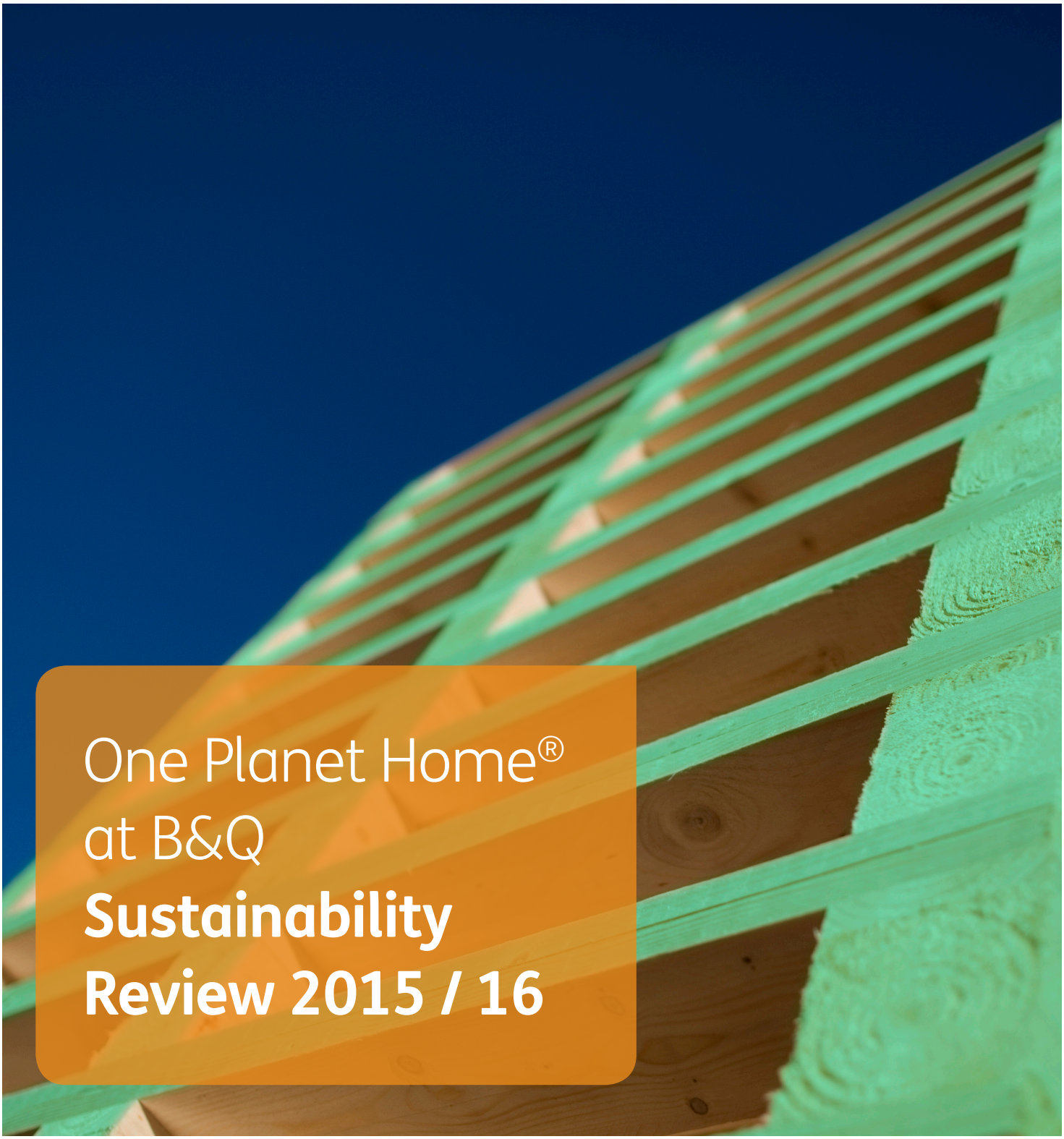
B&Q One Planet Home®



One Planet Home® at B&Q **Sustainability Review 2015 / 16**

ONE PLANET LIVING | An initiative by Bioregional

Introduction

Welcome to B&Q's One Planet Home® review 2015/16. This report is undertaken by Bioregional to review B&Q's progress against its One Planet Home commitments. The report highlights key achievements in 2015/16, along with areas where progress has been more challenging.

B&Q launched its multi-award winning sustainability programme One Planet Home in 2007 because it wanted to help customers achieve better, more sustainable homes while also recognising a need to 'walk the talk' in its own operations. It was developed in partnership with Bioregional and forms part of the global One Planet Living initiative which aims to enable people to live happy, healthy lives within the natural limits of the planet.

This year, B&Q's parent company Kingfisher began implementing its move towards more unified operations, and an increasing number of functions will be led by Kingfisher in the future. However, B&Q continues to deliver on its ambitious One Planet Home targets and share this best practice learning across the Kingfisher Group.

Sue Riddlestone, Chief Executive, Bioregional
Over the last nine years, B&Q has made impressive progress towards its ambitious One Planet Home targets. This annual review showcases how its dedication to sustainable retail continues with a number of prestigious awards, a ground-breaking green pallet scheme, significant energy savings and eco-product innovations. Challenges remain, however, with water efficiency proving especially difficult in 2015/16. As its parent company Kingfisher moves towards unified operations, B&Q's influence over product sourcing and other decisions will continue to evolve. We are pleased to see that it continues to ensure that its ambitious targets stay on track during this transition period.

B&Q continues to be recognised as a sustainability leader, winning a number of awards in 2015/16:

2degrees - Champions Award Winner 2015
- Innovation of the Year for easyGrow™

Edie Environment and Energy Awards 2015
- Sustainable Business of the Year

Garden Retail and Garden Industry Awards 2016
- Greenest Garden Centre Award

Helena Feltham, HR Director, B&Q
The continued effectiveness of the One Planet Home programme has again delivered a reduction in our carbon footprint and an improvement in our eco product sales. This has been recognised via a number of awards and we were particularly pleased to be named "Greenest Garden Centre" by Garden Retail and Garden Industry.

We are delighted at how our logistics teams and partners embraced the One Planet Home programme this year, using the ten principles to examine their impact and opportunities. Highlights from the logistics network include:
- Our distribution centres are now committed to achieving zero carbon
- Investment in PV arrays
- Maximising our own transport to manage our waste better
- Introduction of a revolutionary "Green Pallet Scheme"
- A strong and engaging community programme

As B&Q moves towards closer unification with our parent company Kingfisher, we look forward to sharing best practice learning from the One Planet Home programme across the group.

