staff Engagement

Culture and Community	<ul style="list-style-type: none"> • Recruit 500 schools to Job Done! in UK and 50 in ROI • Re-launch community strategy in 2010 with a focus on youth • Re-launch community grants in 2011
Equity and Fair Trade	<ul style="list-style-type: none"> • Launch vendor webinar sessions in 2010 to engage suppliers in B&Q's One Planet Home® commitments • By end of 2011 all own brand vendors will be using SEDEX • All B&Q vendors to achieve Grade C and above by 2023
Employee Engagement	<ul style="list-style-type: none"> • Maintain/improve participation in employee engagement survey and in engagement levels (minimum target of 4.15 and 80% participation) • Ensure all staff are aware of the One Planet programme and have opportunities to become actively engaged • Invest in opportunities for training and upskilling for staff



B&Q's carbon footprint

B&Q's long term target is to reduce CO₂ emissions by 90% by 2023 (based on 2006 emissions). Figure 1 illustrates the activities that make up B&Q's carbon footprint and how this has changed compared to the baseline year of 2006. In 2010, there was an absolute reduction of 20% CO₂ against the 2006 baseline.

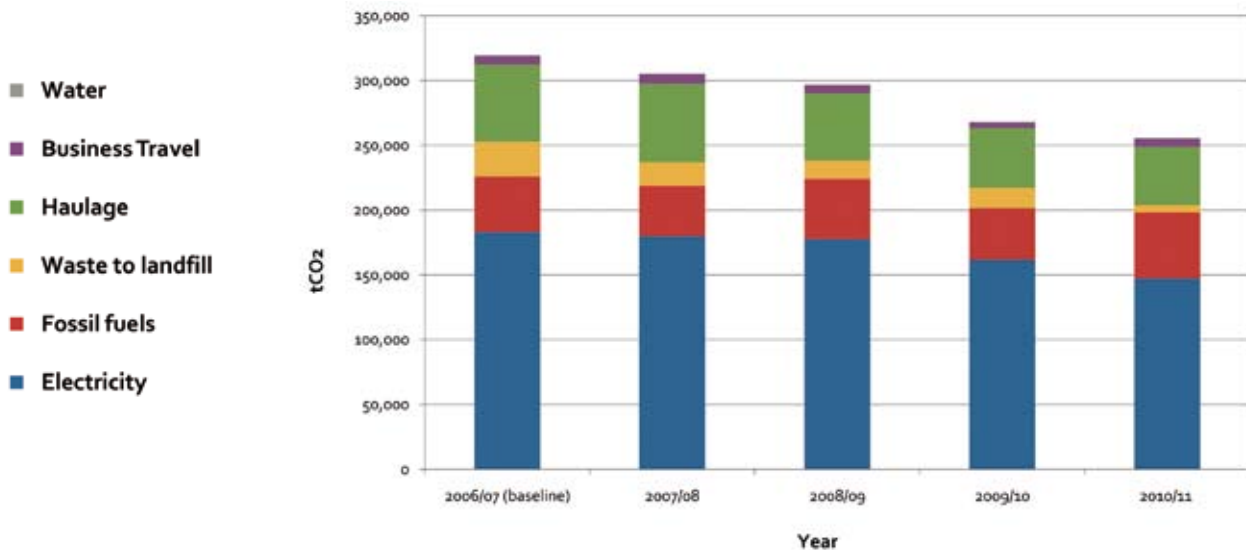


Figure 1: B&Q's carbon footprint from 2006 to 2010

Carbon dioxide footprint has been calculated using Defra's Guide To Company Reporting 2010. Emissions from waste to landfill use a conversion factor derived by Enviros from Warm v8 study. All figures are CO₂ in line with previous reporting. However conversion factor for water is CO₂eq. as CO₂ alone is not included in the DEFRA guidance.

For a breakdown of Scope 1, 2 and 3 emissions and the carbon footprint reporting boundary please refer to Appendix 1, along with details of the impacts of offices and distribution centres in Appendix 2.

Summary of progress

BioRegional continues to be impressed by the overall progress that has been made by B&Q to deliver one planet living across many areas of the business. We are pleased to see that a further absolute reduction in B&Q's carbon footprint has been achieved with an overall reduction of 20% in CO₂ emissions compared with 2006. This has primarily been due to:

- ▶ 20% reduction in CO₂ from electricity
- ▶ 80% reduction in CO₂ from waste to landfill (and an 80% recycling rate)
- ▶ 24% reduction in CO₂ from retail haulage and home delivery

Progress has been less significant on business travel with only a 7% CO₂ reduction and this is partly due to more accurate reporting this year of fuel used by company cars. However in addition, no initiatives were put in place to help reduce the need for business travel by car and plane. There was some progress made in developing a strategy for reducing domestic flights and in 2011, Head Office are looking to trial an onsite ticket machine to make it quick and easy for staff to purchase train tickets.

One area where CO₂ impacts increased significantly against the baseline was from gas and oil used for store heating. The increase of 20% against 2006 usage levels can be attributed to the very cold winters we experienced in the UK at the beginning and end of 2010. Plans are in place to develop computerised models in 2011 to investigate the effectiveness of retrofitting measures such as building lobbies onto store entrance to reduce heat loss.



Across the rest of the One Planet Home® programme, key successes in 2010 included:

- ▶ 100% compliance with the sustainable timber policy
- ▶ 865 schools participating in the Job Done! programme (by 31 January 2011)
- ▶ Launch of the One Planet Home® employee engagement programme with over 6,000 registered participants
- ▶ 5,500 One Planet Home® products have now been accredited by BioRegional to help customers reduce the impacts of their homes

B&Q's commitments to sustainability were recognised in some major awards including Observer Ethical Business 2010 and B&Q was listed in the Sunday Times Top 60 Best Green Companies.

