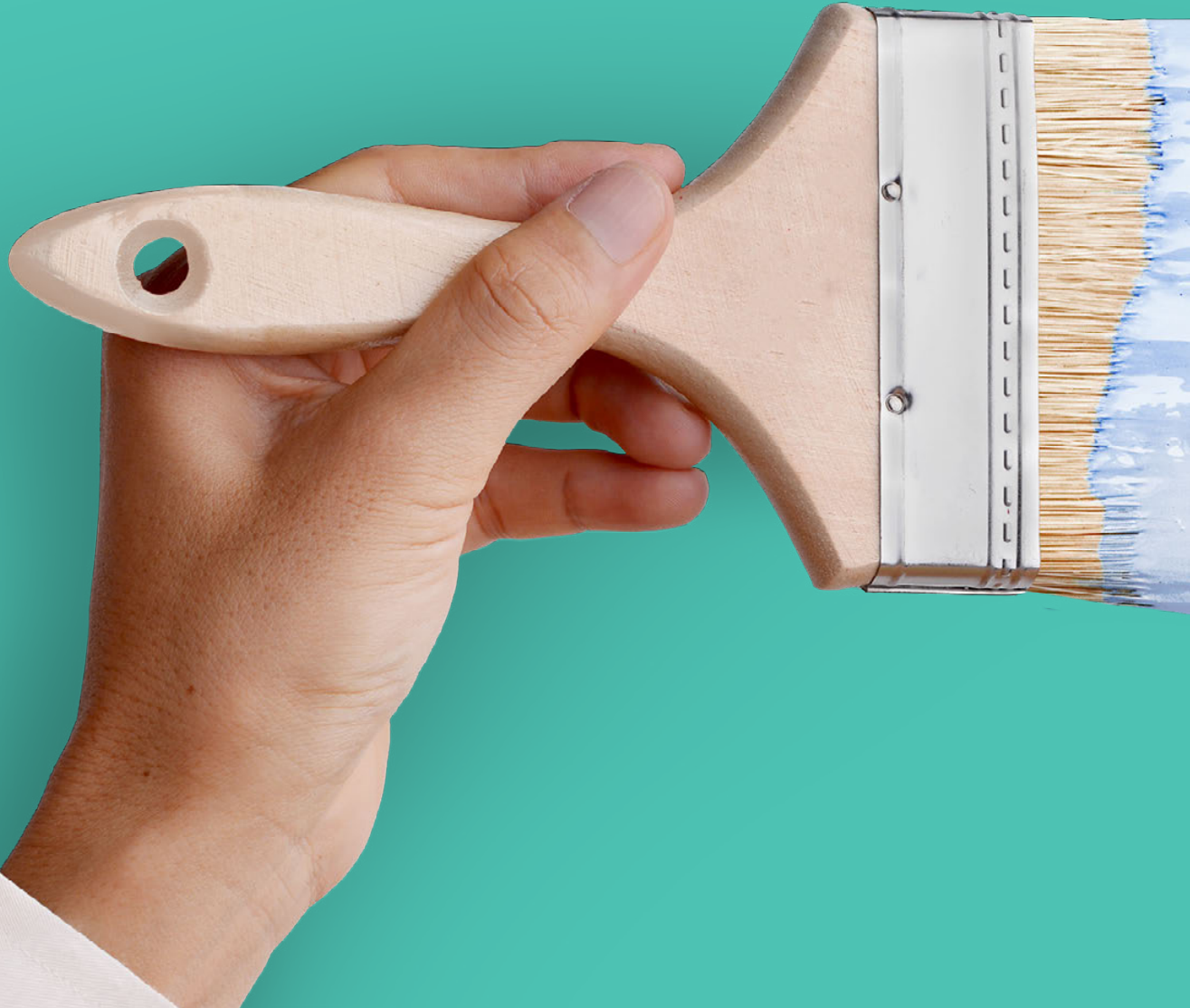


Better Homes for Everyone

Kingfisher Responsible Business Report 2022/23



Kingfisher



At Kingfisher, we are committed to doing everything we can to make a positive impact for society so that all our homes – including our communities, our forests and our planet – can flourish.

This Report summarises the actions we've taken during financial year 1 February 2022 – 31 January 2023 to make progress towards our Responsible Business targets.

We also publish a [Performance Data Appendix](#) which includes details of how our reporting aligns with external frameworks including the United Nations Global Compact, the United Nations Sustainable Development Goals and the Sustainability Accounting Standards Board (SASB). This year we also published a [Responsible Business Databook](#).

Our disclosure against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and a report by our Responsible Business Committee are included in our [Annual Report and Accounts](#).

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About Kingfisher

Who we are

Kingfisher is an international home improvement company with over 1,900¹ stores in eight countries across Europe.

We offer home improvement products and services to consumers and trade professionals through our stores and e-commerce channels.

Our purpose

We believe a better world starts with better homes. We help make better homes accessible for everyone.

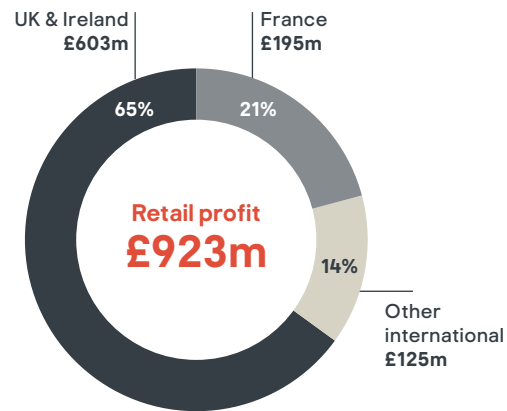
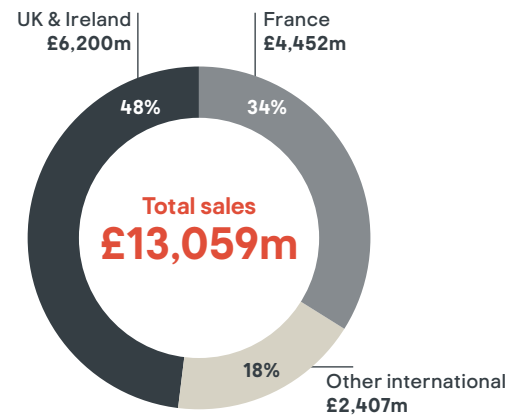
82,000^{1, 2}
colleagues

Over 1,900¹
stores

Over 2,700
suppliers across 63 countries

Where we operate

Kingfisher operates in eight countries across Europe under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş.



All figures on this page relate to the year ended 31 January 2023.

¹ Turkey joint venture included.

² Total, not full-time equivalent.

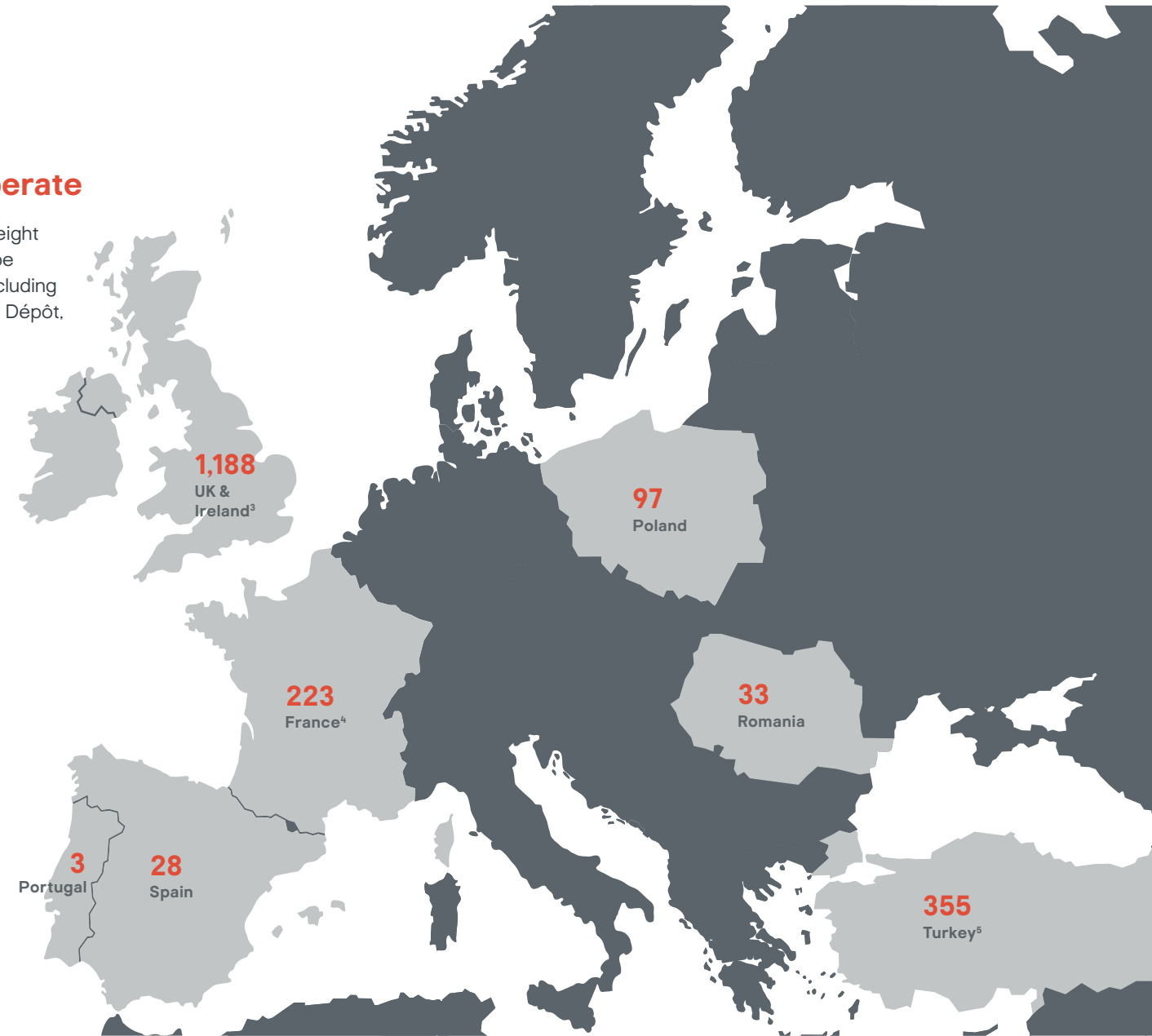
³ B&Q 316, Screwfix 872.

⁴ Castorama 95, Brico Dépôt 123, Screwfix 5.

⁵ Our stores in Turkey, Koçtaş, are operated as a 50% joint venture.

Store figure as of 31 December 2022.

Map figures relate to store numbers in each country as of 31 January 2023.



From our Chief Executive Officer

At Kingfisher, we are committed to leading our industry in Responsible Business. This is one of the key pillars in our Powered by Kingfisher strategy. Our purpose is to ‘make better homes accessible for everyone’ and we aim to do this in a way that serves the current and future needs of our communities, customers, colleagues and planet.

Over the last year, we have made good progress across many of our targets.

Empowering our colleagues

We continue to work to become a more inclusive company, breaking down barriers to employment and progression and helping every colleague realise their potential. In 2022, this included the roll-out of immersive diversity and inclusion training for senior teams, the creation of new development programmes for store-based colleagues and support for apprenticeship programmes. Feedback from colleagues suggests we are on the right track – our engagement score remains above average for our industry and our employee Net Promoter Score is in the top 5% of global retailers. We have also made progress on gender balance in leadership, but there is still more work to be done. We are on

track to meet our target for gender diversity in management positions. We have delivered an additional 2.6 million hours of skills for life, reaching our target of 2025 ahead of time.

Energy efficiency and sustainable homes

Climate change and rising energy prices made energy efficiency a priority for both households and governments in 2022. We have been focused on this issue for many years, and were able to further expand our range of energy saving products and services to meet growing demand. This included launching new energy saving services in the UK and France, enabling more customers to save money by improving home energy efficiency and introducing new renewable energy products. We're committed to further developing our offer in this space to help customers.

Our sustainable products

Energy is just one part of our wider commitment to making sustainable living more affordable and accessible. 47% of total Group sales were from products helping to create greener, healthier homes this year. Our teams continued to make great progress in improving the sustainability of our ranges in key areas such as peat-free compost, and increased use of recycled and more sustainable materials.

Our Sustainable Home Products are everyday products with sustainability built in, sold at prices that are affordable to most people. Underlining our commitment, we have made sustainability one of three core pillars for our Own Exclusive Brands (OEB) strategy, alongside innovation and affordability. Moving forward, all new OEB product launches and range reviews will align to these pillars.

Taking action to protect the planet

We have continued to make progress on our own environmental commitments, meeting our 1.5°C aligned science-based scope 1 and 2 carbon reduction targets. We have reduced emissions by 52.6% since 2016/17 and have made a strong start towards our new ambition to reach net zero operational emissions by 2040. Scope 3 emissions are particularly challenging to address, and we are pleased to have achieved a reduction in emissions intensity from our supply chain and customer use of products of 34% since 2017/18, and we are on track to reach our target of 40% by 2025. Our efforts were recognised with an A score in CDP Climate Change, which puts us among 297 leading companies globally.

We also reached 94% responsibly sourced wood and paper in our products this year. We continued to support community managed forests through our membership of the Rainforest Alliance's Forest Allies, while four

banners now support local forest projects and are getting our people involved in our efforts to become Forest Positive.

Improving housing in our communities

We are part of local communities through our stores, our colleagues, our customers and our suppliers. We want to have a positive impact on the neighbourhoods in which we operate and use our expertise and resources to help improve homes for those in need. This year, our network of local charitable foundations supported a range of innovative projects and donated and fundraised over £8 million. Since 2016/17, collectively we have reached over 2 million people.

We have a great opportunity to help create more sustainable homes through our products and services, and to contribute to a more sustainable future through our business. We are looking forward to making further progress on our goals in 2023/24.

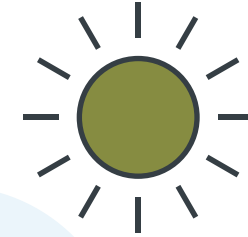
Thierry Garnier
Chief Executive Officer



Responsible Business Highlights 2022/23

Committed to a 1.5°C trajectory

We're working towards net zero by 2040 for our scope 1 and 2 emissions, and have our science-based targets in place to 2025



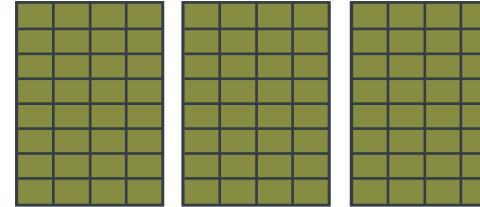
Helping local housing

We have a network of seven charitable foundations across our banners



52.6%* reduction in carbon emissions across our operations

We purchase electricity from zero carbon and renewable sources



£6.2 billion of Sustainable Home Products sold

46.8% of total Group sales



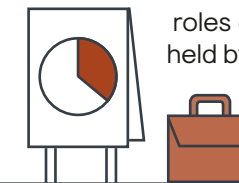
Building skills for life

4,673 Kingfisher apprentices across the group



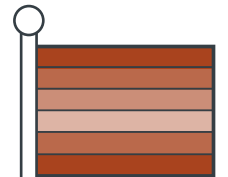
Improving gender balance

38.9% of management roles currently held by women



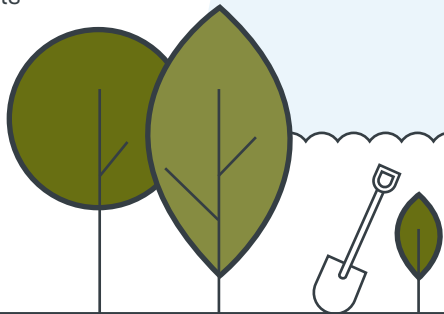
Inclusion and diversity strategy

Celebrating difference and enriching our company



Becoming Forest Positive

We're a founding member of the Rainforest Alliance's Forest Allies, helping support forest communities to protect and restore forests



94.5% of the wood and paper used in our products is responsibly sourced



Caring for our communities

£5.4 million invested in community projects through fundraising, products and contributions



Sustainable packaging

31% purchased plastic packaging with minimum 30% recycled content



Colleagues

We will be a more inclusive company

Planet

We will help tackle climate change and become Forest Positive

Customers

We will help make greener, healthier homes affordable

Communities

We will fight to fix bad housing

Our Responsible Business strategy

We've been prioritising Responsible Business practices for over three decades. Today, Responsible Business is a key part of our 'Powered by Kingfisher' strategy and we're integrating it into everything we do.