B&Q One Planet Home

33% carbon footprint reduction
compared to 2006/07 baseline

£141m
saved since 2006

108,000 tonnes carbon saved
since 2006/07 (9,000 tonnes in past year)

97% diversion
from landfill compared to 2006/2007 baseline

37% of sales
from products with sustainability credentials

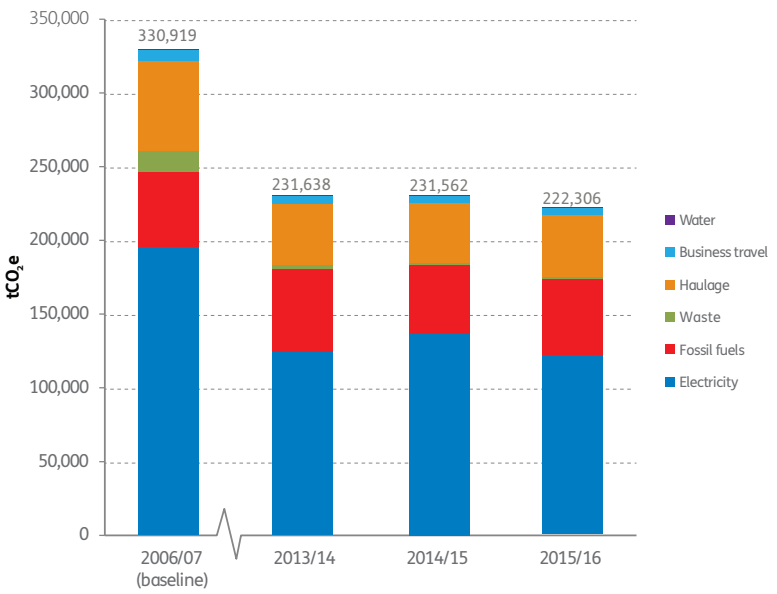
21,769 employees
completed sustainability training

Improvement in recycling
from 77% to 84%

3 Sustainability awards won

B&Q'S CARBON FOOTPRINT

A key overarching target of the One Planet Home programme is to reduce the carbon footprint of B&Q's operations by 90% by 2023. In 2015/16 B&Q achieved a further 4% year on year reduction, leading to a 33% CO_2e absolute reduction against a 2006/07 baseline. Emissions from purchased electricity have reduced by almost 37% since baseline, in part due to efficiency measures and renewable energy generation. However, other areas of the business, such as logistics, saw small increases in CO_2e due to fleet changes. This year, B&Q's carbon reporting has improved; waste data now includes emissions from recycling and incineration in addition to landfill, and emissions from distribution centres have been included in scope. Both changes have been backdated to the 2006/07 baseline.[1]



Since 2006/07

- **37%** reduction in emissions from property electricity
- **0%** change in emissions from property fossil fuels
- **30%** reduction in emissions from haulage
- **42%** reduction in emissions from business travel
- **89%** reduction in emissions from waste

How does B&Q's environmental performance compare to the retail sector?

We have compared B&Q's performance to participants of the British Retail Consortium's Better Retailing Climate (BRC) initiative[2] to give an indication[3] of how B&Q's environmental performance compares to leading UK retailers. In summary:

- B&Q has achieved an absolute emissions reduction from store energy use and haulage of 30% compared to an average saving of 19% by BRC initiative members
- B&Q achieved 97% diversion from landfill compared to 96% diversion from landfill by the retail sector

The One Planet Living initiative challenges its members to set ambitious, yet realistic targets, enabling members to deliver strong sustainability results and commercial value. Through setting bold targets B&Q's reduction in the impacts of energy, transport and waste has saved them an additional £42million compared to the savings that would have been achieved had they reduced their impacts at an equivalent level to others in the BRC initiative.

[1] Detailed data is published in the B&Q data appendix.which can be found at: http://www.diy.com/oneplanethome/
[2] The 2015 Progress Report can be found at: http://www.brc.org.uk/downloads/BRC_BetterRetailClimate_Report.pdf
[3] Reductions covered by the British Retail Consortium use a baseline year of 2005 and represent savings up to the end of 2014 FY. B&Q's figures use the baseline year 2006 and represent savings up to the end of 2015 FY. Comparisons are therefore indicative due to different time periods compared based on best available data.

One Planet Home
THE HISTORY

- Zero carbon
- Zero waste
- Sustainable transport
- Sustainable materials and products
- Sustainable packaging
- Sustainable water
- Natural habitats and wildlife
- Culture and community
- Equity and fair trade
- Employee engagement

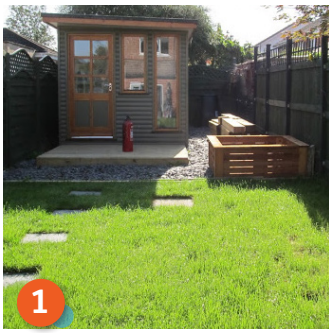
B&Q has a strong heritage of leadership in sustainability dating back to 1991; with market changing policies on product sourcing, employment practices and its strong community programmes.

In 2007 B&Q sought to harmonise and accelerate its approach to sustainability through use of the One Planet Living framework developed by Bioregional. Rooted in the science and metrics of ecological and carbon footprinting, the framework comprises ten One Planet principles to structure thinking and inform holistic action. It was used by B&Q to examine the sustainability challenges faced, develop appropriate solutions, and communicate progress to key stakeholders including colleagues, the supply chain, customers, and local and national government.

Over the last nine years, B&Q has continued to develop a range of initiatives structured by the ten principles. Sustainability is now embedded into many of B&Q's core functions ensuring that its energy use and transport, for example, continue to become more efficient. Ongoing engagement with buyers ensures that supply chain risks are minimised and innovative new products and services are continually sought to ensure customers can improve their homes sustainably.

This review aims to report the initiatives and progress that has occurred over the financial year 2015/16.