This report explains whether B&Q are on track to meet headline targets, the main activities that took place in 2010 and plans for the programme over the coming year.

Key to performance against targets	
✓✓	Target exceeded or on track to be met ahead of deadline
✓	Target met or on track
✗	Target not met or off track





Zero carbon

Performance against targets	
✓✓	Reduce energy use in line with CO ₂ reduction target of 20% by 2012
✓	New stores zero carbon by 2012
✓	Zero carbon across existing estate by 2023 in line with 90% target

Key activities and achievements in 2010

- ▶ Invested £2.3 million in lighting upgrades for 39 stores.
- ▶ Absolute reduction in CO₂ from store energy use of 12% compared to the 2006 baseline.
- ▶ Played a leading role in the provision of support to government to develop the Green Deal following the successful PAYS pilot with the London Borough of Sutton.

Plans for 2011

- ▶ Trial measures to reduce heat loss for example building lobbies onto existing stores and thereby reducing gas consumption.
- ▶ Further investment in lighting upgrades with £2.9m already approved to spend on lighting upgrades in 25 stores including installing energy efficient lighting and new lighting controls.
- ▶ Develop concept for zero carbon store and identify suitable offsite renewable energy supply that could be secured to meet any residual demand.



Summary of review

Electricity use accounts for 60% of B&Q's carbon footprint in 2010 and as such, initiatives to reduce electricity use from store lighting have been fundamental in seeing B&Q meet their interim carbon footprint reduction target of 20% ahead of 2012. During 2010, an investment of £2.3 million was made to upgrade the lighting in 39 stores - anticipated to save around £0.9 million annually. Lighting levels were also reduced from 600 to 500 lux in 48 stores. These initiatives have helped to cut store electricity consumption by 9% over the past year and 20% since 2006.

An electricity monitoring system is in place which compiles data from half-hourly meters. Monthly performance league tables are sent to regional managers to encourage improvement. B&Q has been preparing to install a similar monitoring system for gas usage which they hope to roll out across the store estate in 2011. This will help to track gas usage and highlight opportunities for potential gas savings. B&Q hope to curb the recent increase in gas use by trialling measures that aim to reduce heat loss such as building lobbies onto store entrances.

B&Q continues to explore solutions for achieving zero carbon for the existing estate and new stores. B&Q is keen to ensure that any investments made in both energy efficiency and renewable energy generation achieve the greatest carbon saving possible. B&Q therefore continues to monitor changes in government policy for example the level of Feed In Tariff available to commercial organisations as this will impact on B&Q's strategy for investment in renewable energy technologies such as solar PV.



Zero waste

Performance against targets	
✓	By 2012 at least 90% of waste by weight reused, composted or recycled
✓✓	50% reduction in waste to landfill ² by 2012
✓	No more than 2% of 2006 tonnage sent to landfill by 2023

Key activities and achievements in 2010

- ▶ CO₂ emissions from waste reduced by 80% against the 2006 baseline.
- ▶ B&Q now only sends 18% of waste to landfill (80% recycled and 2% incinerated).
- ▶ General skips removed from 196 stores and replaced with 1,100 litre wheelie bins alongside segregated recycling.

Plans for 2011

- ▶ Continue to remove general skips from the store estate.
- ▶ In early 2011, B&Q UK will be trialling recycling of all hard plastics.



Summary of review

There has been a significant improvement in store waste recycling rates this year, increasing from 50%³ in 2009 to 80% in 2010. B&Q is therefore on track for meeting the 90% target by the end of 2012, possibly even earlier. B&Q has also already exceeded its WRAP target of reducing waste to landfill by 50% against 2007 levels with a 70% reduction in waste to landfill over the past three years.

The improved recycling rate has been helped by B&Q's move to a new waste contractor. More than half the stores are now skip free and many of the recycling streams are being used correctly by employees; the amount of timber being recycled for example has doubled since 2006. During 2010, 170 stores received a waste review to understand individual store waste practices and identify areas for improvement. A league table which ranks individual store recycling rates is now produced on a quarterly basis and is used to help target areas for improvement.

BioRegional is still keen to ensure that B&Q looks to reuse products and materials in preference to recycling. BioRegional assisted B&Q's exhibition team at Start by re-homing key exhibition materials from the two week event to the EcoTech centre in Norwich. Here they have become permanent exhibitions that encourage people to take action to reduce the impacts of their home such as insulating their lofts.

Many B&Q stores already donate paint and other products to local schools and communities. Nursling store in Southampton has a direct link into Freemantle School, which is the first carbon neutral school in Hampshire. B&Q's Learning and Development team also uses waste products from the back of store (paint, timber, ceramics etc.) to train store staff on basic DIY. It would be helpful for B&Q to try and capture the quantities of products being sent for reuse to include as part of their reuse and recycling rate.

2. Against 2007 figures – WRAP Home Improvement Sector Commitment

3. Last year's figure of 56% included some assumptions around arisings from the DC which have now been rectified. Only store waste is reported in this section



Sustainable transport

Performance against targets	
✗	50% cut in number of flights within Great Britain by 2012
✗	3% reduction in CO ₂ from logistics (in 2010, against 2009)
✓	50% CO ₂ reduction across business travel and haulage by 2023

Key activities and achievements in 2010

- ▶ 22% reduction in CO₂ from transport, compared to 2006 baseline.
- ▶ Further 165 double deck trailers introduced (now 275 in total or 38% of curtain side trailers).
- ▶ Fleet replacement programme to change to Euro 5 engine.