Our four priorities

We have four Responsible Business priorities. These focus on the issues where we can use our size and scale to bring about positive change for our customers, colleagues, communities and the planet.

We have set ambitious targets and we monitor progress against an established set of KPIs. Now into the third year of delivery, we've continued to make progress.

Our four priorities are based on customer research, findings of our materiality assessment and external frameworks such as the UN Sustainable Development Goals.

Our Responsible Business Fundamentals

Our four priorities are underpinned by our Responsible Business Fundamentals – the issues and impacts we measure and manage

to ensure we continue to operate responsibly across our business. We have clear policies and guidance in each of these areas.

Governance of Responsible Business

Our Responsible Business Committee (RBC), a Committee of the Board, is chaired by a non-executive director and oversees the delivery of our Responsible Business strategy. It provides advice and assurance to the Group Executive and the Board on all matters relating to Responsible Business practices, and monitors performance against our priorities.

The Chair of the RBC reports on its activities to the Board and the Board and Committee members also review Responsible Business KPIs on a quarterly basis as part of their governance duties. This year we integrated Responsible Business measures into the Kingfisher Performance Share Plan for our senior leadership team.

The UN Sustainable Development Goals

We support the UN Sustainable Development Goals that provide a framework for governments, business and civil society to work together to end poverty, fight inequality and stop climate change by 2030. We have reviewed our progress and strategy against

the UN Sustainable Development Goals and have identified the priority goals for our business. For more information see our [Performance Data Appendix](#).

Reporting standards and disclosure

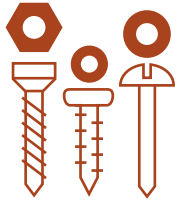
We align with a number of external disclosure initiatives including CDP, the Workforce Disclosure Initiative (WDI), the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) initiatives, frameworks and standards for Multiline and Speciality Retailers and Distributors.

We publish detailed performance data in our [Data Appendix](#) and [Responsible Business Databook](#).

Information on our data and target scope and calculations are included in our [Data Collection Methodology](#) and we publish a [Global Reporting Initiative \(GRI\) Index](#) on our website.



Our four priorities



Colleagues

We will be a more inclusive company

Our commitment

We will be a more inclusive company, by breaking down barriers to employment and progression, and by building skills for life.

Our targets

- Improve gender balance to 35% women in senior leadership and 40% women in management by 2025/26.
- Provide five million hours of skills for life learning by 2025/26.



Planet

We will help tackle climate change and become Forest Positive

Our commitment

We will help tackle climate change by reducing carbon emissions from our business, products and supply chains; and we continue our journey to become Forest Positive by focusing on responsible sourcing and investing in forest projects.

Our targets

- Reduce scope 1 and 2 emissions by 38% by 2025/26 and reduce scope 3 emissions by 40% per £million turnover by 2025.
- Reach net zero for our operations by 2040/41.
- Become Forest Positive by 2025/26.
- Source 100% sustainable wood and paper for our products and catalogues by 2025/26.



Customers

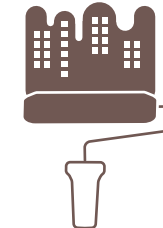
We will help make greener, healthier homes affordable

Our commitment

We will help customers have a greener, healthier home – one that is resource-efficient, uses planet-friendly materials and is free from harmful chemicals.

Our targets

- 60% of Group sales to be from our Sustainable Home Products (SHP) by 2025/26, including 70% of sales for our Own Exclusive Brand (OEB) products.



Communities

We will fight to fix bad housing

Our commitment

We will donate our products, expertise and time to help people whose housing needs are greatest in the communities we serve.

Our targets

- Help more than two million people whose housing needs are greatest by 2025/26.

Our Responsible Business Fundamentals*

Employee safety

Responsible sourcing and human rights

Waste and recycling

Ethical conduct

Governance and engagement

Materiality assessment and assurance

* This Report summarises progress against targets for our four key priorities. Further details and other targets are covered in our Data Appendix.



Colleagues

We will be a more inclusive
company



Colleagues overview

We will be a more inclusive company by breaking down barriers to employment and progression and building skills for life.

We want our workforce to represent the communities we operate in at all levels, and for our workplaces to be truly inclusive. Our ambition is for every colleague to feel that they belong and can contribute authentically – developing themselves and their career. We strive to be a business that not only attracts all forms of diversity but also recognises, embraces and celebrates it.

We are also investing in skills, training and development. We want to help every colleague reach their potential and equip them with the knowledge and skills to help our customers improve their homes.

Our target

Improve gender balance to 35% women in senior leadership and 40% women in management by 2025/26.

Provide five million hours of skills for life learning by 2025/26.

Our progress in 2022/23

25.8% of senior leaders are now women, an increase from 25.2% last year.

38.9% of managers are now women, up from 37.9% last year.

2.6 million hours of skills for life learning undertaken by colleagues this year and 6.6 million since 2019/20, exceeding our target ahead of schedule.

Our action plan for inclusion and diversity

Our inclusion and diversity strategy identifies four priority focus areas: diverse and representative senior leadership, a culture of inclusion where everyone can thrive, a diverse customer proposition that differentiates us from our competition and inclusive youth employment that invests in the future of retail.

We have an action plan for the whole Group, setting out the steps we're taking as well as local plans for all banners. We've set stretching quantitative gender representation targets at Group and banner level, and we're linking progress against these to the new performance incentives for executives and other colleagues. Banners also set additional targets on other aspects of diversity to reflect local circumstances and priorities.





How did we perform in 2022/23?

38.9% of managers and 25.8% of senior leadership positions are now held by women, up from 37.9% and 25.2% respectively last year. We are on track to meet our goal of 40% women in all management roles by 2025 but have more to do to reach gender balance in senior leadership. We continue to be focussed on developing and retaining our talent and making sure we have diversity in our external and internal talent pipelines.

Our latest 2022 Gender Pay Report shows a median hourly pay gap of 1.1% (2021: 1.5%) and a mean pay gap of 11.8% (2021: 10.9%) for all UK Group and UK retail banner colleagues. It shows a median bonus pay gap of 21.1% (2021: 14.9%) and 40.6% mean (2021: 44.7%). The median bonus pay gap increased as we did not pay a pandemic related bonus in 2022. The gaps reflect the higher pay for our senior management, more of whom are male. In addition to our UK reporting requirements, we also publish our Gender Equality Index in France and from 2023 in Iberia.

In 2022 we also launched a colleague census, Power of You, in the UK to improve colleagues' insights on aspects such as ethnicity, disability and sexual orientation, see page 11.



Gender balance
% of female colleagues based on headcount

| | 2022/23 | 2021/22 | 2019/20 |
|-------------------------|---------|---------|---------|
| Total workforce | 43% | 43% | 43% |
| Management ¹ | 39% | 38% | 36% |
| Senior leadership | 26% | 25% | 23% |
| Group Executive | 33% | 23% | 17% |
| Board of Directors | 44% | 50% | 44% |

How do we benchmark on gender balance?

The FTSE Women Leaders Review (formally the Hampton Alexander Review) tracks the population of the Executive Committee members and their direct reports for every company in the FTSE350. They've set a 40% voluntary target which would see women holding two in five leadership positions at some of the UK's largest companies by the end of 2025. We're tracking favourably towards their target at 33.3% for FY22/23. We came 51st in their latest Report.

Our own target (35% of our most senior leaders to be women by 2025) covers a larger leadership population of around 300 colleagues.

¹ We previously reported two sets of management data, one in our Directors' remuneration report in the Annual report and the other in the Responsible Business report. This year, we have aligned this data. The management population now reflects all junior and middle management and excludes senior leaders. 2021/22 data reported here has been rebased to show progress against our target.

Focus on leadership diversity

We are focusing on a range of approaches to help us reach gender balance and increase diversity in leadership. This includes:

Diversity in recruitment. We're challenging our search firms to bring us a genuinely diverse candidate pool and gender balanced shortlists for senior roles. Our goal is 50/50 diverse shortlists for all senior roles. We aim to have at least one additional diverse leader on all boards by the end of 2023 and have achieved this for 10 out of 12 boards.

Tackling bias in assessment. Working with an expert consultancy, we're updating our approach to ensure we prevent confirmation bias from influencing our leadership hiring and promotion decisions. Our goal is to ensure we always focus on assessing a person's potential, growing our talent and being more flexible about the criteria.

Prioritised internal succession. We are investing in skills and developing our internal talent to improve diversity of leadership over the long term. We have set a target of 70% of our senior leader roles having at least one woman in the succession plan. As at January 2023, we have achieved this in 67% of roles.

Identifying barriers: We've been working with our Gender Affinity Networks to engage with women throughout the organisation to understand whether there are specific challenges preventing women colleagues from further progressing their careers with us.

Sponsorship supports our high-potential women

Our French businesses have introduced a Women Leaders Programme which matches high potential female colleagues with a mentor from Kingfisher's French board. Ten colleagues took part in 2022/23 meeting regularly with their mentor over the course of a year. The programme aimed to embed sponsorship, create a safe space for participants to discuss their ambitions and challenges, and to address blockers to their progression.

Amélie Dehon was one of the colleagues selected and was matched with HR Director Gino Balderacchi. Amélie says the mentorship provided an opportunity to break down stereotypes and offered real insight and she was able to discuss challenges including those relating to balancing work with having a young family. Since completing the programme, Amélie has gone on to secure a new four day a week role leading a cross-functional team.

"It's a very positive experience, one that's changed my perceptions about the board and my future." Amélie Dehon, a participant on our Women Leaders Programme.



Investing in our partners. We're a founding member of Diversity in Retail, an industry collaboration. Seven colleagues participated in their Global Women Leader Programme and six colleagues took part in their Ethnic Future Leader Programme.

Leaders have a key role to play in building a culture of inclusion. We launched six leadership behaviours in 2022/23 to guide our leadership, and 'Be inclusive' is one of them. During the year we've been embedding the behaviours into our leaders' long-term development programme. This has included training and learning sessions, as well as hearing from external speakers such as James Timpson on his inclusive hiring approach and employment of ex-offenders.

“We're building an inclusive culture for diverse talent of all kinds, then developing that talent, so that when leadership opportunities arise, our pipeline is diverse, resilient, and ready.”

Chami Dhillon,
Group Head of Inclusion and Diversity,
Kingfisher

Establishing our I&D Forum

Our Inclusion and Diversity (I&D) Forum, established in January 2022, brings together colleagues from all our banners and Group functions to accelerate greater inclusion and diversity across the Group.

Chaired by Screwfix's CEO, John Mewett, the 18 Forum members include senior leaders, representatives from our Affinity Networks and other colleagues. It meets quarterly and is currently focusing on: closing sentiment gaps – where some groups may feel less included than others; and helping every colleague understand their role in building an inclusive culture.

Closing sentiment gaps

Our Peakon inclusion score (an independent global benchmark for inclusion and culture), is consistently in the top 5-10% of retail companies. Yet we know that not all groups of employees feel equally included. Understanding these inconsistencies in employee experience can help us to target our efforts more effectively and share information on successful strategies across banners. For example, several of our banners are focusing on developing the employee experience for younger colleagues who may want to be engaged, inspired and led differently to older peers.

Embedding an inclusive culture

While our leaders create the conditions upon which an inclusive culture can be built, every colleague has a role to play in how included those they work with feel. The Forum's

second focus is helping every colleague understand the role they personally play in building an inclusive culture. Allyship lays at the heart of this – finding shared ways to help every colleague, regardless of role or location, to improve their empathy, raise their curiosity, and create safer spaces. Ultimately, we're working on ways to get everyone to own inclusion by becoming a better ally to all those they work with.

Empowering our Affinity Networks

Our 16 Affinity Networks across the Group provide a safe and supportive environment for colleagues to focus their passion for inclusion, as well as demonstrate allyship with minority and marginalised groups. Each is shaped slightly differently (based on shared characteristics or interests) but all come from grassroots action by colleagues and link to our I&D Forum. They cover gender, race, disability, LGBTQ+, working parents and veterans.

These communities of action have proved a powerful way for colleagues to collaborate and find new solutions. Examples this year include:

Co-writing our gender identity and expression policy with our LGBTQ+ Affinity Network. Insights drawn from our colleague listening processes told us that colleagues who are non-binary or transitioning find their employee experience less inclusive. To help remedy that, we worked with colleagues in our LGBTQ+ Affinity Network to explore this feedback further and identify areas we could quickly act upon. This resulted in an update to our gender identity and expression

policy which was re-written to share practical tips and best practice. It introduced more guidance for managers on how to approach this when someone in their team seeks to change their gender identity and expression, and a buddy programme for anyone wanting to have a mentor or guide on how to navigate their gender identity and expression at work. By implementing a more inclusive policy and process, we are building a sense of community that transcends individual banners.

Addressing the fear of saying the wrong thing. Our research showed us that sometimes the fear of saying the wrong thing or fear of being misinterpreted can be an obstacle to inclusion. To help address this, during Black History Month our Race and Culture Network hosted a safe space for anyone to anonymously ask a question and get it answered in a non-judgemental way.

Improving our demographic data. To assess our progress and understand where we still need to improve, we need good data on our workforce demographics. However, colleagues don't always feel comfortable sharing personal information. In 2022, B&Q, Screwfix and Group functions joined forces to talk to our UK colleagues about this through our 'Power of You' campaign. This featured real colleagues, explained why we are collecting diversity data and how we use the information colleagues provide. It reassured colleagues that all data would be used confidentially, with respect for privacy and with the goal of supporting positive action in the business.

Partnering on diversity

Our CEO and Chairman are members of the 30% Club which aims to increase representation of women on boards and executive committees. We have signed the British Retail Consortium's (BRC's) new Better Jobs Diversity and Inclusion Charter, making six pledges to improve diversity in the retail sector. We have also been part of Retail Week's Be Inspired programme since 2018.

Through our partnership with Diversity in Retail we have sponsored talent to be part of cross-company mentoring schemes, and we're working with Stonewall and the Business Disability Forum.



An industry-wide call to build a more inclusive sector

42% of LGBTQ+ people in Spain say they've experienced verbal abuse at work and 55% of those also said no one acted to support them against that aggression.

Brico Dépôt Iberia, with the support of advocate organisation FELGTB, is working to change that. Its 'build better' campaign aims to support a cultural shift in the construction industry to make it safer for LGBTQ+ people. The campaign shared ideas and resources for creating open and safe working environments. The materials (including a poster, [film](#) and guide) developed with FELGTB were shared with other home improvement retailers and made freely available online for other businesses to use.

The campaign was a first of its kind in our industry in Spain. It was well received by our colleagues, and 15 news outlets also covered the story, with more than 350,000 people engaging via social media.

Lesson learned

Working with an expert advocacy group helped us to create a campaign that resonated with a wider audience.

Building a better home for all our colleagues

Targets

- Improve gender balance to **35% women in senior leadership** and **40% women in management** by 2025.
- Provide **five million hours of skills for life learning** by 2025.

4,673 apprenticeships

across the group



6,600,000

hours of skills for life learning delivered

16 Affinity Networks



Inclusion & Diversity Strategy

Senior Leadership

Our senior leadership team role models Inclusion and Diversity.

Representation and authentic sponsors of culture change.

A Culture of Inclusion

Our culture supports everyone to thrive and succeed.

Deep understanding of diverse groups to enhance the 'lived experience'.

Customer Proposition

We commit to accessible and inclusive products, and multichannel experiences.

Inclusive, accessible design as a brand differentiator.

Inclusive Youth Employment

Our impact on society is amplified through investing in skills and work experience.

Targeted initiatives focused on addressing disadvantaged youth unemployment.

Inclusion and Diversity Forum

8.6 out of 10 inclusion score

colleague engagement survey

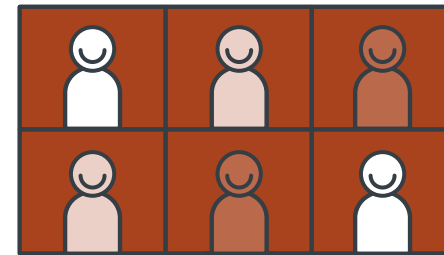
82,000 colleagues

across 8 countries



38.9% women

in management



Delivered: Five million hours of skills for life learning

We believe in lifelong learning, helping our colleagues to keep developing their knowledge and skills throughout their careers. This is good for our people and good for our business.