Over the last few years, B&Q has been responsible for a number of pioneering sustainable initiatives and eco-products, including the B&Q EcoHouse retrofit (1), a 95% peat-free bedding plant easyGrow™ (2), a flood protection range (3) and the Great British Bee Count (4).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2

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4

OVERALL **IMPACT**

37% electricity reduction against 2006/07 baseline (kWh)

7% gas saving against 2006/07 baseline (kWh)

£64m saved from carbon reduction initiatives since 2006/07

4.5 GWh renewable energy generated in 2015/16

Renewable energy

In 2015/16 B&Q installed two new solar PV arrays in a bid to increase its renewable energy generation. Solar panels with 1.3MWh generating capacity were installed on the Swindon Distribution Centre and the Cribbs Causeway store now has PV panels with a 241kWh generating capacity. B&Q plans to add PV installations to further stores and the Worksop Distribution Centre in the coming year.

LED lighting

LED lighting has been fitted in a further three stores, and it is now used in 8% of the B&Q estate. LED technology continues to evolve and a trial is underway at B&Q's Cardiff store to replace 'easy dim' lighting with a new plug-in LED lighting system. This option can be placed on existing panels so it is easier and significantly cheaper to install. If this trial is successful it will be rolled out to other stores over the coming year.

Store energy efficiency

Following an initial trial at Nursling store, the Measure-my-Energy system has now been set up in a further three stores: Peterborough, Slough and Sunderland. This system provides live data on the energy use of appliances and lighting, and outlines how much money is saved by more efficient management. So far this has resulted in energy savings of up to 16% at the stores where it is in use. It will be extended to further stores within the estate in 2016/17, and will be installed as part of all 'right-size' refurbishments going forward. B&Q has also continued its energy awareness engagement with store managers, producing league tables of the best and worst performers, providing practical tips on energy savings, and outlining the financial benefits of reducing energy consumption.

Zero waste

Reducing waste, reusing where possible, and ultimately sending zero waste to landfill

OVERALL **IMPACT**

4% reduction in total waste generation in 2015/16

84% recycling

97% diversion from landfill

£27.5m landfill tax saved since 2006/07

Reducing waste

B&Q is now at 3% waste to landfill, with all logistics sites already zero waste to landfill. Stores segregate waste into 30 different streams to aid and maintain diversion rates. With such strong progress made, B&Q is now working to understand how to address the remaining waste going to landfill, whilst looking for innovative solutions to difficult waste streams such as cured cement, treated timber and paint.

Customer returns

The launch of B&Q's partnership with iForce in September 2015 has dramatically reduced Waste Electrical and Electronic Equipment (WEEE), particularly in products returned by customers. In the past these products would potentially have gone to waste however they are now returned to iForce. Products are then either returned to the original supplier or sold through auction. This has both environmental and commercial benefits to the business: WEEE waste is reduced and the value of the returns is maximised. Furthermore, B&Q is more easily able to identify products which have recurring failures and therefore can inform improved buying decisions and product quality.

Hippo bag waste

Hippo bags are an alternative to the traditional skip (made from woven polypropylene); with Hippos recycling a minimum of 95% of waste collected. There has been a change in the Hippo bag collection process over the past year. Bags are now consolidated and backhauled from 69 stores for central collection at two Distribution Centres. This has simplified the process for stores and helped the company keep an eye on what is being disposed. Furthermore, it has minimised transport impacts and reduced the number of vehicles going into store yards.

Sustainable transport

Encouraging low carbon modes of transport to reduce emissions, reducing the need to travel

OVERALL **IMPACT**

30% reduction in haulage carbon footprint against 2006/07 baseline

42% reduction in business travel carbon footprint against 2006/07 baseline

£49.9 million in fuel costs saved since 2006/07

Changes to fleet

The drop in global oil prices over the past year has had a number of impacts. For B&Q, it meant that biomethane became financially and technically unviable. As prices of oil fell, demand for higher priced biomethane dropped and eventually supply diminished. As a result, B&Q has had to mothball its tank and switch back to a traditional fleet.
Euro 6 standard is the latest diesel engine emission legislation being implemented by the European Commission. It ensures lower levels of harmful pollutant emissions such as nitrogen oxide, carbon monoxide, hydrocarbons and particulate matter. Due to more efficient engines they are also expected to have lower emissions of carbon dioxide (CO_2). B&Q has introduced 50 Euro 6 standard vehicles, with another 50 set to replace older vehicles by June 2016. B&Q has not abandoned a return to dual fuel; the new vehicles have the compatibility to accept dual fuel should biomethane become a viable option again in the future.

Road to rail

The B&Q fleet will be streamlined and reduced over the coming years with a renewed focus placed on efficiencies. In 2015/16 B&Q increased the proportion of deliveries via rail by 4% compared to the previous year. Plans are now in place to move increasingly towards rail for the transit of goods from shipping ports to distribution centres. This should result in further CO_2 savings since the carbon emissions factor for rail is around 70%[4] lower than that of heavy goods vehicles.

Driving efficiencies

B&Q logistics are in a period of transition driven in part by a changing market and an increase in online shopping and home deliveries. B&Q is increasing its core driver base, rather than using agency drivers, to allow more influence and to ensure more efficient driving practices. Installing new telematics technology to store delivery vehicles has helped to develop league tables on fuel use and driving technique. This has proved an engaging way to improve driving behaviour which results in fuel savings and reduced carbon emissions. Loadfill has also been a key focus for B&Q to ensure cage and trailer capacity is optimised. Training, including spatial awareness, games, competitions and incentives have been launched to actively encourage efficient loading. B&Q is also looking at the whole supply chain and how load can be maximised with regards to size, just-in-time deliveries and efficient unloading.

[4] Calculation based on articulated vehicles from Defra's emissions factors found at: www.ukconversionfactorscarbonsmart.co.uk

Sustainable materials & products

Using materials from sustainable sources and helping customer to create One Planet Homes by offering a range of sustainable products

OVERALL **IMPACT**

9% reduction in average g/l VOC content of own brand products in 2015/16

98% of product categories have One Planet Home products identified in range

easyGrow wins 2degrees Innovation of the Year award

Insulation installation

Loft clearance has been identified as a major barrier for customers to install insulation in their homes. B&Q has refreshed its Homefit installation service of loft and cavity insulation, to now include the option to help clear out loft spaces. This also ensures responsible recycling of any items which are no longer wanted. These are either donated to charity or, where this is not appropriate, items are recycled by Anyjunk, which ensures materials are kept out of landfill. Insulation can have significant financial and environmental benefits. For example, by installing cavity insulation, B&Q could help customers save up to £105 on the average annual household heating bill or up to 440kg CO_2/year.[5]

Corrosives removed

B&Q has taken the decision to stop selling certain drain-cleaning corrosives which contain high concentrations of sulphuric acid. This is a highly toxic chemical with potential dangers to humans and the environment. There are currently no viable alternatives available, however B&Q has maintained its decision to remove the products from its shelves. This demonstrates B&Q's commitment to doing the right thing and putting customers' safety before sales.