Plans for 2011

- ▶ Southern DC to be fully operational by end of 2011.
- ▶ Broaden scope of domestic flights strategy to include all business travel and look to trial initiatives to reduce travel by car and plane.



Summary of review

BioRegional is pleased to see further reductions in B&Q's CO₂ footprint from logistics. Whilst B&Q did not achieve its 3% year-on-year target, a small reduction was achieved even in the face of a 4% increase in the volume of products delivered over the past year compared to 2009. Against the 2006 baseline, B&Q has now achieved a 24% reduction in CO₂ emissions from logistics (excluding business travel). The largest reductions have come from retail network haulage with a further increase in double deck trailers and a range of other ongoing measures to improve fleet efficiency including use of route planning software, speed restrictions, and driver training on fuel-saving techniques. To reduce the impact of home deliveries, B&Q has started to roll out a new consolidated delivery service for bulky products such as cement and paving slabs, following a successful trial in 2010.

The significant reduction in company car travel of 33% in 2009 has now fallen to just a 7% reduction. This is due to the introduction of fuel cards which allow B&Q to capture diesel use directly and therefore more accurately, rather than through an expenses system which in the past will not have captured all journeys. Air travel is an area where we have seen an increase in the number of flights being taken compared to 2006. In 2010, BioRegional developed a strategy for reducing domestic flights by 50% by 2012 which included shifting 32% of flights to rail for shorter journeys and meeting the remainder of the target through a switch to video conferencing.

BioRegional is impressed by the long term strategic planning that has been undertaken by B&Q's logistics team to understand how the 50% reduction in CO₂ could be achieved, hopefully ahead of 2023. B&Q are building a new distribution centre (DC) in Swindon with projected savings of 14% CO₂ when fully operational. Further savings are expected to be made through the introduction of biomethane fuel to HGVs and the use of diesel hybrid light commercial vehicle technology, both of which B&Q is looking to trial in 2011.



Sustainable materials

Performance against targets	
✓	Introduce supplier assessment procedure for Goods Not for Resale. Top 250 vendors (by spend) assessed by January 2011
✓	Work with partners to reduce the chemical impact of products in the home
✓	Understand the full carbon impact of B&Q's supply chain through a scope 3 analysis

Key activities and achievements in 2010

- ▶ Top 250 Goods Not for Resale suppliers now assessed through GNFR supplier assessment.
- ▶ TBL2 analysis is complete and reveals B&Q's total carbon footprint to be over 3 million tonnes CO₂ equivalent per annum.
- ▶ Mass of VOCs contained in own brand paints reduced by 3%.

Plans for 2011

- ▶ Ongoing collaborations with suppliers, universities and other research bodies to increase the proportion of sustainable materials in Goods For Sale and Goods Not For Resale.
- ▶ Further carbon footprinting analysis of high impact areas in B&Q's supply chain, informed by TBL2 analysis.



Summary of review

With around 3,000 suppliers of Goods Not For Resale, the priority for 2010 was to ensure that the top 250 suppliers (by spend) were assessed as these represent the most significant impact in relation to GNFR. In total, 254 suppliers have now been assessed. Whilst no concerns were raised during this process, the assessment is not yet as well developed or stringent as the Goods For Sale assessment procedure. The ambition for the next three years is to ensure that the supplier assessment for Goods Not For Resale is as stringent and thorough as Goods For Sale.

As part of B&Q's DIY Detox policy, B&Q continues to collaborate with a number of research bodies to develop new products. This work focuses primarily on reducing VOC levels in products such as paint and decorative sundries, and on reducing chemicals in the internal environment. B&Q is working hard to bring in an innovative alternative to white spirit which achieves a significant reduction in VOC levels.

With food only forming a small part of B&Q's purchasing, this has been incorporated into B&Q's wider commitments to reduce the impacts of Goods Not For Resale. B&Q now provides free-range eggs on request and has set up a Local and Sustainable Food notice board in the Head Office canteen which displays seasonal food and producer information. B&Q's Facilities Contracts Manager Julie Clarke was also one of five B&Q Eco Heroes of 2010, commended for her commitment to environmental issues both at work and home.

In early 2011, BioRegional completed the first full Scope 1, 2 and 3 carbon footprint analysis of B&Q using the software TBL2. This has calculated B&Q's total carbon footprint to be 2.5 million tCO₂ (3.11 million tCO₂eq). Of this, 22% is due to the purchase of Goods Not For Resale.

B&Q has also been evaluating opportunities to 'close the loop', identifying what waste is generated by B&Q's business operations and where it might be turned into useful materials or products.



Sustainable packaging

Performance against targets	
✗	Reduce packaging on B&Q own and exclusive label products by 15% by 2012 (from a 2007 baseline)
✓	Make all own-label packaging recyclable by 2013
✓	Increase recycled content of own-brand packaging to 75% by 2013

Key activities and achievements in 2010

- ▶ On-pack recycle label now on 16,000 own-brand products.
- ▶ Introduced reusable transit packaging for long kitchen items – predicted to save 400 tonnes cardboard per annum.
- ▶ Identified opportunities to reduce packaging in key categories over the next three years to reduce cube, freight and handling costs and remove non-recyclable elements wherever possible.

Plans for 2011

- ▶ There will be a continued emphasis on paint packaging during the next two years to introduce recycled content and facilitate greater recycling within the UK.
- ▶ Continue to deliver the packaging reduction programme over the next two years. Key areas for 2011 are fires, lighting, bathrooms and showers.



