

Good practices in sustainability reporting

Tip #12: Future proofing

Private sector

Our global context continued

In this section we reflect on some of the global trends that affect our business and communities. It is important for us and for our stakeholders to identify our material sustainability issues within this global context.

Climate change

Climate change continues to represent one of the greatest threats to our environment, society and economy. Despite global efforts, greenhouse gas (GHG) emissions continue to rise.

Climate change remains top of the global environmental policy agenda, influencing local and regional regulations and investment decisions. We fully consider climate change in our own business decisions and strategies for growth, and have made public sustainability commitments to reduce our operational carbon footprint. We also seek to develop products that can help our customers and consumers better respond to challenges that climate change presents.

Biodiversity and habitat loss

WWF's Living Planet Index highlights the severe degradation of ecosystems and loss of habitat and species over the last decades, which significantly affect the provisioning and

regulating ecosystem services that communities and business rely upon. With the global population set to reach 9 billion by 2050, we need to find more efficient and effective ways to support livelihoods within the limits of the planet.

We have programmes and commitments in place to responsibly manage our land and associated freshwater ecosystems. We also procure wood exclusively from responsible sources to reduce our impact on natural habitats and to ensure that the wood we secure is from sustainable sources now and in the future.

Deforestation

Ongoing deforestation and land conversion continue to cause biodiversity loss and are a major contributor to climate change. Forest certification not only addresses deforestation, but also promotes sustainable forest management. Currently however, about 90% of global forests remain uncertified* and unless urgent change is made to improve and simplify certification processes, it is unlikely

that the situation will improve. We are actively involved in promoting change.

For example, we're part of multi-stakeholder collaborations that seek more sustainable solutions along the entire wood value chain. Our major focus is on credible certification of our forests and procuring wood only from responsible sources, helping to maintain land and freshwater ecosystems, and working with NGOs and other stakeholders to help identify and protect high conservation value areas.

Resource scarcity

Increased material consumption due to changing social trends such as population growth, urbanisation and rising incomes is placing additional pressure on already constrained natural resources. According to the Global Footprint Network, humanity currently uses the equivalent of 1.5 planets to provide the resources we use and absorb our waste. This trend is only set to continue into the future.





The key challenge and opportunity for us is to reduce our operational footprint by producing in a more resource-efficient way while addressing the needs of our customers and adding value to society.

We are responsibly managing the scarce natural resources we rely on, such as fibre, fresh water and fuel, and continue to introduce production processes and product solutions that promote resource efficiency; similarly, by seeking to bring to market new and innovative products that help tackle challenges such as climate change, scarce resources and food waste.

Increased transparency and public awareness

We operate in an increasingly transparent and connected world. This has an impact on our markets, strategy, communication and stakeholder engagement approach, as well as on our reputation. We engage with a wide range of stakeholders and seek to increase transparency by publicly disclosing our sustainability performance on a regular basis.

Mondi plc, Sustainability Report 2014, p14

 Timber Aspiration Kingfisher creates more forest than it uses 2020 target 100% responsibly sourced timber and paper in all our operations Why it matters Timber is a vital material found in around 40% of our products. Demand for timber will triple by 2050, which could cause significant price rises and even shortages. ¹ 20% of global carbon emissions due to deforestation. ² The protection of forests and woodlands is an issue that many of our customers care about.	 Energy Aspiration Every Kingfisher store and customer's home is zero carbon or generates more energy than it consumes 2020 target 38 TWh of energy saved for customers. 45% reduction in energy intensity of our property Why it matters 50% rise in global energy demand by 2035. ³ High energy bills the number one concern for customers. ⁴ €70 billion market for energy efficient products and services in Europe by 2020. ⁵ Energy a major business cost. Home energy use is a major source of carbon emissions.	 Innovation Aspiration Every Kingfisher product will enable a more sustainable and ultimately Net Positive lifestyle 2020 target 1,000 Kingfisher products with closed-loop credentials Why it matters The way our customers live is changing and they need new types of products and services. 9 billion global population by 2050. Increased competition for resources means rising costs and potential shortages. US\$1 trillion a year could be generated for the global economy by 2025 by creating circular supply chains. ⁶	 Communities Aspiration Every Kingfisher store and location supports projects which build local communities or equip people with skills 2020 target 4,000 community projects completed that deliver 'Better Homes, Better Lives' ⁷ Why it matters Inequality, unemployment and housing shortages could undermine community cohesion and the prosperity needed for business growth. The sharing economy is altering how people access goods and services, with benefits for communities. 70% of customers say they will remain loyal to a brand that demonstrates social value. ⁷
<small>1 WWF, Living Forests Report 2 Intergovernmental Panel on Climate Change</small>	<small>3 US Energy Information Administration, 'International Energy Outlook', 2010 4 Kingfisher European Home Report 2014</small>	<small>6 The Ellen MacArthur Foundation, Towards the Circular Economy – Vol 3, 2014</small>	<small>7 RSA, Community Footprint Report, 2012</small>

Kingfisher, Net Positive Report 2015, p7

If you would like to discuss your sustainability reporting, please speak to your usual PwC contact, or email info@corporatereporting.com

PwC has a strong network of people who can advise on all aspects of your corporate reporting, as well as share our unique insight into the needs of the investment community.

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2015 PricewaterhouseCoopers LLP. All rights reserved. In this document, 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.