Volatile organic compounds

VOCs (volatile organic compounds) are chemicals considered harmful to human health, and B&Q continuously strives to remove them from its paints. In 2015/16 VOC content decreased by 9% compared to the previous year in its range of own brand paints and coatings. Average g/litre VOC content has now reduced by 25% across own brand products since 2010.

Gift cards

B&Q has introduced a new range of responsibly sourced gift cards to replace the previous stock made from PVC. All new gift cards are made from high quality FSC-accredited cardboard and are easily recyclable after use. Each carrier displays the recycling logo to remind customers that it is cardboard and can be recycled. The old stock of PVC cards has been recalled and over 700,000 cards have been collected to be recycled into pipes and plant pots. Through this initiative, B&Q aims to inspire other retailers to tackle the 10 billion+ plastic cards currently in circulation in the UK.

[5] Energy Savings Trust, 2016 (www.energysavingtrust.org.uk/domestic/cavity-wall)

Sustainable packaging

Ensuring packaging is fit for purpose, made from renewable or waste resources and making it easy for packaging to be reused or recycled

OVERALL **IMPACT**

Over £160,000 generated from Green Pallet scheme

20-30% freight savings from optimised lighting packaging

Packaging optimisation

There have been a number of projects over the past year to explore the most suitable material and structure of primary, secondary and tertiary packaging. These optimisation projects aim to reduce unnecessary waste by minimising the packaging required, optimising freighting capacity and ensuring that the customer facing primary packaging on major product groups is widely recyclable.

This year the Kingfisher Group packaging team has focused on redesigning packaging for a number of products:

- **Toilet seats:** The packaging has been redesigned to be safer for the customer. By removing carrier handles and polystyrene it also reduces unrecyclable material use. Polystyrene has also been removed from the packaging of wider bathroom products.
- **Sinks:** By separating sinks from the sink waste kits, B&Q has been able to redesign sink packaging to make it stackable, resulting in significant freight and CO_2 emissions savings. Where previously only 24 sinks could fit per pallet, the new system means that 160 sinks can now be transported in the same space.
- **Home delivered paint:** New recycled pulp based packaging has replaced the foam based material previously used. This contained potentially hazardous chemicals and was neither recycled nor recyclable.
- **Lighting:** the packaging optimisation project, which began in 2014/15, has continued this year resulting in significant freight savings of 20-30% across the 100+ lines now redesigned and policy compliant.

Transit packaging

The team are also working to optimise transit packaging and improve the efficiency of how products are stacked on pallets for delivery. A working group has been formed to look at developing modular pallets for freight deliveries, aligning transit and distribution centre delivery practices, and packaging compatibility across the supply chain. This should reduce unnecessary waste, lessen costs, improve safety and quality, and indirectly reduce CO_2 by optimising transit space. B&Q continues to focus on reducing the amount of timber used in transit packaging. Through a number of initiatives such as standard pallet reuse schemes, supplier take-back of transit timber and the ground-breaking Green Pallets Scheme (see page 16 for more information), B&Q has reduced total waste by 4% in the initial stages of the project.

Sustainable water

Using water more efficiently in buildings and in the products we buy, tackling local flooding and water course pollution

OVERALL **IMPACT**

1% increase in water use per m² against 2007/08 baseline

Water is proving a difficult area for B&Q, and figures show a slight increase in water usage over the last year. Although B&Q remains committed to trying to reduce water consumption in its operations, there have been a number of setbacks in its progress.

Rainwater harvesting

B&Q has set up rainwater harvesting systems at a number of stores and head office in a bid to use rainwater for plant watering and toilet flushing requirements. However, it has been determined that rainwater harvesting is not an appropriate solution for B&Q because stores' garden centres need most water in the summer when rainfall is lowest. In contrast, during the winter when water demand is low, the water stagnates in the tanks. As a result B&Q will not be extending its rainwater harvesting initiatives or replacing broken systems.

Water leaks

Some underground leaks have been identified and have proven very difficult to remedy as they are in areas of hardstanding or within a larger retail park, which makes access problematic and expensive. As a result B&Q has struggled to rectify these as hoped.

Behaviour change

A significant proportion of B&Q's water consumption is at its garden centres. While there is watering training for all new starters it has been difficult to change behaviour and maintain watering standards. B&Q believes that it will be challenging to make significant progress in this area until a workable commercial micro-irrigation system becomes available on the market.

B&Q will continue to work on encouraging water use reduction as much as possible, but it remains a challenging area.

Natural habitats & wildlife

Protecting and restoring existing biodiversity and natural habitats through appropriate land use and integration into the built environment

OVERALL **IMPACT**

61% peat dilution

99.97% responsibly sourced timber

Winner of Garden Retail & Garden Industry Awards 2016: Greenest Garden Centre

Palm oil-free candles

Sustainable forests

Responsible forestry continues to be a key driver for B&Q where it maintains industry leading levels of sustainable timber sourcing, currently at 99.97%. There remains some areas of paper sourcing for which a viable market alternative has not yet been realised. For example, while B&Q achieved responsible sourcing of decorative sandpaper (FSC certified), it has proven difficult to find policy compliant masking tapes.

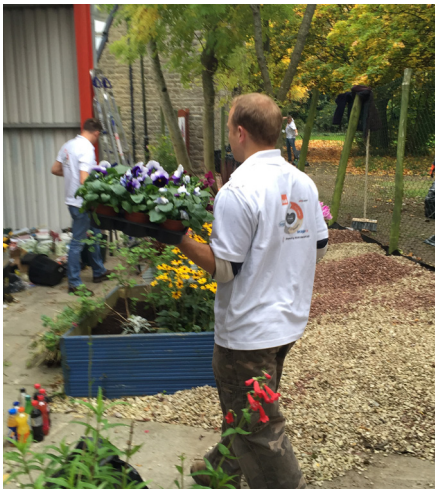
In reaction to the environmental and biodiversity risks associated with palm oil, B&Q took the step to change candle suppliers during the past year to ensure that all its candles are now palm oil-free.