Summary of review

B&Q UK is working to make packaging easier for customers to recycle through increased use of materials that are widely recycled. It is also rolling out a new retail industry on-pack recycling label for packaging, which was launched by the British Retail Consortium (BRC) with support from WRAP (Waste Resources Action Programme). This is designed to encourage recycling by providing easy-to-understand and recognisable symbols for customers – avoiding potential confusion that can arise from different types of recycling labels. To date over 16,000 own brand products have been labelled.

B&Q's packaging team is continually looking for ways to reduce packaging volumes. The use of reusable Carrierpacs for kitchen worktops (introduced in 2008) has led to annual savings of more than £1 million on packaging costs and around 1,200 tonnes of cardboard. During 2010, the company also introduced a new reusable transit pack for long kitchen items (e.g. plinths and cornices) which is expected to save around 400 tonnes of cardboard waste per annum. They continue to look at ways of using closed loop systems within the supply chain.

One of the main challenges B&Q faces is reducing the weight of own-brand packaging by 15%. In recent years, there has been an increase in own-brand packaging. This is not due to extra or excessive packaging of products, but in fact due to B&Q shifting more products into own-brand ranges. As a consequence, more of the packaging weight is classified as own-brand. To tackle the weight and volume of packaging used for B&Q products, two product categories B&Q's packaging reduction programme focussed on in 2010 were Bathroom Accessories and Kitchen Taps. By redesigning the packaging, B&Q has reduced the overall volume of each packaged product by an average of 27% and 50% respectively.



Sustainable water

Performance against targets	
✓	Undertake best practice assessment of water use across the store estate by end of 2010
✗	10% reduction in water usage/ m ² by 2012 (2007 baseline)
✓	Develop a water footprinting strategy for B&Q's supply chain by end of 2011

Key activities and achievements in 2010

- ▶ Water use best practice report completed and guidance sent to store garden centres.
- ▶ Embedded water study of B&Q products completed by Waterwise.

Plans for 2011

- ▶ Share best practice water use with stores and consider setting store specific targets.
- ▶ Develop water footprinting strategy.
- ▶ Ongoing consideration of the rollout of smart metering.



Summary of review

There has not been a significant change in water use over the past year and water use is still higher than the 2007/08 baseline. B&Q has however achieved a 2% reduction in water used per m² of internal sales space. With only another year to achieve the 10% reduction target, BioRegional view this target as off track unless plans are developed to demonstrate how B&Q plans to reduce water use by a further 8% over the coming year.

Using a questionnaire to understand how water is used across the store estate, BioRegional produced a detailed set of best practice guidance and recommended targets. This work was used as a basis for guidance on watering plants which was sent to horticulture teams in early 2011. B&Q is also exploring how leak detection could be undertaken by customer advisors in the plumbing department. BioRegional would like B&Q to explore the possibility of setting store specific targets for water reduction, providing this does not inadvertently cause an increase in plant stock loss. BioRegional's research showed that by achieving standard water use across the store estate, B&Q could reduce water use by 12% and good practice could reduce water use by 31% (against 2009 use).

Rainwater harvesting is now present in five B&Q stores and is a standard feature of any new store build going forward. It has also been incorporated into B&Q's new head office building, due to open in summer 2011.

Waterwise has completed some initial work to understand whether B&Q sources any products from areas of water stress. The next step for BioRegional and B&Q is to understand whether any of the products require a significant amount of water in their manufacture and therefore exacerbate water stress in these areas. BioRegional will work on a strategy for water footprinting during 2011.



Natural habitats & wildlife

Performance against targets	
✓	Obtain Full Membership of the Growing Media Initiative (55% peat dilution) by end of 2010
✓	Ensure that 100% of timber bought is compliant with stated policy – legal, sustainable with full chain custody by 2010
✓	Promoting land and wildlife through customer engagement

Key activities and achievements in 2010

- ▶ All timber products sourced from proven well-managed sources or recycled sources from February 2011.
- ▶ Launch of Forest Friendly campaign to highlight the importance for people to check the sustainability credentials of timber before they buy.
- ▶ B&Q obtained Full Membership of the Growing Media Initiative.

Plans for 2011

- ▶ Support UK woodlands through direct funding and supporting woodland products.
- ▶ Work towards achieving a peat dilution of 65% by 2013.



Summary of review

With over 16,000 products made from or containing wood, B&Q UK is now the first major retailer to buy all timber products from proven responsible sources. Following a 20-year campaign, it has now fully completed the transformation of its supply chain – sourcing all of its timber products from proven well-managed sources or recycled sources from February 2011.

In 2010, B&Q launched its Forest Friendly campaign to highlight the importance of people checking the sustainability credentials of timber before they buy, to help preserve endangered species and habitats and to ensure local communities are prosperous and protected.

Towards the end of 2010, DEFRA published a consultation on proposals to phase out the horticultural use of peat by amateur gardeners in England by 2020. B&Q submitted a response to this. A key aspect of DEFRA's proposal is their recommendation for a voluntary commitment. However BioRegional and B&Q agree that in order to create a level playing field legislating for a transition away from peat in growing media is the preferred outcome. This assurance will allow the growing media industry to invest in the new infrastructure required to supply alternatives to peat.

BioRegional recognise that B&Q alone will be unable to change their bagged media to 100% peat free as the whole industry must move in the same direction. B&Q's current level of peat dilution is 57% for bagged media and there is an interim commitment to achieve a peat dilution of 65% by 2013 in line with their full membership requirements under the Growing Media Initiative.