We have provided 6.6 million hours of skills for life learning since 2019/20, reaching our target of five million two years earlier. And while we're pleased with this progress, it's no time for complacency. In an environment of accelerating change, we'll continue investing in our people, equipping them with the skills they need for today and tomorrow.

During 2023/24 we will be setting new goals for the business focusing on amplifying the impact of our training programmes.

Colleagues can also access a range of on-demand courses, webinars and training sessions via our online e-learning system and through LinkedIn Learning.

Upskilling colleagues to succeed today and tomorrow

Digital, diversity and Responsible Business are three of the themes in our training and skills programmes – helping to shape our business for the future. These are just a few examples from the year:



Building skills through apprenticeships

During the year we had 2,970 colleagues enrolled on apprenticeship courses and 1,703 apprenticeships completed across the Group. B&Q's apprenticeships span 28 different courses. Screwfix is achieving strong progression from its apprenticeships with 80% of those completing Level 2, 3 and 4 apprenticeships going on to become Assistant or Branch Managers. In total, more than 1,500 UK colleagues are completing apprenticeships across B&Q and Screwfix.



Digital Dépôt

Brico Dépôt Romania delivered its first in-store digital training to almost 500 colleagues. This spanned everything from practical tips for getting more out of Microsoft Office to familiarisation with bespoke in-store devices.



Targeted Responsible Business training

We're developing our Responsible Business training to help us meet our targets. This year we focused on targeted training on our Sustainable Home Product guidelines for colleagues involved in developing our product ranges.



Supply and Logistics (S&L) Academy

Our new S&L Academy will upskill our colleagues in our Group and banners to deliver our S&L Strategic Roadmap and 3-Year Plan. The first phase was completed by Group colleagues in 2022, with B&Q colleagues to follow in 2023.





An inclusive workplace for young people

We want to help more young people into the workplace and we offer a range of work experience, entry-level roles, apprenticeships and development opportunities.

We encourage a diverse range of young people to work with us with many of our programmes focusing on supporting youth from disadvantaged backgrounds, and our banners work together to collaborate and share best practice in this area.

Standing up for young people is a win/win. They gain the skills they need as they set out on their careers, and we develop our future workforce.

In 2022/23, half our new hires in our UK and French banners were aged below 27 years old.

France. Brico Dépôt and Castorama France piloted their 'Booste Ta Carrière' programme to progress young talent and improve succession plans. As part of this programme, eight apprentices joined in 2022, each supported by an external coach and mentor to further their learning and development. This builds on the success of our ongoing work-study programmes, see case study.

UK. Screwfix runs an annual Trade Apprentice award and in 2022 launched a new scheme to fund the training of 12 construction trade apprentices, while B&Q was listed in the UK's [Top 100 Apprenticeship Employers](#) ranking for 2022.

Poland. 49 young people are gaining work experience on Castorama Poland's 'Kierunek Castorama', run in partnership with trade and technical schools. The banner is also a founding member and ongoing supporter to 'Upskill 4 Future'.

Iberia. Brico Dépôt launched new programmes during the year specifically designed for young people including a vocational training programme and disability and intergeneration training programme. Plans for 2023/24 focus on integrating an intergenerational workforce through raising awareness and training.

Romania. Working with a local partner, Brico Dépôt is creating work experience opportunities for disadvantaged youth around Bucharest.

At Group level we have run Digital boot camps and offered work placements for young people with a focus on increasing the diversity of our recruitment to digital roles. Our partners include CodeGirlsFirst (which offers free coding training for women),

Futureproof (focusing on low-income families) and Code Your Future (supporting refugees and people on low incomes to pursue tech careers).

France recruits 750 apprentices

Brico Dépôt and Castorama France strengthened their commitment to training young people by recruiting 750 work placement students in 2022. They joined the 1,360 other young people who are already part of this programme.

The placements cover a range of diploma levels and span the breadth of our French business – from logistics and sales to digital and HR.

Around one quarter of participants are recruited into permanent roles with us.

Asking every colleague, ‘how are we doing?’

The only real way to know what our colleagues think about working with us is to ask them.

Over 63,500 colleagues, nearly 83% of our total workforce worldwide, took part in our most recent colleague survey. They told us that:

- They’re engaged. Our engagement score is 8.4 (2021/22: 8.3), which compares favourably against the industry average of 7.7.
- They’re happy to recommend us to friends and family as a place to work. Our Employee Net Promoter Score (eNPS) is 54 (2021/22: 48), putting us in the top 5% of global retailers.
- They are keen to help us become an even better place to work having shared over 317,000 comments and ideas for how we can continue to do better.

Each part of the business has an action plan to address any lower scoring areas from the survey and these are reviewed by our Group Executive and Board.

About our workforce

In 2022/23, our total workforce was 78,000 colleagues (2021/22: 82,000). Our employee turnover rate was 35.6% (2021/22: 36.3%) including voluntary and involuntary leavers. This is in line with relevant industry benchmarks in the countries where we operate.

Make a Switch at Screwfix

How do we help every colleague learn more about sustainability and feel they are contributing to our sustainability work? Part of this year’s answer was a colleague campaign by Screwfix, encouraging their staff to make and share sustainable ‘switches’ in their professional and personal lives. Colleagues also suggested ‘switches’ Screwfix could make, giving them the opportunity to help their banner reach its sustainability goals.

Over 3,000 colleagues participated in the Big Switch campaign and hundreds of suggestions were submitted. These included reducing printing, sorting Trade Counter waste more effectively, appointing sustainability champions and reusing wastepaper. We also had lots of colleagues making switches in their lives outside of work, including book swaps, buying greener electricity, reducing car journeys, and cutting out plastic. A double discount on Smart Thermostats has been offered to colleagues to help them save energy and cut their energy bills as well as installing EV charge points at head office to support electric and plug-in hybrid cars.

Following the campaign, the sustainability question included in Screwfix’s annual staff survey became the most improved question – up 16 (net promoter) points on the previous year.

Lesson learned

Colleagues are more empowered when they are part of a bigger movement. They also want to know how their switches make a difference, which we’ll incorporate into the next phase.





Helping colleagues with the cost of living

During the year, we monitored the rising cost of living across our markets and have taken action to support colleagues in our stores and head offices. On colleague pay, for example, salary increases or one-off payments were awarded in the UK, France, Poland, Spain and Portugal, which focused largely on store colleagues.

Additional support to help colleagues with the cost of living have included:

- Establishing a Colleague Support Fund in the UK in partnership with the Retail Trust to support colleagues experiencing financial difficulties.
- A partnership between Screwfix and the Hapi app, which provides colleagues with financial wellbeing advice.
- Colleague discounts on energy saving products in Romania, Spain, Portugal and the UK to help reduce household bills.

Supporting our colleagues' wellbeing

We offer a range of programmes to help our colleagues look after their wellbeing. We focus on different themes each year covering aspects of physical, mental, financial and social wellbeing.

Programmes vary by location and include promoting healthy lifestyle choices; Employee Assistance Programmes (EAP) with services such as counselling, financial and legal advice or specialist support; occupational health services; and healthcare and medical benefits for colleagues and their families.

All colleagues in the UK can use our online portal with training and advice on many aspects of wellness provided by the Retail Trust. This includes access to counselling support for colleagues and their children. We have similar EAP programmes in France, Romania, Iberia and Turkey.

In the UK, key focus areas in 2022/23 included women's health and the menopause, men's wellness and health risks, and financial wellness focus including sharing money management tips, engaging colleagues on our pension scheme and establishing a colleague support fund with the Retail Trust.

We also focused on mental health with a series of events across the Group on World Mental Health Day. This included a guest speaker event with the comedian and campaigner Ruby Wax, sharing her own experiences with 200 colleagues joining live from across the Group.



Planet

We will help tackle climate change
and become Forest Positive



Planet overview

We will help tackle climate change and become Forest Positive.

It's critical that we play our part in addressing climate change, by reducing emissions from our business operations, supply chains and our products. We've committed to reach net zero in our operations (scope 1 and 2) by the end of 2040 and will set a net zero target for our scope 3 emissions.

Deforestation is a cause of climate change as well as contributing to loss of biodiversity. We use wood and paper in many of our products and that's why we're committed to continuing our journey to become Forest Positive, focusing on responsible sourcing of all wood and paper, ensuring no deforestation across our supply chain, and protecting and restoring forests across the globe.

Our commitment to protecting our planet is reflected in every aspect of our business, from how we run our stores to the products that we source and sell.

Our target

Achieve our scope 1, 2 and 3 Science Based Targets initiative (SBTi) validated carbon reduction targets by 2025/26.

Net zero emissions for our operations (scopes 1 and 2) by 2040/41.

Become Forest Positive by 2025/26.

100% responsibly sourced wood and paper for our products and catalogues by 2025/26.

Our progress in 2022/23

Reduced scope 1 and 2 greenhouse gas emissions by 52.6% since 2016/17, exceeding our 2025/26 target. This is our first step towards achieving net zero carbon by 2040/41.

Reduced intensity of our scope 3 emissions from the supply chain and customer use of products by 34% since 2017/18.

94.5% of the wood and paper used in our products was responsibly sourced (2021/22: 87.2%) and 100% catalogue paper.

Supported 190,000 hectares of community managed forests across six projects through our membership of Forest Allies. Four banners are now supporting local forest projects.

On our way to net zero

The science shows that to keep global warming to 1.5°C and avoid the worst impacts of climate change, the world must reach net zero emissions by 2050 at the latest.

We've committed to reach net zero in our operations (scope 1 and 2) by the end of 2040. This means we will reduce absolute emissions by at least 90% against our 2016/17 baseline and neutralise any residual emissions. We are also developing our scope 3 net zero target, and during 2022 have been focusing on improving the data we hold on scope 3 emissions. Our net zero commitments build on our near-term science-based targets.

Our 2040 scope 1 and 2 net zero target has been prepared in line with the SBTi's Corporate Net Zero Standard. Once our scope 3 net zero target has been developed, we will submit all targets to the SBTi for validation against its Corporate Net Zero Standard.

To deliver on our ambitious climate commitments, we will continue to develop our transition plan, aligning it with the Transition Plan Taskforce's Disclosure Framework and

the Task Force on Climate-related Financial Disclosures (TCFD) Guidance on Metrics, Targets and Transition Plans.

Our full TCFD statement including more information on our approach to climate risks and opportunities and the scenario analysis we've conducted is included in our [Annual Report and Accounts](#) page 31.

Our science-based targets for 2025/26

The first step towards net zero is delivering [our science-based targets for 2025/26](#).

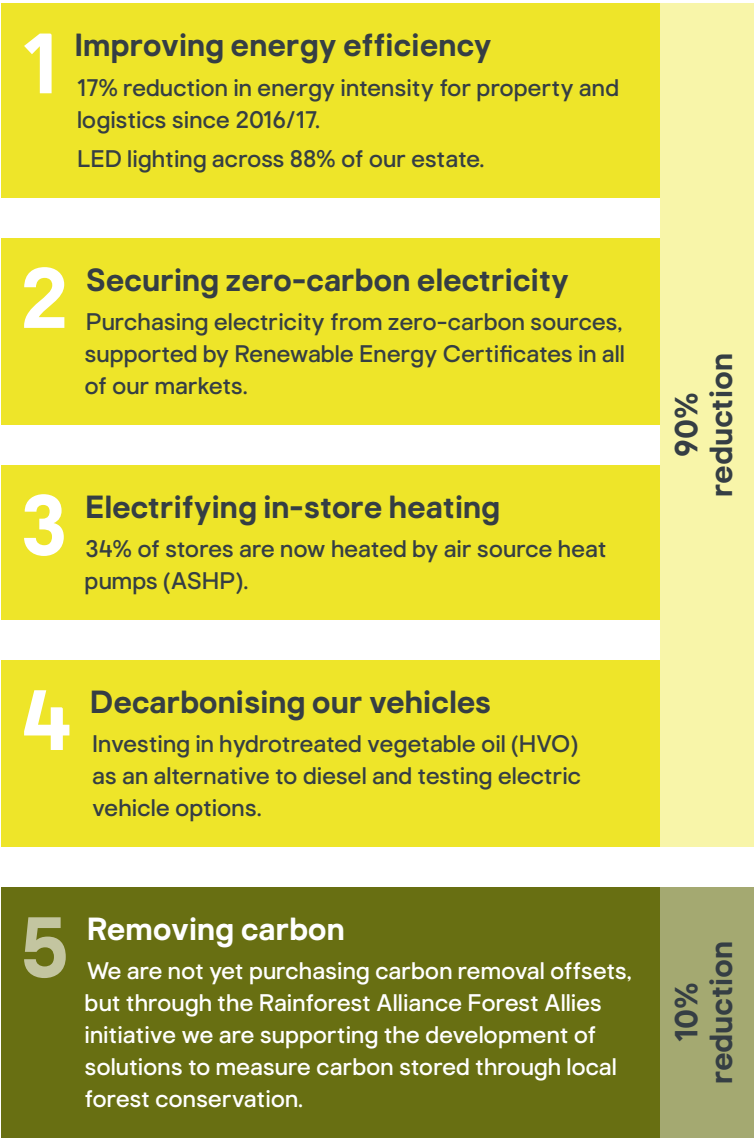
Our targets are to:

- Reduce scope 1 & 2 emissions from property and transport by **37.8% in absolute terms by 2025/26**, compared to 2016/17; and
- Reduce scope 3 emissions from the supply chain and customer use of products by **40% per £million of turnover by 2025/26**, compared to 2017/18.

These targets have been validated by the Science Based Targets initiative confirming that they align with the goal of the Paris Climate Agreement to keep warming to 1.5°C.

Five steps to net zero in our operations

What have we done so far?



52.6% reduction since 2016/17

We have reduced our absolute greenhouse gas emissions from our operations by 52.6% since 2016/17, against our target of 37.8%. This means we are currently exceeding our target. The reduction this year is due to the purchase of renewable electricity as well as actions such as the roll-out of LED lighting, installation of air source heat pumps (ASHPs) and use of alternative fuels in our fleet. Additional measures included lowering store temperatures and adjusting lighting. The milder winter also allowed us to decrease our property energy consumption. Our priority now is to maintain this progress whilst laying the foundation for our longer-term net zero transition across our five key steps. While we may see some fluctuation in the level of absolute reduction over the next few years, we are confident that our actions will continue to deliver sustained emissions reductions.

How are we rated externally?

In 2022 we received an A score in CDP Climate Change (2021/22: A-), the highest possible rating. We were one of just 296 companies to achieve this score globally. See www.kingfisher.com/CDPclimatechange2022 for our full CDP Climate Change response.

Embedding our commitment

In 2022 we established our Group Climate Committee, chaired by our Chief Executive Officer. It meets quarterly to agree and

monitor the company's approach to meeting its emission reduction commitments and assessing climate-related risks and opportunities. The Committee reports progress to our Group Executive and Responsible Business Committee.

More information is included in our [Annual Report and Accounts 2022/23](#).

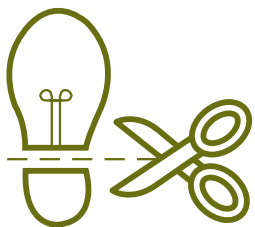
We increasingly consider the management of climate-related risks through our existing financial planning processes including capital investments (such as the installation of low-carbon energy technologies), anticipated revenues from our SHP, and executive remuneration.

The Kingfisher Performance Share Plan for our senior leadership population includes scope 1 and 2 carbon emissions reduction targets, which are aligned to our science-based target.

Switching to zero-carbon electricity

We purchase electricity from zero-carbon and renewable sources, supported by Renewable Energy Certificates for all our markets.

We are also investing in on-site renewable generation. We installed solar PV panels at 25 stores in Poland this year in addition to existing installations in the UK on 29 stores, offices and distribution centres. We also have biomass boilers supplying two distribution centres and one head office building which are powered by waste wood from our stores. Our investments in renewable energy are generating 10.6 million kWh per year.