Peat

B&Q is committed to achieving the government voluntary targets of phasing out peat in horticultural plants and growing media ahead of the 2020 and 2030 deadlines. Although there was no change to the overall dilution rates of peat in growing media in 2015/16, B&Q did see a very slight decrease in the use of peat alternative. This was in part due to promotional activities on peat containing products and a change within horticultural plants. In 2015/16 B&Q made significant progress on Soil Improvers; these are now completely peat free which reflects a positive move towards sustainable gardening. B&Q will continue its involvement in the Sustainable Growing Media Task Force where there has been positive progress made towards the development of a new Responsible Sourcing and Manufacturing of Growing Media Scheme.

Supporting wildlife at home

B&Q has focused on extending its range of products that support and encourage wildlife in customers' gardens. It has continued to extend the number of plant species in its Perfect for Pollinators range and introduced bug boxes as a new product this year. B&Q recently launched a new website verveandblooma.co.uk to engage customers in gardening by providing advice, tips and inspiration including: how to make your garden a wildlife haven, ten top tips to create greener gardens and vegetable growing advice.



OVERALL **IMPACT**

Over £540,000 in charitable donations

Over 9 million views on B&Q's YouTube channel, providing 'How to' for DIY projects

Social media engagement: over 192,000 facebook page likes, 69,000 twitter followers

An updated community engagement strategy continues to be developed; this is now being undertaken at a Kingfisher Group level. This has meant that the store grant programme proposed last year has not come into effect. However B&Q continues to engage with community groups around the UK.

Supporting communities during flooding

During December 2015, a number of communities across the UK were badly affected by widespread and devastating floods. B&Q employees offered support and assistance to those communities affected. The dedicated 'Community Resilience Team' helped get communities back on their feet in time for Christmas, offering 25 tonnes of sand to Cumbria County Council for disaster relief. B&Q also linked up with a not-for-profit humanitarian organisation, 'Serve On', to provide products required for the clean-up, such as shovels, power cables and lights, to help with the relief operation in Keswick and further afield. Following the Hebden Bridge flooding, staff at B&Q Bury Warehouse assisted local residents by volunteering to clean up the homes of those affected by the flood, providing free tools, assistance and materials. B&Q also provided torches for a community centre in Carlisle, an immediate requirement identified by the people displaced by the flooding. Families were offered discount cards to support property renovations.

Hop Skip Jump

The B&Q logistics team, along with their partners Wincanton, XPO and BRS, have developed a new relationship with a local charity Hop Skip Jump. The charity provides immediate respite care for children and young adults with disabilities and special educational needs, delivering indoor and outdoor activities for children whilst offering respite for families. Staff from the logistics team spent a day at the Swindon centre sprucing up the neglected outdoor play area. B&Q provided and donated tools and outdoor furniture. Staff are now keen to help maintain the area and are returning on a monthly basis to ensure up-keep.

Schools project encouraging eco engineering

Students from Newland House School in Twickenham worked with B&Q specialists on a two year research project, looking for a better and more sustainable alternative to White Spirit. After writing their report, the team from the school's Eco Engineering Club was invited to present their findings to a group of specialists at B&Q and have since been selected as finalists in the National Scientists and Engineers Competition held at the NEC in Birmingham.

OVERALL **IMPACT**

82% of Tier 1 suppliers on Sedex platform

86% of direct suppliers audited in the past three years

Responsible sourcing

B&Q maintained its role in the TFT Responsible Stone Group, this year working to complete follow-up visits to the sites where capacity building was previously done. A core focus of the programme ensures sites continually work to improve their TFT Level, however this has proved a challenge due to changes in the supply chain. A number of the sites B&Q was working with are no longer within B&Q's supply chain and disappointingly some have chosen not to join the TFT programme in their own right.

Supplier audit programme

B&Q completed 139 desktop and 47 onsite audits through its QUEST (Quality Environment and SafeTy) programme in 2015/16. This is a small drop in the number of supplier audits compared to the previous year, despite the overall number of suppliers increasing. B&Q continued to work to improve visibility across the supply chain with 82% of Tier 1 suppliers (i.e. direct suppliers) and 33% of Tier 2 suppliers providing ethical data to B&Q via the Sedex platform. A new vendor approval form was also introduced which takes sustainability and ethical criteria into account when approving new suppliers into the business.

New sourcing strategy

As B&Q's sourcing model develops, in line with Kingfisher's overall strategy, so will the priorities, targets and data reported on as part of the Equity and Fairtrade workstream. Kingfisher's Unified and Unique transformation programme will lead to increased visibility of B&Q and Kingfisher's supply chain, which in turn will give the team the opportunity to review the KPI's currently used and to make recommendations on what is reported on in the future. In particular this will give B&Q the ability to report on the impact the programme has had, changes made and key areas for improvement.

Wider engagement

B&Q is collaborating with the European DIY Retail association, on behalf of Kingfisher, on the development of an industry wide approach to ethical sourcing. B&Q also participated with Kingfisher in government consultations on the Modern Day Slavery Act. B&Q is now looking to ensure compliance with this legislation and is in the process of identifying any potential high risk areas across the business.

Employee engagement

Ensuring everyone is involved in business decisions, have opportunities to develop, and promoting good health and wellbeing

OVERALL **IMPACT**

21,769 employees completed One Planet Home e-training in 2015/16, 76% of the workforce

9.4 hours of training per employee

28% of management positions filled by women

50+

30% of workforce aged over 50

Employee engagement

There were higher levels of participation in the Gallup employee engagement survey in 2015/16, which aims to provide an indication of staff satisfaction. The survey was completed by 87% of staff and the average score improved for the fourth year to 4.32. This is slightly higher than Gallup's best practice standard of 4.2.

Culture of sustainability

B&Q continues to engage employees with sustainability topics through its internal magazine and intranet news page. A One Planet Home history wall has been installed in the foyer at B&Q head office, providing information about the key sustainability initiatives and achievements since the programme's inception. In particular this year, the One Logistics Team has integrated One Planet Home further into its operations, by developing a more standardised approach to sustainability in collaboration with its partners. It has mobilised a team to develop environmental campaigns over the coming year to engage staff through newsletters and podcasts, and through newly installed sustainability noticeboards at 40 locations.