During 2010, a campaign was run to promote gardening and Grow Your Own products, in partnership with Britain's gardening TV presenter, Alan Titchmarsh. Throughout the growing season regular expert tips and advice from Alan were featured in a range of in-store leaflets, promotional materials and online coverage. BioRegional also developed content for a wildlife gardening leaflet which is due to be published by B&Q in 2011.



Culture and community

Performance against targets	
✓✓	Recruit 500 schools to Job Done! in UK and 50 in ROI
✓	Re-launch community strategy in 2010 with a focus on youth
✓	Re-launch community grants in 2011

Key activities and achievements in 2010

- ▶ 865 schools participating in the Job Done! basic skills educational programme.
- ▶ One Planet Living e-learning module completed by 6,439 store staff and 86 head office staff in 2010. The module has now been completed by over 11,700 staff.
- ▶ One Planet Living Grants awarded to 490 projects in 2010.

Plans for 2011

- ▶ Update One Planet Home® e-learning module in 2011.
- ▶ Re-launch in-store environment champions programme.



Summary of review

One Planet Living Grants were available again in 2010 for a final year. A total of 490 grants were awarded in 2010, a 25% increase from 2009. The most popular category was 'Grow Your Own', with 247 grants awarded in this theme. The company's grant programme was re-launched in early 2011 and now offers product donations as well as access to in-store skills and support, through a grant process, to support projects nominated through charity partners UK Youth and Youth Work Ireland.

B&Q UK recognises that the younger generation is not learning DIY skills in the way previous generations used to. Following a trial in 2009 B&Q launched Job Done! in 2010 to help address this skills gap. The programme is aimed at 11-14 year olds and centred around six units: Fix it!, Build it!, Decorate it!, Grow it!, Health & safety and Rethink it! Each unit contains specific tasks, lesson plans and activities created by design and technology experts, to help teachers deliver on the national curriculum and get their students enthusiastic about getting the Job Done! The Rethink It! module was added in March 2011. It offers two stimulating and educational digital games and useful links to inform and inspire students about sustainability.

By 31 January 2011, there were 865 schools participating in the programme across the UK and Republic of Ireland and more than 90 school visits had taken place in B&Q stores where students completed the Decorate it! unit.

In 2010, B&Q also became one of the four founding partners of the Ellen MacArthur Foundation, which aims to inspire people to re-think, re-design and move society towards a circular economy. B&Q will be working with the foundation to support their educational aims. One of the longer term goals of the partnership is to re-think the way products are currently made and disposed of. As part of the partnership, B&Q will be setting up a new Junior B&Q Board in 2011 (comprised of 16 to 18 year olds) to engage with young people on how to build a more sustainable future. The members will be tasked with looking at solutions to specific sustainability challenges faced by the business.



Equity and fair trade

Performance against targets	
✓	Launch vendor webinar sessions in 2010 to engage suppliers in B&Q's One Planet Home® commitments
✓	By end of 2011 all own-brand vendors to use SEDEX
✓	All B&Q vendors to achieve Grade C and above by 2023

Key activities and achievements in 2010

- ▶ 198 vendor/factory assessments were carried out against the environmental and ethical requirements of the B&Q UK vendor appraisal methodology (QUEST).
- ▶ 51 supplier companies participated in B&Q's new sustainability webinars.
- ▶ Over 260 suppliers are now linked to B&Q UK on Sedex.

Plans for 2011

- ▶ New vendor assessment process updated and in place by end of 2011.
- ▶ By end of 2011, 100% of Tier 1 own and co-branded B&Q products linked to B&Q on Sedex.



Summary of review

In 2010, 198 vendor/factory assessments were carried out against the environmental and ethical requirements of the B&Q UK vendor appraisal methodology (QUEST). These include 74 vendor desktop assessments, 50 vendor on-site assessments, eight production site audits (paid for by B&Q UK) and 66 factory audits. B&Q continues to work with suppliers to introduce them to Sedex, focussing on ensuring all tier 1 own-brand and co-branded vendors are linked to B&Q on Sedex by the end of 2011. This data exchange programme helps B&Q to access and manage data on labour practices in their supply chain. B&Q is also working with tier 2 vendors to ensure they also link to B&Q. However given the large size of the tier 2 supply chain, this work will continue beyond 2011.

As part of its One Planet Home® programme, B&Q UK is reviewing, benchmarking and evolving its vendor management programme to improve its effectiveness at promoting environmental and ethical standards through the supply chain. We acknowledge the challenges B&Q faces as it continues to address these issues further along the supply chain, particularly through projects such as the Quarry Working Group⁴. However, we would like to see further improvements to the levels of transparency and compliance against internationally agreed standards. We hope that the work B&Q is doing to improve the vendor management programme will start to address some of these concerns by clearly highlighting the extra due diligence in place in relation to high risk countries and industries.

In autumn 2010, a series of online seminars was launched to engage suppliers in the company's CR strategy. These addressed three themes – B&Q's overall CR plans, One Planet Home® products and the Forest Friendly initiative. During 2010, 51 supplier companies participated in one of the online seminars. This seminar programme will continue in 2011 to help ensure suppliers fully understand the One Planet Home® programme and their part in it.

4. The Forest Trust (2011) Quarry Working Group Available at: www.tft-forests.org/page.asp?p=7582 Accessed 09/05/2011



Employee engagement

Performance against targets	
✓	Maintain/improve participation in employee engagement survey and in engagement levels
✓	Ensure all staff are aware of the One Planet Home® programme and have opportunities to actively engage
✓	Invest in opportunities for training and up skilling for staff

Key activities and achievements in 2010

- ▶ 87% employees participating in Gallup 12 employee engagement survey with a World Class score of 4.3 out of 5.
- ▶ £1.6 million invested in improving the skills of store teams, including nationally recognised City & Guilds qualifications.
- ▶ 6,000 staff signed up to the One Planet Home® employee engagement program.