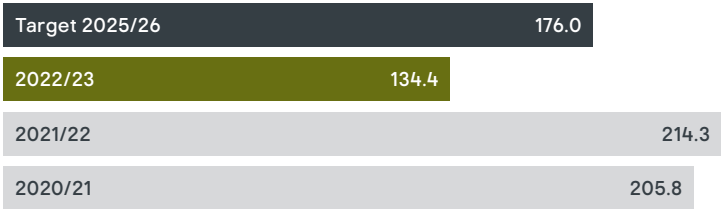


52.6%

Cut in our direct CO₂e emissions from 2016/17

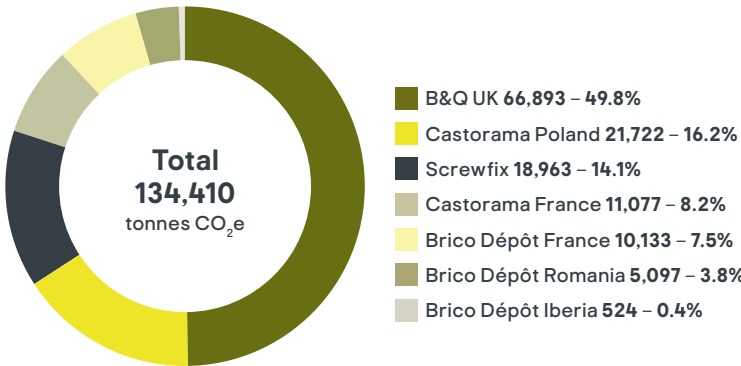
Our carbon emissions (scope 1 and 2 market-based)

thousand tonnes CO₂e from property and transport



Carbon footprint by retail banner (scope 1 and 2 market-based)

tonnes CO₂e



Energy intensity is a metric that measures energy efficiency and is calculated by dividing energy consumption by the total floor area occupied.

In 2023/24, we will start to roll out photovoltaic shades in our car parks in France, in line with new legislation. This is an exciting opportunity for us to generate significant amounts of on-site renewable power in France in future years and evaluate opportunities to extend this approach to other markets.

We are switching to cloud-based IT systems powered by renewable energy to replace some of our physical data centres which is also generating carbon savings.

Investing in energy efficiency

We have reduced our property energy intensity by 25% since 2016/17. Total energy consumption reduced year on year and is 21% lower than in 2016/17. This is due to our energy efficiency measures such as:

- Installing building management systems across our stores and markets. This gives us much greater visibility and control of our energy.
- Continuing to roll out LED lighting with 62 stores converted this year.
- Integrating energy saving measures such as improving insulation and improving door systems in our warehouses to reduce loss of heat in winter.

We significantly increased our investment in energy efficiency measures this year to £34m – up more than £14m on the previous financial year. This will reduce consumption by 34.4 GWh a year, avoiding 4,100 tonnes of carbon a year and saving £4.1 million. We have three-year energy reduction plans for each banner.

Our property energy consumption GWh

| | |
|---------|-----|
| 2022/23 | 830 |
| 2021/22 | 948 |
| 2020/21 | 895 |

Our property energy intensity kWh/m² floor space

| | |
|---------|-----|
| 2022/23 | 106 |
| 2021/22 | 123 |
| 2020/21 | 116 |

Going all electric to heat our stores

We’re continuing the process of switching to all electric heating for our stores, replacing gas and fossil fuel-based heating systems. This will enable us to decarbonise our stores and estate as we switch to 100% renewable power.

We have installed all electric heating using air source heat pumps (ASHP) in over 430 Screwfix stores and this is standard specification for new Screwfix stores in the UK & Ireland. There were 169 ASHP installations in 2022/23, and 50% of Screwfix stores were heated with ASHPs. Screwfix was recognised with an award from the British Retail Consortium (BRC) for its progress in ‘driving towards net zero property’.

Heat reflective paint cuts emissions from air conditioning

2022 was the hottest and sunniest year on record in both France and Spain.

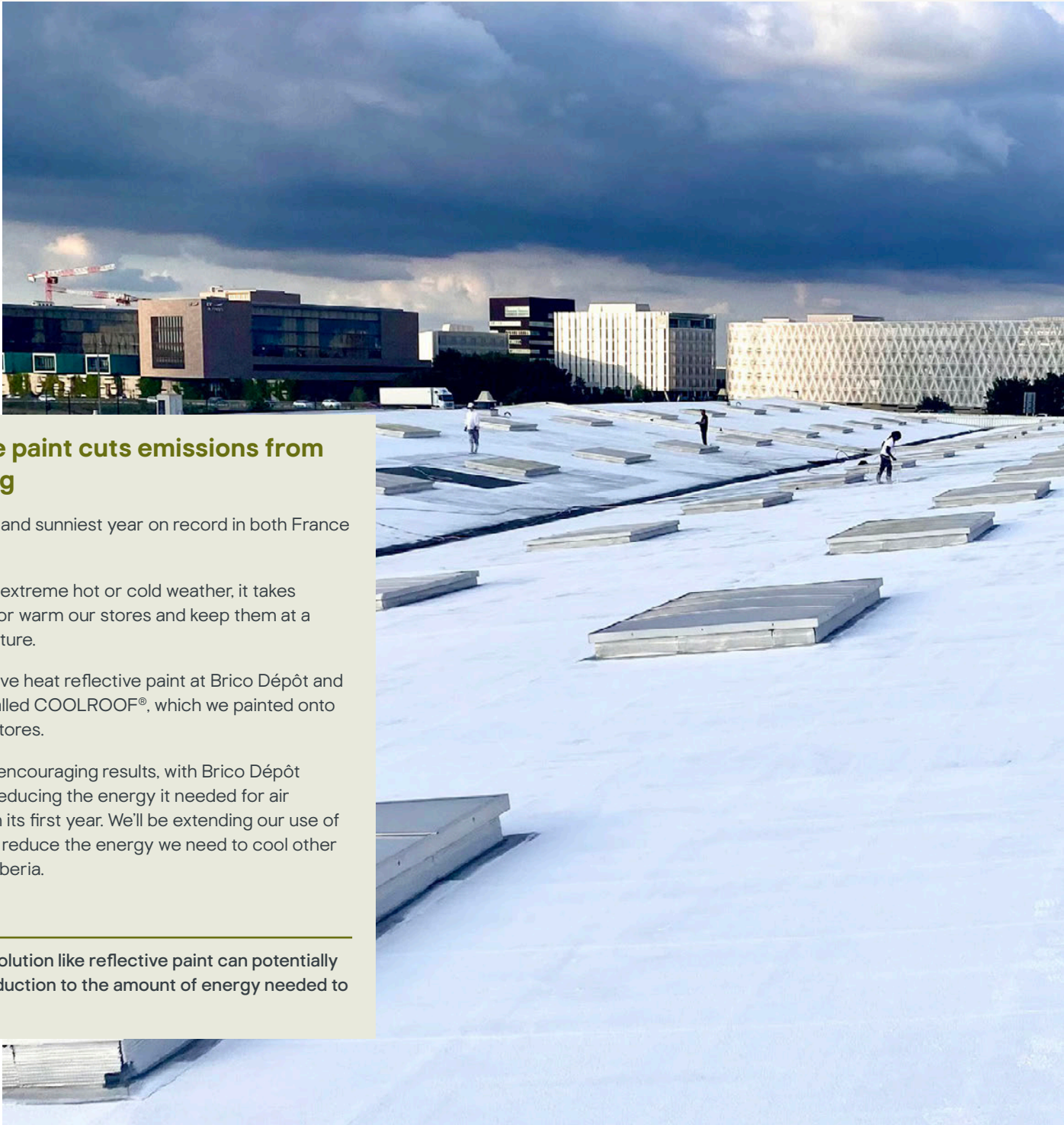
When we experience extreme hot or cold weather, it takes more energy to cool or warm our stores and keep them at a comfortable temperature.

We trialled an innovative heat reflective paint at Brico Dépôt and Castorama France called COOLROOF®, which we painted onto the rooves of seven stores.

The trial is delivering encouraging results, with Brico Dépôt in Brive-la-Gaillarde reducing the energy it needed for air conditioning by 41% in its first year. We’ll be extending our use of COOLROOF® to help reduce the energy we need to cool other stores in France and Iberia.

Lesson learned

A seemingly simple solution like reflective paint can potentially make a significant reduction to the amount of energy needed to cool our stores.



Testing low carbon options to decarbonise our fleet

At Screwfix, we've been testing hydrotreated vegetable oil (HVO) as an alternative to diesel to power trucks from the Litchfield distribution centre. Having cleaned the diesel tank and refilled it with HVO, 48 trucks participated in the trial to deliver items between the banner's distribution centres and stores.

Replacing fossil-fuel diesel with sustainably sourced HVO (which is plant-based and certified from sustainable reused sources) reduces a journey's carbon emissions by up to 90%. The tests have proved successful and a second distribution centre, Stafford, went live in March 2023.

At B&Q, we've been trialling electric HGV trucks but found these don't yet meet our operational requirements for weight and range. B&Q is successfully using some smaller electric vans for home deliveries as well as using liquid natural gas ((LNG), a lower carbon alternative to diesel) in around half its fleet – making it one of the largest LNG fleets in the UK.

We've also launched our Net Zero Logistics Forum to share what we're learning from these trials across our banners.

Lesson learned

There's no current solution to completely decarbonise our fleet, but progress can still be achieved by investing in trials and testing while technology evolves. Ongoing engagement with fleet providers is crucial in finding the most suitable solutions for our business.



GoodHome Iriya connected heaters – automated heaters that anticipate the user's needs based on their habits and helps them to reduce energy consumption.

Our approach to scope 3 product emissions

We focus on three key areas to reduce the carbon footprint of our products – the materials we use to make them (such as peat-free compost and use of recycled materials, see pages 33–35), emissions from the manufacturing process and emissions from energy used by our customers when operating products such as appliances.

We have reduced the intensity of our emissions from the supply chain and customer use of products by 34% since 2017/18, meaning we are on track to meet our target of 40% by 2025.

In 2022/23, we have been focused on improving our product scope 3 data to better understand the footprint of our ranges, enabling an additional focus on OEB products. Working with an expert consultancy, Ricardo, we updated our methodology for calculating emissions, using updated conversion factors and incorporating additional research data relating to energy using product. This has also led us to restating our baseline and progress in 2021/22.

Tackling emissions from energy using products

Our updated methodology shows that around 75% of emissions are associated with the energy used by our customers to power products such as light bulbs and electrical heating.

We have already made progress on reducing these emissions. For example, since 2017/18, we have reduced emissions associated with our lighting range by 51% by switching to LED products. The emissions from electrical heating products have decreased by 20% since 2017/18. We also stock products that help customers to reduce home energy use. See page 32.

Now, thanks to the updates to our data, we can provide our commercial and banner teams with more granular data on each range's carbon footprint. This will enable our teams to identify carbon intensive ranges and the hotspots in our supply chain, helping inform decisions during product development, design of OEB ranges and sourcing to further reduce emissions.

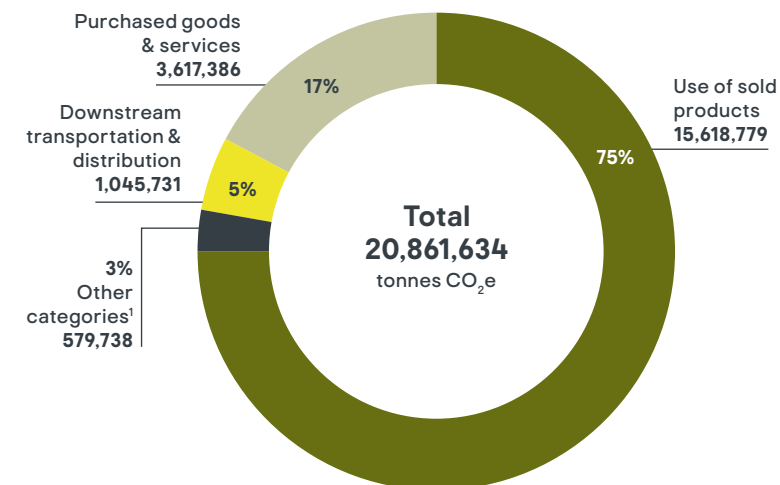
Supporting suppliers to tackle manufacturing emissions

Our improved data shows that 16% of our footprint comes from the sourcing and manufacturing of our products.

We are working with Manufacture 2030 to support our suppliers to calculate and reduce their carbon footprint. Over 300 of our supplier factories joined Manufacture 2030's Low Carbon Manufacturing Programme (LCMP) during the year, building on our work with WWF's LCMP in Southeast Asia, and the Environmental Defence Fund's green supply chain programme in China.

We also engage with Goods Not For Resale (GNFR) suppliers on emissions through the EcoVadis assessment process.

Our scope 3 emissions 2022/23 tonnes CO₂e (%)



Advocacy and partnership to tackle climate change

We don't yet have all the answers for how we'll reach net zero. We need to collaborate with our peers, suppliers and other stakeholders to find scalable solutions to reduce emissions in all areas of our business and value chain. We have already started to conduct pilot projects and engage closely with suppliers and peer companies to help us tackle challenges such as decarbonising heating.

We continue to promote cross-sector climate action through our partnerships and by sharing our insights with governments and others to encourage progress towards net zero. We are:

- Part of the Business Ambition for 1.5°C – a campaign led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and We Mean Business coalition.
- Member of the British Retail Consortium's Climate Action Roadmap, a decarbonisation plan that will accelerate progress to net zero in the UK, ahead of the Government's 2050 target.
- A founding member of the UN's Race to Zero Breakthroughs – Retail Campaign. This partnership aims to inspire more retailers to take action on climate change and commit to a 1.5°C science-based carbon reduction target. Five new retail and business associations joined the movement during the year, bringing the total number to 15.

“UK homes lose heat up to three times faster than European neighbours. With near-on a £450 bill gap between the most and least energy efficient homes, and housing responsible for around 20% of the UK's emissions, tackling this challenge has never been more important.”

Thierry Garnier,
Kingfisher Group CEO

Offering practical policy solutions to improve the energy efficiency of UK homes

Improving energy efficiency could deliver 40% of the carbon reductions required by 2040 to put the world on track to reach net zero globally by 2050. Yet the rising cost of living could potentially prevent people from investing in improving home energy efficiency given the delay in return on investment.

We carried out economic research in partnership with Cebr last year, in addition to customer polling. An outcome of this was the proposal of five simple policy ideas we shared with the UK Government to address the energy efficiency gap in homes across the country.

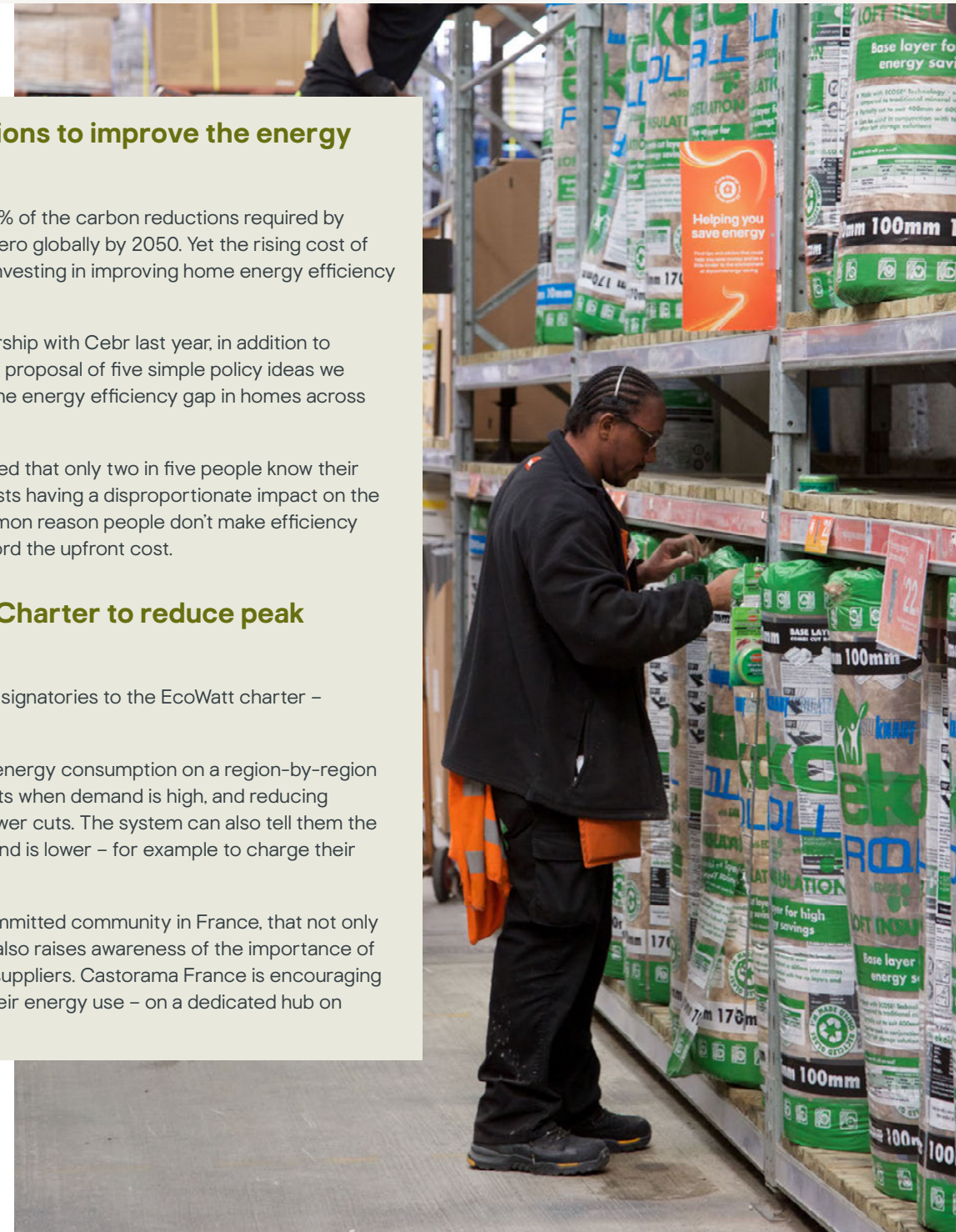
Our 'UK Homes Efficiency report 2022' showed that only two in five people know their home's EPC rating, despite higher energy costs having a disproportionate impact on the least energy efficient homes. The most common reason people don't make efficiency improvements is due to not being able to afford the upfront cost.