Staff retention

Home improvement and shopping needs are changing and B&Q has announced a two-year programme to simplify and reshape its store network, including the closure of around 60 stores by February 2017. To minimise the impact on its employees, B&Q is endeavouring to find alternative positions for as many employees as possible by offering opportunities at nearby B&Q stores and at B&Q's sister company, Screwfix, which is set to open 60 new stores in 2016/17. In addition, B&Q has also had success securing employment opportunities with the retailers which have taken new residence at the former B&Q sites.

Training and development

In 2015/16, B&Q staff completed almost 270,000 hours of training, nearly three times more than the previous year. This large increase has been the result of developing an in-house Learning and Development function within the HR structure. There has also been a particular focus on product and sales development with every showroom employee receiving at least 3 hours face to face training. The number of staff completing B&Q's e-learning sustainability modules also increased 48% compared to 2014/15 following a content refresh and a focus on improving employees' knowledge of timber chain of custody sourcing.

Green Pallets Scheme

As part of B&Q's ongoing programme to tackle waste, this year it focused on minimising transit timber. Wooden pallets are used to transport goods throughout the supply chain, however a large number of those currently on the market are 'one-way white pallets'; these are variable in quality and performance, compromise logistical efficiency and often have to be disposed of after one use, resulting in a lot of waste.

Whilst maximising the use of standard returnable pallet schemes, B&Q found that many of its products didn't suit the standard one size fits all model that is currently available. As a result, B&Q set itself a challenge to develop an entirely new supply chain, which has become the ground-breaking Green Pallet Scheme.

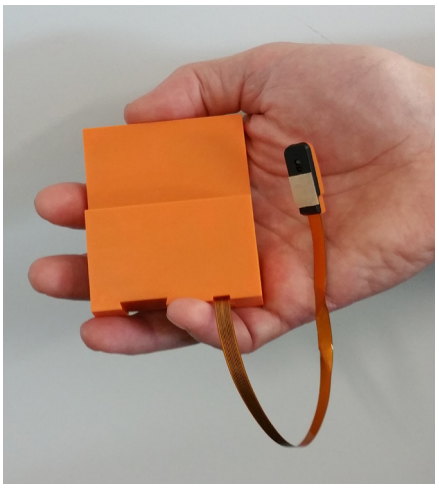
In partnership with Scott Pallets, a leading manufacturer and supplier of pallets, the scheme offers returnable pallets in bespoke sizes, made from responsibly sourced timber. These high quality pallets are made at the same cost as single use white pallets and can be used globally.

The programme has engaged a wide number of stakeholders from across the business and throughout the supply chain. This included the staff at stores segregating waste, the teams at distribution centres ensuring the pallets don't get lost and even extended to teams at customs identifying that the pallets don't need to be fumigated with Methyl Bromide when exported back from China to the UK.

After launching in 2015, four suppliers have joined the Green Pallet scheme, covering ten product types and three countries. This has resulted in over 100,000 sustainably sourced pallets being reused and saving over 2,500 tonnes of virgin wood in the first nine months. It has also generated an additional £166,000 for B&Q through handling fees. Transport miles have been reduced across the entire supply chain, with 275 lorry trips avoided from forest to pallet producer and pallets are also returned to suppliers on previously empty journeys.

Despite still being in its infancy, along with other wood waste reduction activities, this initiative has already helped reduce B&Q's total waste arisings by 4%, is saving carbon throughout the supply chain, and is supporting sustainable forestry. The Green Pallet scheme will be extended to further vendors in 2016/17.

100,000 sustainably-sourced pallets repatriated with **2,500 fewer tonnes** of virgin wood used

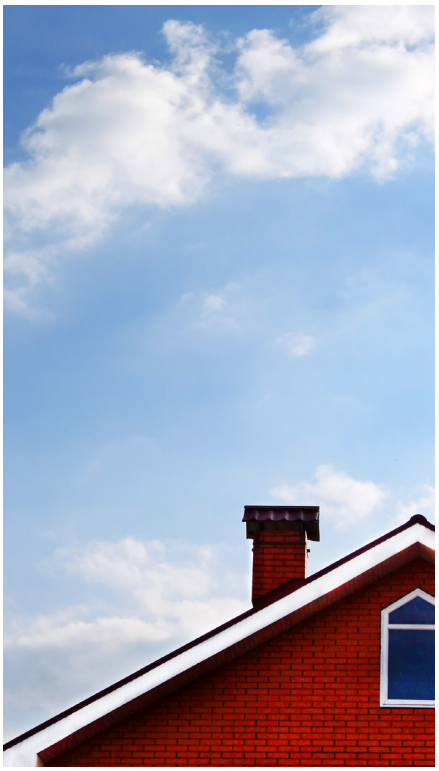


Loop Gas Monitor

B&Q has started selling the Loop Gas Monitor, which is the first self-fit gas usage monitor available for sale in the UK. Combined with the Loop Electricity Monitoring kit it allows dual fuel customers to completely control their energy spend for the first time. It is compatible with all major UK gas meters, measures whole house gas consumption, and can be controlled via a smart phone app. It provides real time energy consumption data and customers can use its budgeting tools and built-in price comparison service. This is a key part of B&Q's new connected-home proposition which will help customers to reduce energy consumption and save money. Studies show that using energy monitors can reduce consumption in the average home by 10%.

Community RePaint

Community RePaint is a UK wide network of over 75 schemes who collect surplus and leftover paint and then make it available to individuals and families in social need and to a variety of community groups and charities. B&Q is encouraging customers to donate leftover paint to their nearest scheme in a new online guide. In particular, B&Q has been working on a project in Cambridgeshire and North East London with Community RePaint and Akzo Nobel to get customers to take leftover paint to their local Household Waste Recycling Centres. This waste paint is then remanufactured into new paint for those in need. Aside from helping to support disadvantaged families, this project aims to address the estimated 450 million litres of leftover paint that is currently languishing in the UK's garages, sheds and lofts.



Sustainable products

In 2015, Kingfisher launched a five year transformation programme to unify product ranges across the Group so that by 2019/20 a minimum of 80% of products will be sourced centrally. 'Unified' focuses on developing a core essential offer of home improvement basics whilst allowing innovation to develop 'Unique' propositions. This has been capitalised on to ensure it also results in products with improved sustainability credentials. The minimum sustainability standard for a Unified product range has been determined by the highest level of best practice currently present across Kingfisher's operating companies. This criteria is based on Kingfisher's Sustainable Home Product Guidelines (SHPG). B&Q has worked closely with Kingfisher to provide expertise, with the range reviews taking an ambitious approach to sustainability. For example, the majority of the new sinks range is now expected to meet Kingfisher's SHPG standards and the proportion of LED lightbulbs on offer is projected to increase in all operating companies. 'Unified' is giving B&Q the opportunity to step up its delivery of sustainable home improvement propositions to help customers create One Planet Homes.