Plans for 2011

- ▶ Run One Planet Home® employee engagement programme in 2011, following success in 2010.
- ▶ Develop further employee engagement KPIs and targets for areas such as staff turnover and number of women in management.



Summary of review

A new One Planet Home[®] employee engagement campaign was launched in autumn 2010 to encourage employees to start creating their own One Planet Homes. The campaign focussed on ways to save energy and ran over a three-month period during which:

- ▶ Over 6,000 employees signed up for the campaign and received a free energy saving pack with an electricity monitor, standby saver and shower water saving device.
- ▶ Over 20% of the workforce shared ideas and many more interacted by voting for their favourite eco ideas and their eco heroes.
- ▶ Over 3,500 employees purchased enough loft insulation to fully insulate their lofts.
- ▶ The Eco Hero Awards programme saw five Eco Heroes rewarded for outstanding commitment to sustainability, in the workplace and at home.

In 2010, 87% of employees participated in the employee engagement survey and awarded an average score of 4.3, a further increase on the 2009 score. Within the survey, B&Q tracks employee attitudes towards its environmental commitment and achieved 4.54 out of 5 in November 2010 (up from 4.49 in 2009).

During 2010, B&Q UK invested a further £1.6 million in improving the skills of its store teams. More than 21,000 City & Guilds qualifications have been awarded to B&Q employees since the initiative began in 2009. B&Q UK is now the largest user of City & Guilds qualifications in the retail sector. B&Q's 12-month apprenticeship programme which, unlike most company apprenticeships, has no age restriction, saw a further 162 apprentices recruited to take part in the 2011 programme.

Flexible working can help staff achieve a good work-life balance. B&Q's approach goes beyond legal requirements because it allows flexible working requests from all employees (not just those with caring responsibilities). By the end of 2010, 62% of employees were on flexible working arrangements.



One Planet Home products

Performance against targets	
✓	Launch Eco Advisor training in 2010
✓	Introduce new products to the range that help customers to reduce their footprint by 10% by 2023
✓	Deliver £1 million PAYS retrofit pilot

Key activities and achievements in 2009

- ▶ Over 5,500 One Planet Home® accredited products available in store to help customers reduce the environmental impact of their homes.
- ▶ 1,250 B&Q Eco Advisors trained.
- ▶ B&Q now only sources domestic washing machines, dishwashers, electric cookers, fridges and fridge freezers that are classified as 'A' rated or above according to the EU energy standards.

Plans for 2011

- ▶ Develop a range sustainability rating to allow benchmarking of ranges and drive continual improvement in every range review.
- ▶ Devise and deliver a strategy for Green Deal activation with local authorities and national Government.
- ▶ Increase the visibility of One Planet Home® products in stores.



Summary of review

B&Q continues to work with its commercial teams to ensure that opportunities for expanding B&Q's range of eco products are maximised. In 2010, we saw the launch of:

- ▶ Carpet underlay made from 100% recycled clothing
- ▶ A combined toilet and basin unit which collects water used for washing hands and uses it for the next flush
- ▶ Recycled 'Home Eco' paint

A big part of B&Q's One Planet Home® customer engagement programme in 2010 was B&Q's participation in START, the Prince of Wales's initiative to inspire people across the UK to lead more sustainable lives. During 2010, a series of events were staged around the country to promote the positive steps people can take to make a difference, culminating at the two-week 'Garden Party to Make a Difference' at Clarence House in September 2010. B&Q created a series of eco installations for the event, designed to help bring to life actions people can take to reduce their environmental impact.

B&Q has also increased the visibility of its eco product range both online and in-store through the 'shop within a shop' concept. Online, the eco 'tab' adds a fifth category to B&Q's traditional product classification and directs customers to a wealth of information about B&Q's eco products along with seasonal eco tips and campaigns including Forest Friendly and START.

B&Q partnered with London Borough of Sutton, BioRegional and other stakeholders to deliver home energy retrofits to around 70 households in Sutton. B&Q worked with specialist companies to coordinate a home energy assessment and provide a whole house retrofit service from draught proofing and loft insulation through to solid wall insulation and installation of PV panels. The project has been an important learning curve, helping B&Q to prepare for the launch of Green Deal in 2012

Looking ahead

B&Q's One Planet Home® programme has gone from strength to strength and employee and customer engagement in the programme continues to rise. In a challenging economic climate, it is pleasing to see that B&Q has not lost its focus on the One Planet Home® programme and in fact is continually seeking to make a business case for the various sustainability initiatives being implemented as part of the programme.

In 2011, B&Q will continue to track progress on electricity use, recycling rates and transport fuel consumption through monthly Board meetings. With planned investments, a further carbon footprint reduction should be achievable beyond the 20% that has already been delivered. Whilst gas use is not yet reported on a monthly basis, B&Q do have trials lined up to identify where heat loss can be reduced, in an effort to reduce gas consumption. Business travel is an area where plans still need to be agreed if the 50% reduction in domestic flights is to be achieved within the next two years.

B&Q has made great progress to get its 'own house in order' and with a full carbon footprint analysis of their supply chain now complete, BioRegional will be supporting B&Q to develop specific programmes to improve environmental standards and in particular reduce the carbon footprint of B&Q's supply chain.