Supporting France's EcoWatt Charter to reduce peak energy demand

Castorama and Brico Dépôt France became signatories to the EcoWatt charter – supporting responsible energy consumption.

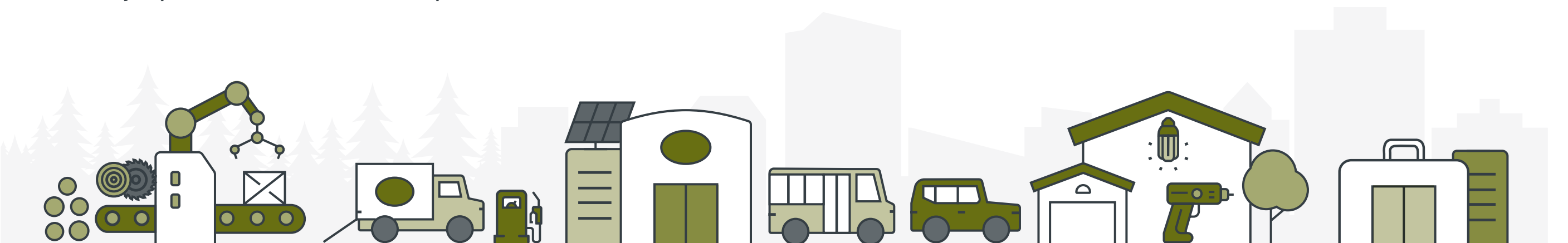
EcoWatt is a real-time system that monitors energy consumption on a region-by-region basis. Consumers can sign up to receive alerts when demand is high, and reducing electricity consumption can help to avoid power cuts. The system can also tell them the best time to consume electricity when demand is lower – for example to charge their electric car.

Partnering with EcoWatt sees us joining a committed community in France, that not only better manages its own energy demand but also raises awareness of the importance of doing so among colleagues, customers and suppliers. Castorama France is encouraging customers to take small actions to reduce their energy use – on a dedicated hub on their website.



Carbon emissions across the value chain in 2022

The majority of our emissions come from our products



Supply chain

Sourcing and manufacturing our products

16.3%

3,415,939 tCO₂e
(Scope 3)

Logistics

Transporting our products

1.8%

381,166 tCO₂e
(Scope 1 & 3)

Buildings

Operating our stores and other properties. Includes energy and water use, and waste generated

0.4%

89,925 tCO₂e
(Scope 1, 2 & 3)

Travel

Employee and customer travel

5.3%

1,114,661 tCO₂e
(Scope 3)

Use and disposal of sold products

Customers' use and disposal of our products

74.6%

15,619,528 tCO₂e
(Scope 3)

Other

Other indirect emissions e.g. investments, capital goods, and leased assets

1.5%

305,336 tCO₂e
(Scope 3)



Our ambition to become Forest Positive

As part of our ongoing journey to become Forest Positive, we are focusing on three main areas:

1. 100% responsibly sourced wood and paper across our business.
2. No deforestation through the other materials we use.
3. Protecting and restoring forests and supporting forest communities by investing in credible forest landscape initiatives.

Making progress towards 100% responsible sourcing

We want all the wood and paper we use in our business to be responsibly sourced and we're making good progress.

Our Forest Positive Policy states that all wood and paper must be sourced from well-managed forests that have been certified to credible certification standards such as FSC® or PEFC™, or from verified recycled sources. Our commitment to responsible sourcing covers any wood or paper used in our business including our products, catalogues and construction materials. Suppliers must provide proof of Chain of Custody certification, and we train colleagues and monitor compliance via spot checks.

94.5% of the wood and paper we sourced in the year met our responsible purchasing criteria (2021/22: 87.2%). Of that:

- 69.5% was FSC®
- 24.4% was PEFC™
- 0.6% was from verified recycled sources.

About 20% of all timber globally comes from Russia so the commercial availability of certified timber has been under pressure in 2022/23. In line with sanctions and our own policy, we no longer source wood from Russia or Belarus. Despite these external challenges, we've made strong progress against our responsible sourcing target this year driven by the efforts of our commercial, quality and sourcing teams.

Improving our data

We work with almost 700 suppliers who in turn provide us with more than £1bn of product sales containing paper or wood every year. Good quality data enables us to monitor progress against our responsible sourcing commitments. We expanded our team in 2022/23 and invested in technology, auditing tools and systems. This will enable us to more accurately track the sustainability credentials of the products supplied to us and identify which suppliers need support to meet our responsible sourcing standards.

We're also updating our procedures and guidance to ensure we are prepared for the introduction of the EU Deforestation Regulation in 2024.

Responsible sourcing of leather

Leather production can contribute to deforestation when land is deforested to make way for cattle grazing. We source relatively small volumes of leather, most of which we use in our safety footwear. We want to ensure it is responsibly sourced, does not contribute to deforestation and avoids the use of harmful chemicals in tanning processes.

In 2022/23, we made it mandatory for all our Own Exclusive Brand leather products to be Leather Working Group (LWG) certified, which helps improve environmental standards in tanneries. As a result we have reduced the number of tanneries we work with from 15 to 10 – all of which are gold certified by LWG.

We are also working with one of our leather suppliers to switch to using natural oils in the tanning process – made from the cod industry's biowaste.

With advances in material innovations, we are also increasing the number of footwear products we sell that use leather alternatives or other textiles.

Celebrating our first year of progress with Forest Allies

As part of our commitment to become Forest Positive we are a founding member of the Rainforest Alliance's Forest Allies initiative (from 2021), investing in projects in our key tropical sourcing regions. We're investing US\$750,000 over three years to support six projects, which cover some 190,000 hectares of community managed forests, and contribute towards the protection of more than 2,500,000 hectares of protected areas.

Research into deforestation shows an intrinsic link between environmental and social challenges, so each of these projects puts support for forest communities at its heart. The projects are being developed using the Rainforest Alliance's 'Integrated Community Forest Management' model and the reach and impact will be measured through a new evaluation tool developed with IIED (the International Institute for Environment and Development).

Our membership of Forest Allies is supporting six forest projects that are:

1. Scaling up successful forest restoration models in Guatemala.
2. Developing a sustainable forest model in Colombia.
3. Partnering with Indigenous communities in Peru.
4. Developing a roadmap for sustainable rubber in Indonesia.
5. Connecting forest communities with key markets in Indonesia.
6. Fostering community forest management in Cameroon.

1 "Ethical supply chains" refer to commodity production, trade and finance that are free from recent deforestation or conversion and that fully respect the rights of indigenous peoples, local communities and workers.

2 Excluding Koçtaş and B&Q Saudi Arabia.

As part of our commitment as a member of Forest Allies, the Rainforest Alliance reviewed our policies and commitments against the 12 Core Principles of the Accountability Framework Initiative. This is a collaborative initiative to accelerate progress and improve accountability for ethical supply chains¹ in agriculture and forestry. The scope included all wood- and paper-based suppliers.² We're reviewing their recommendations to inform ongoing improvements to our work on forest stewardship.

Supporting tropical forest communities as a member of Forest Allies

Our membership of Forest Allies is benefiting communities and forests in five countries. Activities include:

- Supporting the distribution of over 250,000 tree seedlings to restore deforested and degraded land in Guatemala and Cameroon.
- Supporting the establishment of 1,000 hectares of active restoration on degraded land previously used for cattle grazing in the Maya Biosphere Reserve in Guatemala.
- Contributing to training workshops for 11 community leaders in the Llamas region of Peru, to support them in further building on their ancestral knowledge of forestry conservation.
- Supported 41 forest communities in Indonesia, Central and South America and the Congo Basin to build and strengthen successful enterprise skills.
- Supported the creation of a nursery growing wild mango seedlings which will be used for restoration and supporting a woman-owned community cooperative in Cameroon.

See more details in the [Forest Allies Annual Report 2022](#).



Launching local forest projects

We've launched four local projects in the UK, France and Poland to support forests and get our people involved in our efforts to become Forest Positive:

- Screwfix and B&Q are joining forces to support a Woodland Trust project, see case study.
- Castorama France has partnered with Reforest'Action to create an urban forest. We've helped plant a mixture of more than 1,000 local trees and shrubs as part of the project on the outskirts of our store in Marseille Saint-Loup – the second most populous city in France.
- Castorama Poland has invested in Poland's State Forests to restore over eight hectares to a healthier condition. The two projects in two different locations will see more than 30,000 trees replanted and sustainably managed. A lot of our wood and timber is sourced from Eastern Europe, and Poland's State Forest contributes to this.
- Brico Dépôt France is engaging colleagues by linking reforestation to a running and cycling challenge. This year, colleagues ran another 96,454 kilometres and the business funded the planting of 25,000 more trees. That takes the total number of trees planted to 95,000. Some of these are in woodlands near to our stores in France. The rest are in a region in northern Peru affected by deforestation.

Restoring a tree-less landscape with the Woodland Trust

In the year that the Woodland Trust turned 50, Screwfix and B&Q both entered partnerships with the organisation to support a landscape scale woodland creation project in the Yorkshire Dales.

The site in Snaizeholme is a glacial valley that has been used primarily to graze sheep. Farmed for many years, it's become sparse.

The Woodland Trust aims to create a mosaic of habitats to restore biodiversity over the next 20 years, establishing new native woodland to capture carbon and help to reduce flood risk in surrounding areas, as well as creating a haven for wildlife. The Trust has plans to restore 250 acres of upland peat bog – a vital and unique natural habitat and carbon sink.

Joining forces to support the project, together Screwfix and B&Q made a £100,000 donation to enable the Woodland Trust to begin surveying the area ready for planting new native sapling trees. A team from Screwfix has already been to visit the site, and once planting begins, there will be volunteering opportunities for both Screwfix and B&Q colleagues.

Lesson learned

Partnership approaches help to amplify impact and deliver benefits to a bigger area.





Customers

We will help make greener,
healthier homes affordable



Customers overview

We will help make greener, healthier homes affordable.

We believe everyone deserves to live in a better home – one that is resource-efficient and comfortable, uses fewer resources and materials with a lower impact on the environment, and costs less to run. It's why we've been building sustainability into our ranges for decades, and why we are committed to increasing our range of high-quality, functional and innovative products and services that help our customers improve their homes, whilst having a lower impact on the environment.

Today nearly half of our sales are from Sustainable Home Products (SHP), well on track towards our target of 60% by 2025. We grade every product we sell (from all brands and banners) against our comprehensive Sustainable Home Product guidelines of over 100,000 different products each year.

Our target

60% of Group sales to be from our Sustainable Home Products by 2025/26, including 70% of sales for our Own Exclusive Brand (OEB) products.

Our progress in 2022/23

46.8% of total Group sales were from products helping to create greener, healthier homes (2021/22: 44.1%), generating £6.2 bn of sales for the business.

56.4% of sales for our Own Exclusive Brand from Sustainable Home Products (2021/22: 54.7%).

10.6% of sales came from energy and water saving products.

Progress made to improve the sustainability of two high volume product ranges – compost and paint.

Increased our use of recycled plastic and alternative materials in products and packaging.

What's a Sustainable Home Product?

Sustainable Home Products are everyday products with sustainability built in. They don't cost more. And they don't compromise on performance.

We have two kinds of Sustainable Home Products:

1. Products made for sustainability. These products are made from renewable or recycled materials or are manufactured in a more environmentally friendly way and sourced in line with a recognised external standard or certification scheme.
2. Those that enable sustainable living. These products help people live more sustainably including by saving energy, water or resources, or promoting greater biodiversity.

Not every product makes the grade to be a Sustainable Home Product, but we assess every product and give it a grade between A and D.

Those that include at least one of nine sustainability attributes are A and B rated – they become Sustainable Home Products. Those rated C and D do not.



We’re working to ensure 60% of the products we sell make our Sustainable Home Product grade by 2025. We are also working to remove D rated products from our ranges.

We assess hundreds of thousands of products every year against our guidelines and regularly update them as understanding of sustainability issues evolves. For example, standards for aluminium from the Aluminium Stewardship Initiative (ASI) have been newly incorporated into the SHP criteria and we are also assessing responsible sourcing of copper and steel. Among other environmental benefits, these changes will reduce our scope 3 emissions. Our assessment findings are verified by Bioregional. If a product doesn’t meet our criteria, we work with our product development team and our suppliers to improve performance or to identify a more sustainable alternative. The complete guidelines are available on our [website](#).

Sustainable A

Sustainable B

47%
of our Group sales
came from SHPs

Sustainable A

8% of our sales

Products with two or more sustainable attributes secure our highest rating.

- Examples:
- Water butt made from 90% recycled plastic.
 - Window made from FSC® certified timber that also meets thermal efficiency criteria.

Sustainable B

39% of our sales

Products with one sustainable attribute secure this sustainable rating.

- Examples:
- FSC® certified wooden fence panel.
 - Water-based paint.

Above the Green Line

Potential C

47% of our sales

Products that don't yet have a sustainability attribute but have the potential to do so.

- Examples:
- Conduit made from virgin plastic.
 - Door hinge made of steel.

Below the Red Line

Watch List D

6% of our sales

Products that aren't sustainable because their environmental impact is too significant and can't be reduced.

- Examples:
- Peat-based compost.
 - Coal.



Sales of Sustainable Home Products reach 46.8%

Sales of our Sustainable Home Products generated £6.2 billion for our business in 2022/23 – a 49% increase over the last three years.

The energy crisis and rising bills across much of Europe have seen energy saving products in particularly high demand – from insulation that keeps heat in, so homes stay warmer for longer, to smart products that give people visibility and control of their home’s heating and lighting at the touch of a button.

We’ve also seen increased demand for renewable energy products, with Castorama France introducing an installed solar PV offer, and Screwfix adding air source heat pumps (ASHPs) to its solar panel kits.

Energy saving services for customers

Increasingly we’re complementing our Sustainable Home Products with services that make it easier for our customers to create greener, healthier homes.

During 2022 we launched energy saving services in the UK and France to help householders understand what they can do within their budgets to make their homes more efficient and affordable.

Brico Dépôt France is working with installation partner Ynergie to offer home energy audits. An energy professional visits the customer’s home and provides tailored recommendations for how to improve energy efficiency. Loyalty card customers who implement the recommended renovations with Ynergie get their audit for free.

In the UK, B&Q is trialling a free energy saving service in partnership with the Energy Savings Trust. Customers book a home energy assessment and receive personalised guidance and a list of recommended products for improving their home’s energy efficiency, reducing energy bills and lowering their carbon emissions. The products can be bought at B&Q or customers can opt to have them installed by one of B&Q’s partners. In the first three months customers attended over 1,400 appointments which identified potential savings that could improve the energy efficiency rating of customer homes by an average 1.5 bands on the UK’s home Energy Performance Certificate scale.

We engaged with governments to encourage support for home energy efficiency measures, see page 24.