Key targets
2015/16 progress

Targets	Performance	Summary of progress
Carbon footprint		
90% reduction in absolute CO_2 emissions by 2023	✓	Good progress on improving energy efficiency and onsite renewables. Transport carbon footprint has reduced but starting to plateau. Emissions from waste now minimal relative to energy and transport. LED roll out, renewables and alternative fuels key to achieving target.
Zero carbon		
All new stores to be zero carbon by 2015	X	No zero carbon stores: requires development of offsite renewable energy plan to progress on target.
All stores to be zero carbon by 2023	✓	38% reduction in electricity-related carbon emissions. Solutions to reduce heating and a source of offsite renewables to be finalised with Kingfisher.
Zero waste		
90% reuse and recycling by 2016/17	✓	Business is now achieving 84% recycling, challenging waste streams have now been identified and solutions are being developed.
<2% to landfill by 2023	✓✓	2.6% waste now sent to landfill.
Sustainable transport		
50% reduction in absolute emissions from business travel and domestic haulage by 2023	✓	32% reduction to date. Logistics is working on a new carbon reduction plan to build on the 34% reduction in emissions from domestic haulage to date. Business travel has also reduced 42% against the baseline.
Sustainable materials & products		
10% of sales from the most innovative sustainable products and services by 2020	✓	4.9% sales from innovative sustainable home products ('best in class'). B&Q's sustainability team is working closely with product development teams to identify opportunities for new products.
50% of sales from products that help create a more sustainable home by 2020	✓	37% of sales from products with eco credentials. B&Q's sustainability team is working closely with product development teams to identify opportunities to improve product ranges.

✓✓ Substantially or entirely completed or a high degree of certainty over deliverability

✓ On track for a long term target

X Substantially incomplete, behind schedule or doubt over delivery

Targets	Performance	Summary of progress
Sustainable packaging		
All packaging will be fully recyclable by 2020	✓	Lots of projects completed or underway to remove materials such as polystyrene which are hard for customers to recycle.
100% of packaging which contains wood fibres will be responsibly sourced	X	Due to difficulties in data gathering, no data reported as yet. As a result it cannot be assessed whether B&Q can meet this target.
Sustainable water		
10% reduction in water consumption per m^2	X	This target is proving challenging to meet as a feasible option for rainwater harvesting has not been identified whilst leaks are challenging to detect and resolve. Target to be reviewed.
Natural habitats and wildlife		
All timber and paper products for sale and use in our operations publications and products will be compliant with timber policy by 2020	✓✓	Sourcing of timber and paper continues to meet B&Q's policy standard and work to resolve outstanding products such as masking tape is in progress.
All growing media for sale and use in our operations to be from sustainable sources ahead of the government 2020 and 2030 deadline	✓	Peat dilution 61% with target to achieve 65% this year. Whilst target remains challenging product development is underway to remove peat from all products.
Culture and community		
Support community projects that support Better Homes Better lives	X	B&Q planned to introduce a new communities strategy in 2015. This is on hold while Kingfisher revises the Group level strategy.
Equity and fairtrade		
Ensure all direct suppliers (GNFR and GFR) exceed our minimum standards for ethical and environmental standards by 2020	X	Currently 27% direct suppliers exceeding the minimum standards of QUEST 8, with a level of C or above. 86% of direct suppliers have been audited in the past three years.
Employee engagement		
Maintain/improve participation in employee engagement survey and in engagement levels (min target of 4.15 and 80% participation)	✓✓	B&Q exceeds best practice both for participation (87%) and score (4.32).
Invest in opportunities for training and upskilling for staff	✓	B&Q has put a Learning and Development department in place and training completed by staff was three times greater than the previous year. Sustainability training continues to be offered.

✓✓ Substantially or entirely completed or a high degree of certainty over deliverability

✓ On track for a long term target

X Substantially incomplete, behind schedule or doubt over delivery

Priorities and initiatives for 2016/17

B&Q remains committed to achieving the ambitious targets laid out under its One Planet Home programme. A number of key initiatives are already planned or underway in 2016/17, including:

- 10% reduction in property energy use
- PV solar panels to be installed at eight more stores
- A "health check" of Building Management Systems undertaken across the estate
- Develop a Distribution Centre carbon reduction plan
- Drive innovation in difficult waste streams such as cement, treated timber, and paint
- Reduce transport carbon by 35% against the baseline (5% saving on 2015) through continued focus on efficiencies, loadfill and increasing the proportion of transport using rail
- Review water use by store and revisit targets
- Reduce the impact of transit packaging and extend the Green Pallets scheme
- Maintain 100% timber compliance
- Achieve 65% peat free growing media
- Re-ignite B&Q's Community programme to ensure a more strategic approach to community activities
- Develop an action plan to become recognised as a leader in employee diversity
- Continue to promote awareness amongst staff of B&Q's culture as a sustainable business that can help customers make their homes greener

Materiality and stakeholder engagement

B&Q's One Planet Home programme was developed in 2007 in collaboration with Bioregional using their One Planet Living framework covering ten sustainability principles. The process of applying the framework to inform the development of a sustainability action plan included:

- A carbon footprint analysis to understand direct impacts and set targets in line with latest carbon reduction trajectories being proposed by leading climate change scientists.
- A gap analysis of existing policies, buying standards and initiatives. This exercise highlighted priority opportunity areas based on B&Q's overall impact potential in terms of generating sustainability, brand and financial benefit.
- Working with stakeholders from across the business to address gaps and build on existing initiatives to develop short and long term targets and actions.

The issues identified and how they are linked to B&Q's core business are rooted in the Action Plan that emerged from this process. The plan sought to address both B&Q's own operations (our home) and its customers (your home).

The One Planet Home Action Plan was signed off by the B&Q board in May 2008 and B&Q continues to deliver on the targets identified in the plan. The material issues identified are summarised in the table below. It also provides information on how B&Q's material issues are aligned to Kingfisher's key sustainability themes and material issues and impacts.