Key programmes already written into business objectives for 2011 which will continue to receive strategic and technical support from BioRegional include:

- ▶ Sustainable Materials: Developing a carbon reduction strategy to deal with carbon 'hot spots' in B&Q's supply chain, based on the TBL2 analysis.
- ▶ Sustainable Water: Developing a water footprinting strategy to address the impacts of water use in B&Q's supply chain.
- ▶ Culture and Community: Re-launching the environment champion programme to assist with initiatives that reduce the impacts of store operations for example achieving a 90% recycling rate by end of 2012.
- ▶ Equity and fair trade: Developing a new vendor assessment questionnaire and process.
- ▶ Employee engagement: Running the One Planet Home® employee engagement programme.
- ▶ One Planet Home® products: Developing a range sustainability rating (RSR) to allow benchmarking of ranges and to drive continual improvement in every range review.

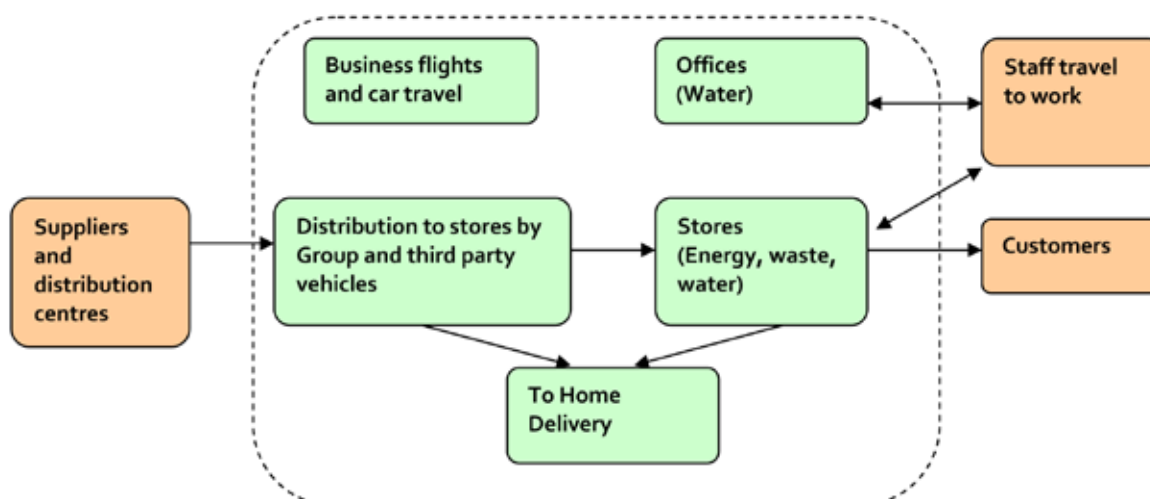
Appendix 1

B&Q's carbon footprint - scope 1, 2 and 3 emissions

<i>CO₂ emissions reporting</i>					
	Monitoring results				
	2006/07 (baseline)	2007/08	2008/09	2009/10	2010/11
Scope 1	tCO ₂				
Gas and oil consumption	42,958	38,935	46,565	40,026	51,302
Haulage: own / dedicated fleet deliveries from distribution centres to stores	43,936	46,114	38,364	33,301	33,124
Haulage: home deliveries by own / dedicated fleet	15,616	14,318	13,508	12,809	12,179
Company owned cars	2,028	1,440	1,200	910	2,676
Process emissions	not applicable				
Fugitive emissions	not applicable				
Total scope 1	104,538	100,807	99,638	87,045	99,281
Scope 2					
Purchased electricity	182,861	179,787	177,558	161,654	147,036
Total scope 2	182,861	179,787	177,558	161,654	147,036
Significant scope 3 (excl. supply chain)					
Business travel	4,648	6,118	5,289	3,577	3,544
Waste disposal	26,975	18,308	14,001	15,471	5,343
Water	454	408	407	415	452
Total significant scope 3	32,077	24,834	19,697	19,462	9,340
TOTAL FOOTPRINT	319,475	305,428	296,893	268,161	255,657
Progress towards 90% reduction target	Baseline	4%	7%	16%	20%

Measuring B&Q's carbon footprint

What we include in B&Q's carbon footprint:



Appendix 2

Offices and distribution centres

Whilst not part of B&Q's overall 90% carbon reduction target, the energy and water use in offices and energy data for distribution centres is included below. This data was not available in 2007 when B&Q's One Planet Living targets and commitments were established. B&Q does not capture water use or waste generated at distribution centres. Most of the waste generated at distribution centres is backhauled from stores and therefore allocated to the store waste figures.

B&Q Offices and Distribution Centres			
Activity	2008/09	2009/10	2010/11
	tCO ₂		
Zero Carbon	25,731	16,870	13,273
Office Electricity	5,464	4,468	4,012
DC Electricity	18,769	11,086	7,939
Office Gas	655	447	325
DC Gas	843	869	996
Sustainable Water	12	13	12
Office Water	4	4	4
Office Water effluent	8	9	8
TOTAL CO₂	25,743	16,883	13,285
Percentage reduction since 2008/09	Baseline	34%	48%
Additional information			
Percentage electricity from renewable sources	0%	31%	37%

Appendix 3

About One Planet Living

In 2001, BioRegional came up with a way of describing sustainability which has caught on around the world - "One Planet Living". Globally we are consuming 50 per cent more renewable resources every year than the planet can regenerate, with carbon emissions forming the largest component of this. If everyone on earth consumed as much as we do in Europe we would need three planets to support us. If everyone lived an American lifestyle we would need five planets.