Sustainable Home Products % of retail sales

| | |
|----------------|-----|
| Target 2025/26 | 60% |
| 2022/23 | 47% |
| 2021/22 | 44% |
| 2020/21 | 42% |

Supercharged sales

As demand for electric cars continues to grow, and with regulation now requiring all new homes and buildings in England to include electric charging points, Screwfix’s electric vehicle (EV) accessories are proving popular with tradespeople including chargers, cables, and carry cases for domestic and commercial use. In just one year, Screwfix saw sales of EV products increase by 156% while smart EV charging point sales increased by over 450%.



Creating greener, healthier homes

How do we decide if a product is sustainable?

We use our Sustainable Home Product Guidelines to assess each product to see if it will help customers reduce their environmental impact. To be considered a Sustainable Home Product (SHP), a product must meet all of Kingfisher’s sustainability policies, not have any Watch List attributes and have one or more Sustainability Attributes.

Our Targets:

60%

of Group sales to be from our SHPs by 2025, including 70% of sales for our Own Exclusive Brand (OEB) products.

Our Progress:

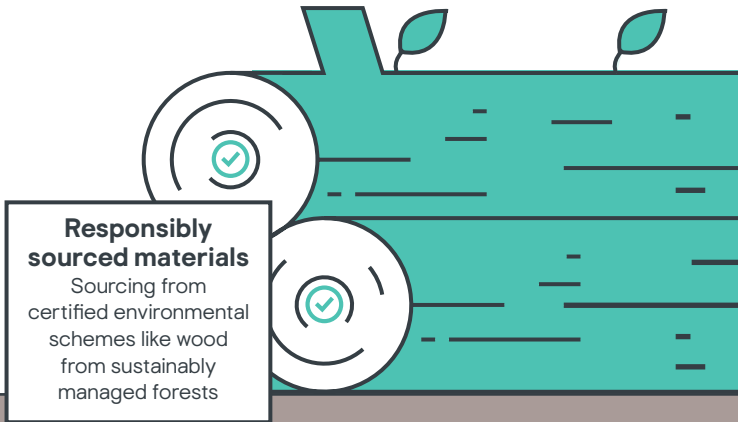
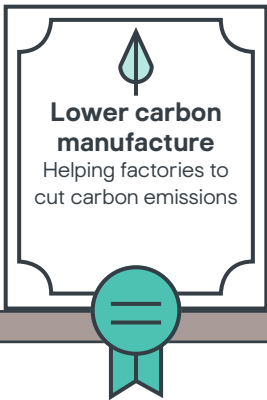
47%

of total Group sales, representing £6.2 billion of sales, came from SHPs. For our OEB ranges, the figure is 56.4%.

Sustainable Home Product Attributes

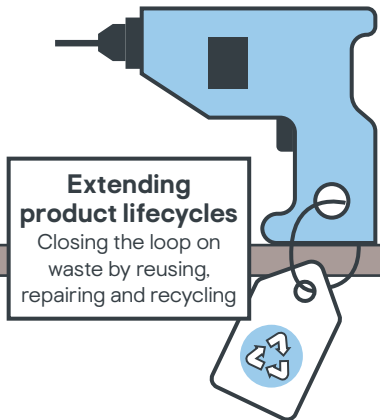
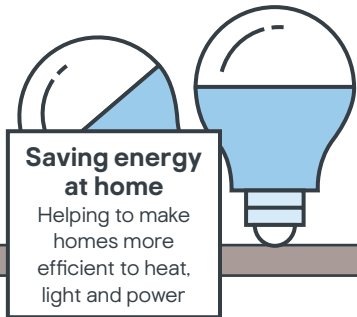
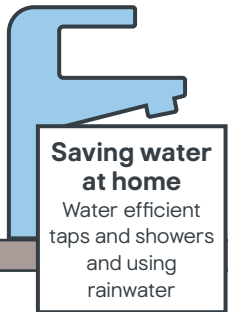
Products made for sustainability

Where the product is more sustainable because of what it is made from or how it is made (features).



Products made for sustainable living

Where the product helps our customers to live more sustainably at home (benefits).



Targeting peat-free gardening for our customers

Peat is an example of a material on our watchlist. Gardeners and nurseries have historically relied on peat-based compost to give plants the best chance of thriving. However, extracting peat destroys valuable ecosystems that store carbon, prevent flooding, and provide a home for diverse wildlife.

There's no question that garden plants need nutrition to support their healthy growth; but we think the environmental cost of using peat is too high. Replacing peat also reduces our scope 3 carbon emissions.

We've been working on removing peat for many years, researching more sustainable alternatives and supporting regulation to phase peat out of gardening.

All our bagged compost in the UK is now peat-free

B&Q, our biggest seller of peat in terms of sales volume, sold their final bag of peat-based compost in October 2022. We're now working to remove peat from all our Own Exclusive Brand (OEB) bagged compost Group-wide.

We support the UK Government's decision to ban the sale of peat products by 2024 and have worked with the Department for Environment, Food and Rural Affairs (Defra) to give our views on the regulation and share what we've learnt from going peat-free.

Re-focusing our efforts to eliminate peat from plants

We're using what we've learnt from going peat-free in our bagged compost, to work with commercial growers to eliminate peat from the plants we sell.

We're one of the only retailers to have a special garden research facility – Springfields in Hampshire. This facility is solely dedicated to our OEB ranges. It allows us to collaborate with nurseries to test their seeds using various compost mixtures and has enabled good progress at removing peat from our bedding plants. Currently, more than 90% of our bedding plants are peat-free, which is a great achievement.

In 2022, we hosted some of the biggest commercial Dutch growers at Springfield as well as UK growers and a representative from Defra. This proved a valuable opportunity to raise awareness of our peat-free commitment to Dutch growers, who supply a lot of plants to the UK market.



Our progress on plastics

Reduce, replace and recycle is the broad approach we're taking when it comes to plastics.

Reduce: Footwear that makes every step safe, comfortable and sustainable

This year we've introduced BLOOM™, a more sustainable material made from algae. It is now replacing up to a quarter of the plastic-based materials used in the insoles (sock liners) of site boots and trainers in our OEB safety footwear range. While algae is important to natural water systems, too much becomes harmful. Environmental factors such as pollution and climate change have seen algae levels explode. Harvesting it from rivers and lakes helps maintain healthy ecosystems and improve water quality.

Replace: Integrating recycled plastic in our Site range

In September we launched our very first Group-wide product certified by the Global Recycling Standard (GRS) – our Site trousers – which are now made with 50% recycled material. In future, we hope to use the same material in other polycotton products in our Site workwear range.

Replace: Screwfix seals the deal on OEB plastic tubes

It's not just products but also their packaging that we're working hard to improve. We sell millions of tubes of sealant each year – especially to the trade via Screwfix where it's one of their highest selling products (by volume). Working with our Group packaging team, Screwfix has changed its OEB sealant tubes to replace 30% of the virgin plastic with post-consumer recycled material. Screwfix is also working with a UK-based plastics recycler, Capital Valley, who takes all their stretchy waste plastics and turns them into useful new products for sale. This includes damp-proof membranes and courses sold via the Screwfix website.

Reuse: Innovative solutions to waste plastics

Castorama Poland is using its own plastic waste to produce new products to sell in its stores. Waste collection and recycling schemes are not always well developed in Poland, so our team there are working to find innovative solutions to reduce and recycle waste. This new multi-stakeholder project sees Castorama partnering with DEKO EKO, a start-up researching solutions for plastic waste, and Stena Recycling Poland, a local sustainable recycler, who cleans and

processes the waste plastic into recycled pellets, which we then reuse in the production of our new garden pots. As well as offering a solution to some of our plastics waste, early calculations suggest these pots are 25% more carbon efficient than using virgin plastics.

“As well as offering a solution to some of our plastics waste, early calculations suggest these pots, which are made entirely from our own recycled content, are 25% more carbon efficient than using virgin plastics.”

Piotr Bober,
Quality and Sustainability Director,
Castorama Poland



Circular proves smart

We are keen to keep products and materials in use for as long as possible, supporting one of the key principles of the circular economy.

Broken and faulty products are costly for our customers, our business and our planet. That's why we are refurbishing, reconditioning and repairing products – giving them a second lease of life and keeping valuable materials in use for longer.

Spares for repairs and refurbished products at Screwfix

Screwfix has launched a range of boiler spares, enabling people to save money and materials waste by repairing rather than replacing their existing boiler. In 2023/24, it is now expanding its spare parts range, enabling customers to keep more products in use for longer.

Having been refurbishing tools for many years with its partner iForce, Screwfix is now selling refurbished products on screwfix.com. So far over 800 product lines have been set up, with online sales reaching over £1.5m in its first full year. Overall, more than 100,000 products were refurbished for resale over the last 12 months.

Reconditioning brings products back to market in France

Castorama France has joined forces with leading online refurb marketplace Back Market, and Cordon Group, who specialise in repairing and reconditioning electrical products.

The partnership, launched in February 2022, sees customer electrical returns including power tools, radiators and vacuum cleaners reconditioned and then sold on Back Market's online marketplace. All refurbished products have a discounted price and come with a year's guarantee.

Romania revitalises power tools

In Romania, Brico Dépôt is giving power tools a second life through its repair service. Customers can return in-warranty broken or faulty power tools for full repair, which are returned to them within 15 days.



Packaging reduction and optimisation

We're improving the footprint of our packaging for Own Exclusive Brand products by:

- reducing the volume of packaging materials we use,
- ensuring our cardboard and fibre-based packaging is sustainably and responsibly sourced, and
- significantly reducing our use of plastics over the longer term.

We've made big strides in the last 24 months by analysing the materials that go into our packaging and how they're sourced. We now have packaging data for about 75% of our product lines (up from 55% in 2021) and we'll continue until we have a complete picture. The data analysed so far, covering our primary (product protection) and secondary packaging (in-transit protection), is changing our approach to driving continuous improvement. It provides much greater visibility of where we are using the most packaging and enabling us to identify priority packaging reduction opportunities.

Reducing plastics

By reducing plastics in our existing and new packaging we are aiming to improve the overall sustainability of our OEB ranges

against the targets stated in our Sustainable Packaging Policy.

We have reduced plastic by 4% year on year (average weight per SKU) on a like-for-like basis¹ meaning we have avoided using around 287 tonnes of plastic. We've achieved that by doing lots of little things that add up to make a big difference – such as replacing plastic casings (clam shell packaging) and removing plastic bags within packaging. We're also continuing to integrate recycled content into plastic packaging material.

One of the challenges we face is that waste and recycling infrastructure is still developing across Europe, and often there aren't sufficient supplies of high-quality recycled plastic and other materials available.

Redesign to reduce

Packaging is a major waste stream, and we are using our regular range review and update process to tackle this. Now, when an OEB product is reviewed we are taking the opportunity to review the packaging too – opting for new packaging designs that reduce the amount of material used.

Primary and transit packaging for new OEB ranges designed, developed and specified to new OEB sustainability requirements are aimed at minimising cost and maximising supply chain optimisation opportunities.

Plastic only where necessary

We want to make sure we are only using plastic when there is not yet a viable and sustainable alternative available. Having already replaced virgin plastic in our Own Exclusive Brand paint pots with a minimum 30% recycled content, we wanted to see if we could go further by replacing the plastic with steel.

We ran a cradle-to-grave lifecycle analysis to compare the suitability of plastic and steel for paints pots. When we looked at the environmental impact, especially in terms of carbon emissions, there wasn't a big difference between the two materials in the short- to medium-term. We will continue to monitor and learn as new materials, manufacturing techniques, and recycling solutions rapidly improve.

Lesson learned

It is not possible on occasion to completely remove plastic, but we can make smarter choices and decisions with the help of accurate and frequently updated data. If plastic has a functional benefit, we'll try to increase its recycled content and improve its recyclability.



31%

of all purchased plastic packaging contains a minimum of 30% recycled content



¹ 'Like-for-like': The same SKU's packaging weight compared year on year and applying 2022 volumes.



Sourcing sustainable fibre-based packaging

As we reduce the amount of plastic we use, we're buying more paper- and wood-derived fibre-based packaging and are working to make sure this complies with our Forest Positive Policy for FSC®, PEFC™ or verified recycled content. All new ranges that are introduced are now specified to include paper and board that is in line with our Forest Positive Policy. Our 'Right First Time' approach ensures that for any new ranges introduced, we integrate our packaging sustainability criteria from the start. We also have numerous workstreams in place as part of our packaging optimisation programme to ensure all paper and board used in existing ranges is sustainably sourced by 2025.

Switching to fibre to protect our light bulbs

We've eliminated plastics in the packaging for our redesigned Dial lighting range. Our filament light bulbs, for example, used to come packed in virgin PET plastic casings and now use fully certified and recyclable fibre-based packaging. We have removed over 28 tonnes of virgin PET from our light bulb packaging by replacing clam shell packaging with sustainably sourced fibre-based alternatives.

How are we progressing against our packaging targets?

We've set ambitious targets for our OEB packaging and have made progress towards them in 2022.

- **At least 30% recycled content in plastic packaging by the end of 2023.** Currently 31% of plastic purchases have this minimum level (2021: 13%).
- **Phase out all non-recyclable plastic packaging such as PVC and expanded polystyrene by the end of 2023.** We are currently at 91% compliant (2021: 92%). We improved our data in 2022 to include some transit packaging not previously included which has impacted our data.
- **Reduce overall plastic packaging by 25% (by weight) by the end of 2025.** We have achieved an average 4% weight reduction per SKU since 2021 on a 'like-for-like' basis.
- **Reduce overall packaging weight.** Although the overall recorded volume of packaging has increased (due to improvements in our data to include a further 9,000 SKUs), we have reduced average packaging weight per product by 16% since 2021 on a 'like-for-like' basis.
- **All paper and board used in all primary and transit packaging to be verified sustainably sourced by the end of 2025.** We are currently at 47% compliant (2021: 28%).

“As recycled and sustainable packaging materials generally cost more than virgin packaging materials, to minimise any impact to retail prices during the current cost of living crisis, we are optimising packaging and reviewing product design to reduce overall packaging size and materials and optimise transit space.”

Neil Watson,
Packaging Operations and Development
Director, Kingfisher

Chemicals

We want to make sure we use sustainable chemicals in our products.

Our approach to chemicals management focuses on OEB products and prioritises three areas:

- Phasing out substances which are very likely to become restricted by law in future years, ahead of regulation.
- Switching to more sustainable chemicals that are better for customers and the environment.
- Achieving transparency about the chemicals used in our products with an initial focus on OEB chemical products such as sealants and paint.

Chemicals management is complex and is a collaborative effort involving colleagues across different teams and our suppliers.

Updating our chemicals roadmap

Our Chemicals Policy sets out our standards for responsible chemicals management and underpins our approach to working with suppliers.

Our roadmap provides further operational details on how we will meet our objectives. We have been updating it during 2022/23 to

prepare for significant regulatory changes driven by the EU Chemicals Strategy for Sustainability which supports the European Action Plan for the Circular Economy and the European Green Deal. These will introduce significant new obligations and restrictions and we want to make sure our supplier base is preparing for these changes now. We will launch our updated roadmap in 2023/24.

Restricted substances lists

We have detailed Restricted Substances Lists (RSLs) for textiles and footwear, solid object products (such as tools and furniture) and chemical products. RSLs are used in product development and help us communicate to suppliers the chemicals we've identified for phase out and those that can only be used below a set threshold.

We updated and extended our RSLs in 2022/23 to cover more of our product ranges and will relaunch them in 2023/24.

Transparency

From 2023, we are asking suppliers of OEB chemical products to disclose how their products perform against our RSL. We are also improving our data management system to enable us to better analyse and compare supplier data on chemicals use.

Suppliers of chemical products are required by law to provide a product safety data sheet. We are engaging with the European Commission (directly and via our trade associations) to advocate for improvements to safety data sheets that enhance transparency.

Phasing out phthalates, PFAS and some flame retardants

Among the chemicals listed in our RSLs, we are prioritising the removal of phthalates, PFAS and some flame retardants from our OEB ranges. For example, we've removed phthalate plasticisers from power cords in our Erbauer power tools and Christmas trees and PFAs from shower curtains.

We've prioritised these chemicals because they will be restricted by regulation in the coming years. We want to make sure we are exploring responsible substitution options ahead of this change allowing time to find replacements that are good for customers and the environment.

Sustainable chemistry

We're working with suppliers and others to identify commercially viable sustainable chemicals for use in our OEB products.