One Planet Home Principle	Link to core business	Alignment with Kingfisher Sustainability[6]
Zero carbon	Property energy consumption	Energy Climate change Home energy efficiency
Zero waste	Store and office waste	Environment Natural resource use Waste
Sustainable transport	Store and home deliveries Business travel and commuting	Environment Climate change
Sustainble materials and products	B&Q helps customers create One Planet Homes that are healthier, low carbon, low water, low waste, with greener gardens	Innovation Sustainable lifestyles Natural resource use Waste Circular economy
Sustainable packaging	B&Q helps to reduce packaging and maximise recyclability of packaging associated with its products and ensure it is sustainably sourced.	Environment Waste Natural resource use
Sustainable water	Store water use	Environment Water
Natural habitats and wildlife	Timber and peat sourcing and use	Timber Deforestation Biodiversity Peat reduction
Culture and community	Being a good neighbour Charitable giving	Communities Community cohesion Decline in practical skills Sharing economy Community relations
Equity and fairtrade	Supply chain transparency and working conditions	Supply chain Human rights Labour standards
Health and happiness	Employee engagement	Employment Equality and diversity Training and development Health and safety

[6] Kingfisher Group's Sustainability strategy and reporting is structured around seven themes: timber; energy; innovation; communities; employees; suppliers; and environment· Each theme relates to a number of material issues·

Stakeholder Engagement

B&Q has a strong tradition in stakeholder engagement. Examples of B&Q's key stakeholders and multiple methods of engagement include:

Employees

B&Q's 'Peoples Forum' is an employee-led network of elected representatives which take an active role in engaging colleagues in B&Q's strategy and representing their colleagues in sharing ideas, influencing decision making and working with colleagues in building solutions to make B&Q a more successful business.

Customers

B&Q regularly conducts surveys and interviews with customers on a wide range of subjects to keep abreast of customers' views about key issues, which feeds into internal decision-making. B&Q also informs and educates customers on sustainability topics in order to encourage more sustainable behaviour in the home.

Government

B&Q engages with governments on a variety of issues which help encourage policies that support sustainable business practices with a focus on issues such as energy, timber, and modern slavery. B&Q communicates with government departments and selected MPs on specific policy interventions (e.g. Department of Energy and Climate Change regarding the introduction of domestic Energy Display Certificates).

NGOs

B&Q engages with multiple NGOs about relevant sustainability issues. B&Q became a founding member of the Ellen MacArthur Foundation to support the organisation's mission to accelerate the transition to a circular economy through government engagement, collaboration between businesses and unilateral actions by B&Q and other Kingfisher companies. B&Q also has a strong tradition in collaborating with industry partners and has played a leadership role in sustainability as members of the British Retail Consortium. It has also been instrumental in founding initiatives such as FSC, the Timber Retail Coalition and the Sustainable Growing Media Task Force.

GOVERNANCE OF **ONE PLANET HOME**

B&Q is part of the Kingfisher plc group, the largest DIY retail group in Europe and third largest globally.

At a Kingfisher Group level sustainability is integrated through the sustainability strategy which sets ambitious targets across the business until 2020 and focuses on four priority areas: timber, energy, innovation and communities.

Since the launch of Kingfisher's sustainability targets, B&Q has integrated Kingfisher's goals into the One Planet Home (OPH) programme which allows it to maintain its existing sustainability framework whilst ensuring it also delivers Group goals.

B&Q's Sustainability team drives the OPH programme forward, drawing on support and expertise from across the business, particularly the members of the OPH Leaders Group. Each member is a principle stream lead for one of the One Planet Home principles and is responsible for the promotion, development and reporting of that principle, along with the delivery of its specific target.
One Planet Home is integrated into B&Q's management systems[7] as follows:

- The key themes of the plan are built into the B&Q three year strategic plan.
- The One Planet Home sustainability policy is signed off by Dave Lowther, the board member with responsibility for sustainability. The policy is then included in the B&Q Vendor Manual.
- The B&Q Sustainability team's objectives are solely based on the delivery of the One Planet Home plan. Members of the OPH Leaders Group also have sustainability in their objectives.
- Buyers agree to follow B&Q's buying policies which are ratified by the board in its approval of the Vendor Manual.
- Key store staff have specific objectives such as energy management and recycling procedures built into their role profiles.

B&Q's sustainability policy is available for download at: www.diy.com/one-planet-home.

Data assurance

The One Planet Home annual review is undertaken by sustainability charity Bioregional which provides an independent, second party review of the progress B&Q has made towards its One Planet Home commitments. Unless stated otherwise, the baseline year for targets is 2006/07.

B&Q's performance against the Kingfisher Sustainability KPIs is subject to both an internal Kingfisher review and external assurance. KPMG LLP provides limited assurance over selected aspects of the Sustainability report which will be completed in June 2016. In 2015/16 this includes B&Q's energy, timber and community data. An assurance statement will be made available following publication on the Kingfisher website at: www.kingfisher.com/netpositivereport.

A data appendix to this 2015/16 B&Q One Planet Home review is available at: www.diy.com/one-planet-home.

[7] Describes the system and personnel during 2015/16

About B&Q

B&Q is the largest home improvement and garden centre retailer in the UK employing around 27,000 people from all walks of life.

B&Q is part of Kingfisher plc, the world's third largest home improvement retailer with over 1,100 stores and growing Omni channel operations in 10 countries across Europe, Russia and Turkey.

B&Q has a long heritage of social responsibility and environmental awareness. Its environmental achievements include developing a timber policy in 1991, being a founding FSC member in 1993 and developing a policy to reduce and eliminate the use of peat. 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, renewable energy micro generation systems to the domestic market in 2006. In 2014 it developed easyGrow, a brand new innovation in bedding plants with significantly reduced environmental impacts. B&Q continues to make strides as a pioneer in sustainability, recently winning a Greenest Garden Centre Award.

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

For more information about Kingfisher's Sustainability programme, please see www.kingfisher.com/netpositive

About Bioregional

Bioregional champions a better, more sustainable way to live. We work with partners to create better places for people to live, work and do business.

Our ambition is simple. We want our practical projects to inspire people to live happy, healthy lives within the natural limits of the planet, leaving space for wildlife and wilderness. We call this One Planet Living.

Bioregional, founded in 1994, is a registered charity and award winning social enterprise based in the UK, with offices in London, Oxford and Brighton. Bioregional has sister organisations or representative offices in South Africa, Canada, USA, Mexico, Greece and Australia.

For more information about Bioregional please go to ***www.bioregional.com***

Published May 2016