Working with partners we've developed inspiring, real life examples of sustainable communities and businesses which show one planet living in practice. From this experience we've developed a simple approach and sustainability framework based on ten principles, which enables others to implement one planet living.

The one planet living framework is being formally used in projects and initiatives in 12 countries: Australia, Canada, China, France, Greece, Ireland, Mexico, Portugal, South Africa, UK, United Arab Emirates and USA. An on-line toolkit, available since 2010, has been used in at least 40 other countries.

Zero carbon	making buildings more energy efficient and delivering all energy with renewable technologies
Zero waste	reducing waste, reusing where possible, and ultimately sending zero waste to landfill
Sustainable transport	encouraging low carbon modes of transport to reduce emissions, reducing the need to travel
Sustainable materials	using sustainable and healthy products, such as those with low embodied energy, sourced locally, made from renewable or waste resources
Local and sustainable food	choosing low impact, local, seasonal and organic diets and reducing food waste
Sustainable water	using water more efficiently in buildings and in the products we buy; tackling local flooding and water course pollution
Land use and wildlife	protecting and restoring existing biodiversity and natural habitats through appropriate land use and integration into the built environment
Culture and community	reviving local identity and wisdom; supporting and participating in the arts
Equity and local economy	creating bioregional economies that support fair employment, inclusive communities and international fair trade
Health and happiness	encouraging active, sociable, meaningful lives to promote good health and well being

B&Q Social Responsibility Policy 2010

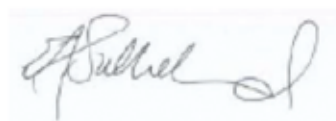
Our Vision: To be First and Only for Sustainable Home Improvement

At B&Q our vision is to be the number one choice for sustainable home improvement in the UK and Ireland. We are committed to fully integrating the principles of corporate social responsibility into our business practice and to meeting our legal obligations. We believe that in this way our Corporate Responsibility Strategy will create value for our business

Working with sustainability experts, Bioregional, we have developed our One Planet Home[®] Sustainability Action Plan, which identifies our key impacts and influence and sets out our plans to continuously improve the sustainability of our business. The key elements of the plan and our long term ambitions are summarised in the table below.

One Planet Principle	Our Ambition
Zero Carbon	To achieve zero carbon stores
Zero Waste	To reduce waste to landfill by 98%
Sustainable Transport	To reduce transport emissions by 50%
Sustainable Materials	To develop and use product buying standards to address and minimise the impacts of our products and services
Sustainable Water	To minimise the environmental impact of water use in our stores and operations
Natural Habitats and Wildlife	To understand and minimise the impact on natural habitats and wildlife of all our product and service categories
Culture and Heritage	To be a good neighbour in all the communities we serve
Equity and Fair Trade	To work with suppliers and partners who share our commitments and engage with our suppliers and stakeholders to find common solutions to sustainability challenges
Health and Happiness	To engage our employees as champions of sustainability, respecting and supporting the diversity of our stakeholders' cultures and lifestyles
One Planet Home Products	To make it easy for our customers to create more sustainable homes

This policy aligns our parent company Kingfisher's Future Homes strategy and has been adopted by the board of B&Q UK. The board will ensure that this policy and the commitments it contains are implemented and reviewed annually and that our progress is measured, reported and independently verified .



Euan Sutherland, Chief Executive Officer Kingfisher UK
August 2010

About B&Q

B&Q is the largest home improvement and garden centre retailer in the UK with 330 stores (321 stores in the UK and 9 in Ireland) employing around 30,000 people nationwide, more than a quarter of whom are over 50 years of age.

B&Q is part of Kingfisher plc, the world's third largest home improvement retailer with 840 stores in 10 markets in Europe and Asia. These include 60 B&Q stores in China, including B&Q Beijing, which is now the largest B&Q store in the world.

B&Q has a long heritage of social responsibility and environmental awareness. Its environmental achievements include developing a timber policy in 1991 and being a founding FSC member in 1993, and developing a policy to reduce and eliminate the use of peat by 2015. B&Q was also the first retailer to introduce a VOC labelling system on all paint in 1995 – now an industry standard, and the first to offer affordable, energy-efficient products to the domestic market in 2006.

For more information about B&Q please go to www.diy.com/aboutus

For more information about B&Q's social responsibility Key Performance Indicators, please see www.kingfisher.com, B&Q's parent company.

About BioRegional

BioRegional is an entrepreneurial environmental charity which initiates and delivers practical solutions that help us to live within our fair share of the earth's resources – what we call one planet living. Since 1992, the projects and companies which BioRegional has helped to establish have won 22 awards in the UK and six international awards for outstanding practice in our field.

From locally-sourced charcoal to the UK's first large-scale eco village, BedZED, we have demonstrated that it is possible to significantly reduce the impacts of the goods we produce, and the way we live and do business. We are also working with government to break down barriers to true sustainability across the public, private and community sectors.

BioRegional is working in partnership with a number of organisations in the UK and internationally through our exemplary 'One Planet' programme which shows in different ways how we can live happy, healthy lives within our fair share of the earth's resources. The goods and services we need in our everyday lives are a significant part of our impact on the planet and so aligning the way companies do business with the principles of One Planet Living is a critical part of our vision for a sustainable future.

BioRegional's relationship with B&Q started back in 1995 when BioRegional agreed a contract to supply B&Q stores with locally-sourced charcoal and firewood. Since 2007, BioRegional have been working with B&Q to reduce the impact of their company operations, and to help their customers achieve one planet living in the home through the One Planet Home® range, eco guidance for customers and a footprint calculator.



BioRegional

solutions for sustainability

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