For example, we have undertaken work on zinc coated ironmongery products (such as screws and nails). Manufacturers of these products sometimes use an anti-corrosion gel that contains chrome 6 and we are investigating more sustainable alternatives. In 2022/23, we have also been analysing biodegradable materials that may potentially be used to replace plastic plant pots to ensure they do not contain unwanted substances.

We are active members of the International Green Chemistry & Commerce Council (GC3) and part of their GC3 Retailer Leadership Council and we are a member of NGO ChemSec's business working group.

Training colleagues and suppliers

We train our colleagues and suppliers on matters relating to chemistry and good manufacturing practice. We plan to develop a Chemical Management System (CMS) standard, which we will use to assess and improve vendor factory performance.

In 2022, we trained 18 vendors in the Far East on our approach via an online training platform.

Paint inspired by nature

We sell a lot of paint so improving the sustainability of our ranges remains a top priority. We've already significantly reduced the use of volatile organic compounds (VOCs) in paint and this year we went further with the introduction of GoodHome Naturéa emulsion paint.

In Naturéa paint a significant portion of the resins usually derived from fossil fuels have been replaced by bio-sourced resins. Resins are one of the main ingredients in paint and are used to hold the colour pigments together and help the paint to dry. Naturéa paint also contains minimal VOCs. It will be our first to display the new British Coatings Federation Trace VOC Globe demonstrating that it has a VOC content of less than 0.1% – helping to maintain good indoor air quality.

We've also started integrating recycled plastic into paint pots and will be working with our suppliers to identify the best approaches for removing plastic from the paint itself.



Communities

We will fight to fix bad housing

Communities overview

We will fight to fix bad housing

We will donate our products, expertise and time to help people whose housing needs are greatest in the communities we serve.

Shelter and safety are two of our most basic needs. Poor housing affects our mental and physical health, and can impact educational attainment, employment and life expectancy.

Each year we invest our time, expertise, products and money to transform spaces, so those most in need have somewhere that feels like home, as well as supporting global relief efforts to help those affected by natural disasters and humanitarian crises.

The projects we support span small community initiatives to major multi-year partnerships. We invest via our network of in-country charitable foundations, with our colleagues and customers getting involved through fundraising and volunteering.

Three years ahead of schedule we've reached our target to help two million people with the greatest housing needs. It's a moment of both celebration for those whose lives we've been able to help transform, but also recognition that there is so much more to do.

Our target

Help more than two million people whose housing needs are greatest by 2025.

Our progress in 2022/23

Since 2016/17 we have reached 2.1 million people, surpassing our target of 2 million. In the year ahead we'll be looking to refresh our community purpose and mission, and to set new ambitions.

£5.4 million community investment in the year and our colleagues and customers raised an additional £2.8 million.

Continued to help those displaced by the Ukraine conflict through our banner Foundations.

Our community impact for 2022/23

Our total community investment was worth £5.4 million in 2022/23 (2021/22: £4m). This benefited almost 500,000 people during the year. It includes cash donations, employee time and in-kind contributions, such as product donations, which for reporting purposes we value at cost price.

An additional £2.8 million was raised by customer and colleague fundraising efforts (this includes in-store collections, fundraising events, payroll giving and public pledges to appeals) (2021/22: £2.8 million).

We continued supporting global relief efforts through our partnership with the Red Cross and the work of our Foundations particularly in Poland and Romania, and through a new partnership between B&Q and the Refugee Council.

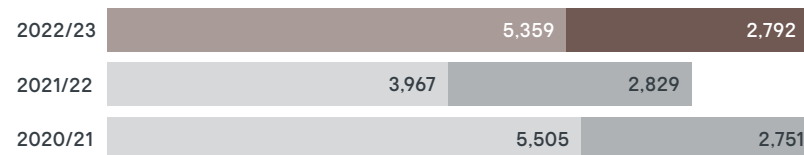
We have started working with Business for Societal Impact (B4SI) to ensure we record and track our social impacts over the longer term in a robust and credible way.



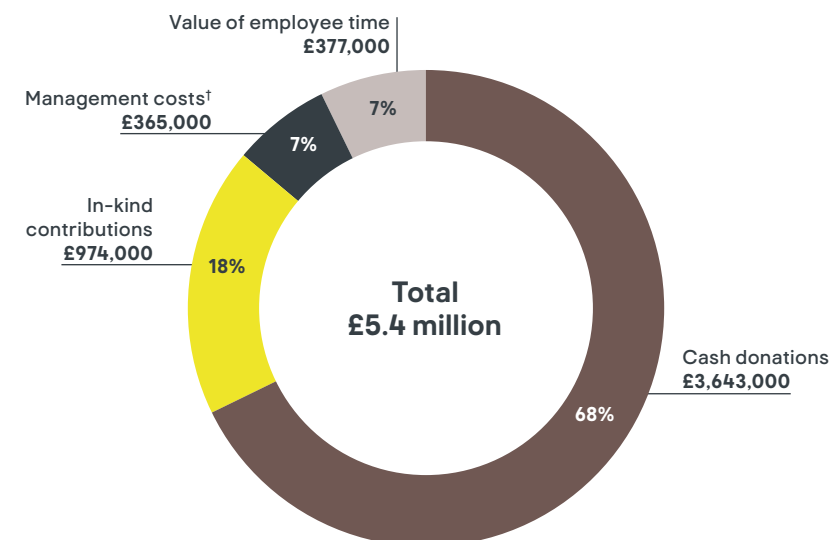
Community investment

£ thousands

Community gifts and investment
Fundraising and other leverage

**Community investment: details of company giving 2022/23***

£



* We follow the B4SI Framework for measuring community investment. See <https://b4si.net>

† Management costs are incurred when making a community investment. These include the salaries, benefits and other overheads of community affairs staff along with research and communications spend if used to help the community engage with the company.

**1,031**charitable and not-for-profit
organisations directly supported



Where and how we're creating community value

Our strategic partnerships

Our long-term partnerships enable us to maximise the impact of our giving, supporting projects over several years.

Kingfisher Group: Red Cross and the Childhood Trust

Through our partnership with the Red Cross, we help communities who have their lives impacted by conflict, and natural and climate-related disasters. Kingfisher Group donated £84,000 in 2022/23 to help the Red Cross respond to the Ukraine conflict and other disasters worldwide. We also set up a way for our colleagues to personally fundraise. They raised £34,000 for the Red Cross, which we match-funded. More detail about partnership with Red Cross across our banners is on page 48.

In 2022/23 our partnership with the Childhood Trust helped them transform the bedrooms of 4,731 children living below the poverty line in London.

B&Q: Shelter

We believe everyone has the right to a safe home. It's why B&Q has a long-term partnership with Shelter. This year the banner donated £1m to the housing and homelessness charity. More than half of that money funds a team of nine DIY Skills Advisers, who this year helped 875 people learn skills and improve their homes.

We launched a partnership fundraising campaign with paint supplier AkzoNobel. The 'paint a room, change a life' campaign ran for two weeks. B&Q and AkzoNobel each donated 50p for every pot of Dulux and Cuprinol paint sold (on pots over a litre) – raising £400,000.

Screwfix: Macmillan Cancer Support

Cancer is tough enough, but it also comes with hidden costs – like sometimes having to adjust a home for accessibility or safety reasons. Screwfix's decade-long partnership with Macmillan Cancer Support has donated £658,000 to help fund the charity's Home Improvement Grant scheme.

Brico Dépôt Romania: Habitat for Humanity

Brico Dépôt Romania's ongoing partnership with Habitat for Humanity is supporting a 'safe home away from home' project, which makes longer-term housing available to Ukrainian refugees, and 'Hope Build' which is constructing quality new homes for vulnerable Romanian families. Colleagues built four new homes for vulnerable Romanian families with Habitat for Humanity in 2022, see case study on page 45.

Castorama France: Fondation Abbé Pierre and Compagnons Bâisseurs

Our long-term partnership with the Abbé Pierre Foundation helps it to support the poorest in society to access decent housing. This includes support for the Boutiques Solidarité, a day care facility for the street homeless. Through our partnership with Compagnons Bâisseurs we help low-income households improve their living conditions.



2.1 million

people have directly benefited from our community contributions since 2016/17

Our Foundations

We have a charitable foundation in every banner – supporting local organisations working to improve housing and community spaces.

Kingfisher Group makes an annual donation to each foundation and they also receive money raised and donated by colleagues and customers and through sales of our reusable bags and other initiatives.



Since its launch in 2020, B&Q's Foundation has been giving grants to create better, safer community spaces where people can feel at home. More than £3m has been given in grants, supporting 600 UK charities.

During the year one of those larger grants, for £23,000, went to Roundabout, a youth housing charity in Sheffield. In addition to offering advice to prevent homelessness, Roundabout provides safe, supported living accommodation for those as young as 13 who are homeless.

To help accommodate more young people, our funding and volunteers helped Roundabout renovate an entire property and its outdoor space, offering six additional young people a safe space to call home.



The Screwfix Foundation reached a milestone this year having raised £11.7m in its first nine years. Since its inception, the Foundation has supported over 350 charities and not-for-profit organisations. The projects it supports are those that improve, repair and maintain places used by those in need throughout the UK.



Our Foundation in Romania has been supporting Ukrainian refugees (see page 48) and improving living conditions for vulnerable children. In 2022/23 under the "Good Homes Change Lives" grant campaign, the Foundation supported five multi-year renovation projects which will benefit 800+ disadvantaged pre-schoolers and their families. A community centre project with the FARA Foundation will see the children's centre refurbished with renewable energy generation. Colleagues rallied to support International Children's Day and took part in six volunteering actions.



Brico Dépôt Iberia celebrated the launch of its Foundation in 2022 and appointed 20 colleagues from across Spain and Portugal as Ambassadors. Their role is to identify possible community projects for the Foundation to support.

In its inaugural year, eight projects received grants of up to €5,000. This will benefit 4,000 people by transforming communal spaces, so they feel more home-like for those relying on them for extended periods. Projects include: improvements to a summer camp for kids (with Fundació Pere Tarrés), refurbishment of a home used by homeless people to recover from illness (with Hogar Si), and the maintenance and decoration of two homes for people with mental health issues (with ALFAEM).

Raising the roof on fundraising at B&Q

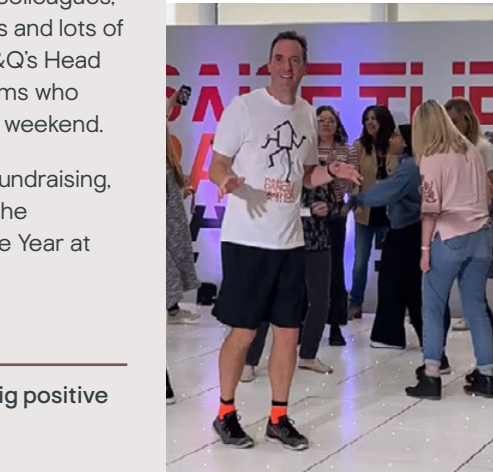
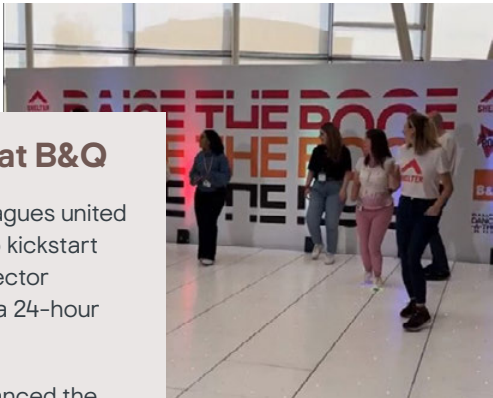
To mark World Homelessness Day, B&Q colleagues united to Raise the Roof and fundraise for Shelter. To kickstart the weekend, B&Q's Customer and Digital Director Paddy Earnshaw took on his own challenge – a 24-hour Dance-A-Thon.

Paddy, who has no prior dance experience, danced the day and night away supported by our brilliant colleagues, who provided a 24hr live DJ set, dance classes and lots of support. The event was live streamed from B&Q's Head office, where they linked up with our store teams who were holding their own events throughout the weekend.

Through the Dance-A-Thon and weekend of fundraising, B&Q raised more than £220,000 for Shelter. The campaign was awarded Challenge Event of the Year at the Business Charity Awards.

Lesson learned

The creativity of our colleagues can have a big positive impact on the success of our fundraising.





Donated more than 2m zlotys (circa €426,000) towards projects to help local communities including Ukrainian refugees who have now fled their country for Poland. The Foundation invested in 80 renovation projects helping 29 families and delivering improvements to 51 assistance centres.



One of our newest Foundations, Brico Dépôt France, ran engagement activities throughout the year to familiarise colleagues with the Foundation's purpose and get them involved in choosing charities to support. Brico Dépôt's fundraising efforts have already raised more than €500,000 – enabling the Foundation to increase the value of grants it can award to good causes. Over a third of that fundraising success was thanks to an initiative which saw profits donated from the sales of selected products.

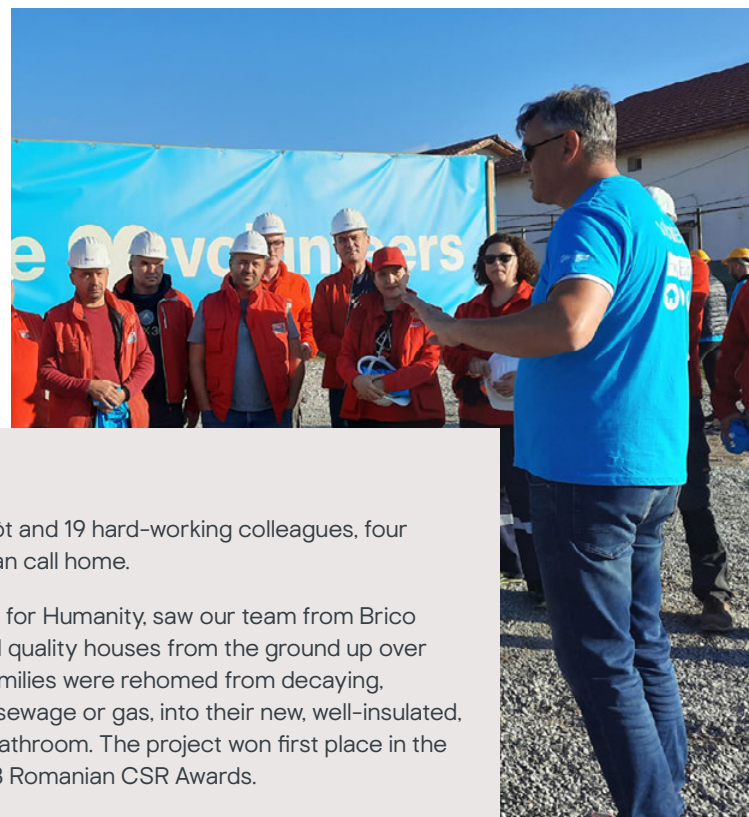


From its Bricobus taking DIY skills and services to disadvantaged communities (with partner Compagnons Bâisseurs), to a boat offering essential services to homeless men, Castorama's Foundation supports innovative projects to help people across the country. This year the Foundation contributed over £1 million across 89 community projects helping more than 37,000 people.

Our colleagues get involved

We encourage and support our colleagues to get involved in their local communities. Together with our customers, our colleagues have raised millions of pounds and provided practical support to our charity partners, from serving lunch to building new homes for vulnerable families.

Our colleagues contributed over 35,000 working hours to volunteer in their local communities, with 1,718 employees actively involved. This is a notable increase compared to last year, where we had 14,500 working hours and 915 participants. The easing of Covid-19 measures has played a role in enabling this growth. The total value of employee time was £376,684. In 2022/23 we will continue to enable our colleagues to get actively involved in our charity work. Our banners are also exploring ways to encourage participation, with B&Q planning to complete a volunteering project supporting a charity in the community local to every store – around 300 projects.

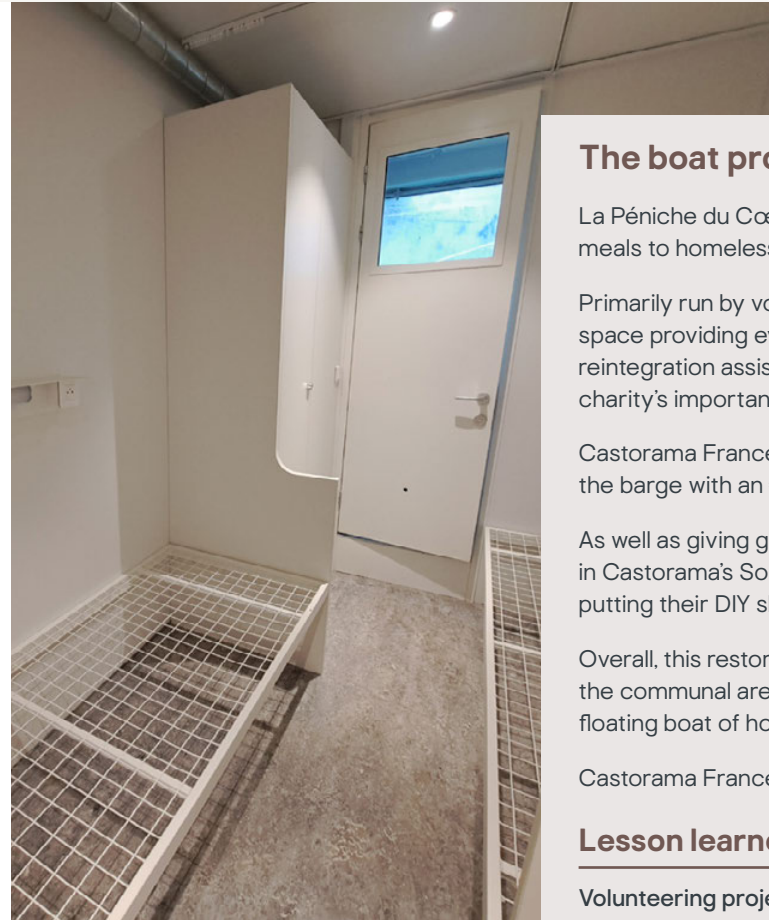
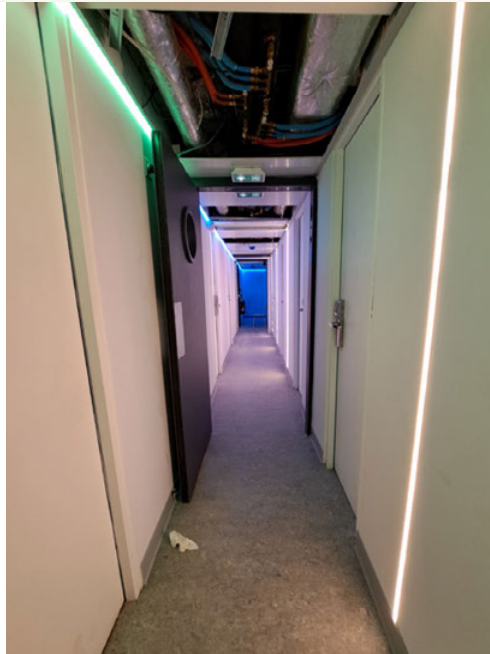


A place to call home

Thanks to the financial support of Brico Dépôt and 19 hard-working colleagues, four Romanian families finally have a place they can call home.

The 'Hope Build' project, overseen by Habitat for Humanity, saw our team from Brico Dépôt Romania build four new, safe and good quality houses from the ground up over five days. Emotions ran high when the four families were rehomed from decaying, overcrowded houses, without connection to sewage or gas, into their new, well-insulated, fire-protected homes, that each included a bathroom. The project won first place in the 'Supporting Communities' category of the 23 Romanian CSR Awards.





The boat providing housing and support to homeless men

La Péniche du Cœur is an emergency centre that welcomes, accommodates and offers meals to homeless men.

Primarily run by volunteers, the barge, permanently moored in Paris, offers a safe space providing everything from hot meals and accommodation to CV writing and reintegration assistance. However, it had become run down and this was hampering the charity's important work.

Castorama France's Foundation has been involved in a multi-year project to transform the barge with an €11,000 investment over two years.

As well as giving grants to purchase materials and equipment, 30 colleagues from stores in Castorama's South Paris region volunteered to help with the boat's transformation by putting their DIY skills to good use.

Overall, this restoration project improves the living conditions for 120 men each year and the communal areas for many more who benefit from the free services offered by this floating boat of hope.

Castorama France has established a volunteering project in every region.

Lesson learned

Volunteering projects are an important part of our commitment to help fix bad housing. Our colleagues have a lot of practical skills which charities and community organisations value.

Our energy efficiency projects

Many of the renovation and housing projects supported by our Foundations are focusing on improving energy efficiency to benefit users and the environment.

Castorama France Soliha – National League against slums

This project by the social housing organisation Soliha, developed a replicable approach to improving energy efficiency during the renovation of sub-standard housing without increasing costs for households.



Castorama France Supporting refugee accommodation

The project supported the construction of innovative and energy efficient transitional accommodation for refugees and is training 10 unemployed people in the construction of eco-efficient wooden housing.



Castorama Poland Rebuilding a house after the fire

Foundation Castorama has supported renovation projects that integrate additional energy efficiency measures including improved insulation and installation.



Castorama France Combatting fuel poverty with Médiance 66

Providing energy efficiency kits and advice to help up to 100 elderly and vulnerable people in rural areas affected by fuel poverty to reduce their energy consumption.



Brico Dépôt Romania FARA Community Center, Suceava

A €50K investment in the development of a community centre that will include installation of 100 photovoltaic panels to ensure energy efficiency and reduce operating costs.



Castorama France Partnering with social landlords to support students

Students can be impacted by rising energy costs. This project worked to improve the energy efficiency of social rented accommodation used by over 100 students.



Supporting global relief efforts

More than a year after the war in Ukraine began, some 13 million people have fled their homes, with many of them seeking refuge in other countries. This is Europe's largest refugee crisis since the Second World War.

This continues to heavily impact Ukraine's neighbouring countries, including two in which we operate – Poland and Romania. Our colleagues and Foundations have been responding to this crisis helping people who currently can't go home. We're coordinating our fundraising efforts primarily through our partnership with the Red Cross – donating over £250,000 in total across the Group and our banners in 2022/23.

Our banner in Romania has invested €65,000 in funds and products, to repair, repurpose and refresh accommodation for Ukrainians who find themselves in Romania for much longer than most originally anticipated. Castorama Poland became one of the first companies in the country to give 1m zlotys (circa €213,000) to support relief efforts.

Other banners have also got involved, with Brico Dépôt Iberia helping to refurbish a learning room for children fleeing the war

in Ukraine, while B&Q colleagues helped raise £150,000 to support the 'DEC Ukraine Humanitarian Appeal' through the British Red Cross. B&Q donated all profits from sales of sunflower seeds between March and July to raise an additional £162,000. B&Q Foundation provided £50,000 funding to the Refugee Council to help refugees arriving in London to quickly access advice, accommodation, support and services.

Castorama Poland's colleagues rally to show FORTitude

Colleagues in Poland have helped transform an historic fort – until recently a museum and barracks – to provide living quarters for Ukrainian refugees.

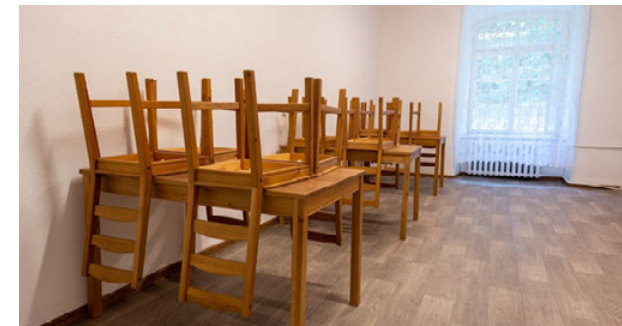
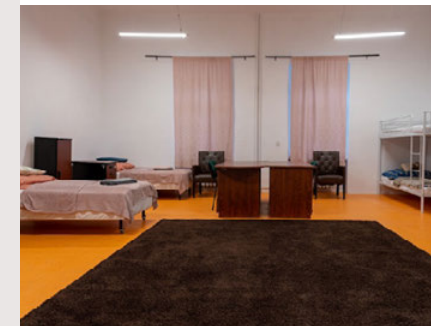
In addition to financial and product support, volunteers from Castorama Poland helped carry out the renovations and coordinate emergency supply packages – given to those staying at the Fort, as well as to many more when entering the country. 140 refugees are already living in the fortress and 80 more will join them as more rooms are refurbished.

This is just one among many projects supported by Castorama Poland colleagues, with the banner seeing an impressive increase in its volunteering activity – up 58% overall on the previous year.

Colleagues have been painting, fixing and readying housing for Ukrainians who, for the time being at least, call Poland 'home'.

Lesson learned

The positive response to this project demonstrates that our colleagues value the opportunity to support their local communities.



Responding to the devastating earthquake in Turkey and Syria

Everyone at Kingfisher was deeply saddened by the tragic earthquakes in Turkey and Syria in February 2023. To support the ongoing relief efforts, we donated to the Disasters Emergency Committee and our banners have sourced supplies to help survivors who have lost their homes.

Castorama France and Castorama Poland have worked with our sourcing office in Turkey to transport over 2,000 heaters to affected communities. Koçtaş, our joint venture in Turkey, is providing vital supplies such as blankets, lamps, picnic stoves, electric heaters and sleeping bags. Brico Dépôt Romania has also donated heating equipment, torches, gloves and masks. In the UK, B&Q has donated to the Red Cross Emergency Appeal while Screwfix stores have fundraised for the Disasters Emergency Committee response.

Colleagues across the Group and our banners have raised money to support relief efforts which was match-funded by the Group.



Our Responsible Business Fundamentals

Our priorities are underpinned by our commitment to our ‘Responsible Business Fundamentals’. These are the many issues and impacts we need to measure and manage, to ensure we continue to operate responsibly across our business.

We have clear policies in each of these areas to ensure we take a consistent best practice approach across our banners.

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Safety at work

We want every colleague to go home safe and well each day. We have safety management systems at Group, banner and store level to reduce the risk of accidents and keep everyone safe.

Clear standards and safety systems

Our Group Safety and Compliance Risk Officer oversees our approach to health and safety, implementing policies and procedures to make sure we're meeting high standards across the business.

Key aspects of our safety management system include:

- A Senior Management Safety Committee in each retail banner that is supported by a network of safety professionals.
- Group minimum health and safety standards to ensure a consistent approach to occupational health and safety management across our locations.
- Our accident, incident and near miss reporting system which helps us to track accidents, identify the root causes and reduce safety risks.

- Regular audits of our stores against our health and safety standards.
- A health and safety action plan specific to each retail banner to address areas for improvement.
- A comprehensive programme of training in all banners based on job role and location. This includes mandatory safety training for all colleagues including forklift trucks and those involved in manual handling of stock.

Health and Safety dashboards, summarising performance at each retail banner, are regularly reviewed by banner management, the Group Executive and the Board. We also have health and safety management systems and training for our office buildings.

Our internal audit team reviewed our banner safety management systems during 2022/23, benchmarking them against International Labour Organisation (ILO) standards, our Group policies and local legal requirements. We will use the findings to update our systems during 2023/24.

Improving our data

We're rolling out a new software reporting tool which will enable all colleagues to easily report accidents, illnesses, near misses and unsafe practices. This will help to improve our data and engage more of our colleagues

across the business on safety. We're communicating the new tool during 2023 through an awareness campaign.

Focusing on key safety risks

We do regular deep dives on key safety risks to identify ways to improve our performance. During 2022/23, we have been reviewing safety risks relating to manual handling of stock on pallets, engaging with our stores and one of our main logistics providers. This identified risks relating to stock arriving at our stores on incorrect pallets or palletised stock being stored incorrectly. We have updated our guidance to make it clearer that stores must not accept deliveries of stock arriving on incorrect pallets. Store colleagues receive training on safe storage and deliveries.

During the year we also upgraded our forklift trucks to integrate technology that prevents the trucks from being driven unless the driver is wearing the seatbelt.

How did we perform in 2022/23?

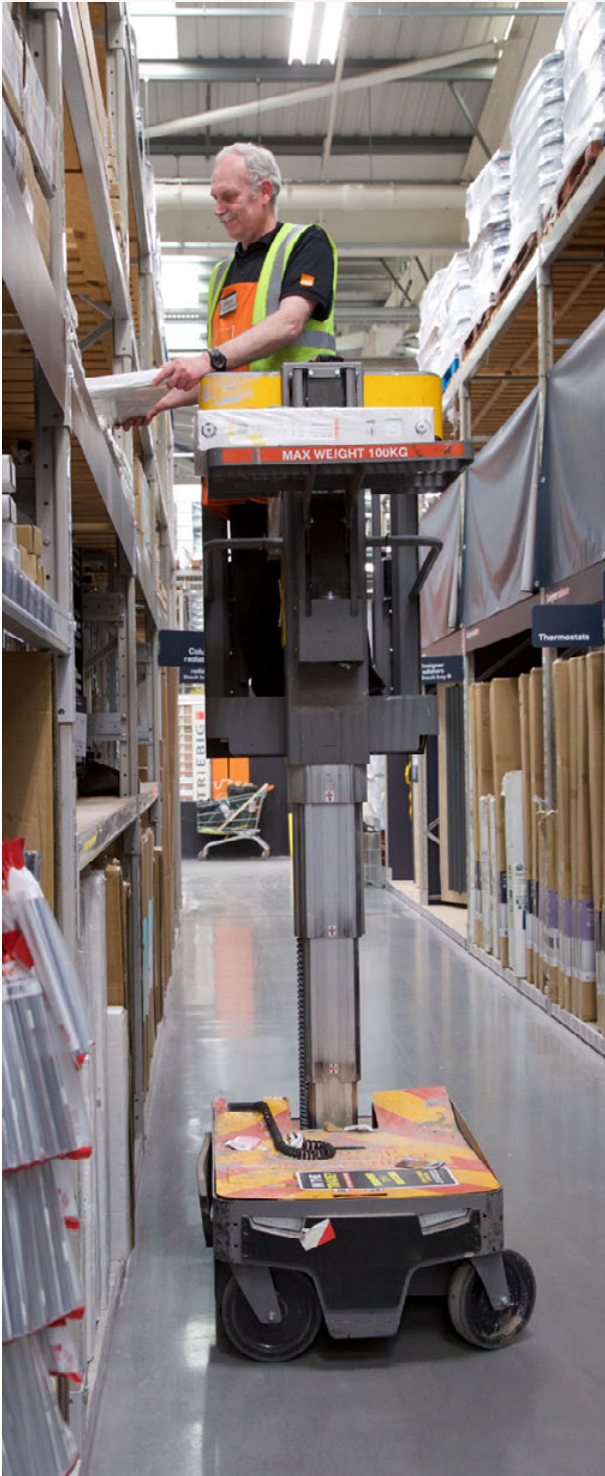
Our total employee accident rate (number of all work-related accidents per 100,000 full-time equivalent employees) was 10,034 (2021/22: 11,276), 11% reduction year on year. We believe this improvement reflects our work to increase safety awareness and strengthen our processes for identifying and addressing safety issues. There were no work-related fatalities.

There were no health and safety related prosecutions or fines during the year.

Employee safety rate

Number of 'all work-related' accidents per 100,000 full-time equivalent employees

| | |
|---------|--------|
| 2022/23 | 10,034 |
| 2021/22 | 11,276 |
| 2020/21 | 9,484 |



Responsible sourcing and human rights

We respect human rights and aim to understand and address the human rights impacts of our business. We work with suppliers across the world to bring our customers great products at great prices, without compromising on our ethical standards.

Our human rights policies

We have clear policies and standards on human rights and modern slavery. All policies have been approved by members of our Group Executive and are regularly updated.

Our Human Rights Policy states our commitment to respect human rights, in line with international agreements and guidelines including: the United Nations Guiding Principles on Business and Human Rights; the International Bill of Human Rights (which includes the Universal Declaration of Human Rights); the UN Global Compact; the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; the Children's Rights and Business Principles; and UN conventions on the elimination of discrimination.

Our Supply Chain Workplace Standards set out minimum standards on labour practices and environment that our suppliers must abide by. These reflect the requirements of the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) fundamental Conventions on worker rights.

You can read our policies at www.kingfisher.com/ResponsibleBusinessPolicies

Our salient human rights risks

We have identified 10 salient human rights risks across our business and supply chains, as defined by the UN Guiding Principles Reporting Framework. These are:

- Modern slavery
- Child/underage labour
- Freedom of association/collective bargaining
- Health and safety
- Wages/working hours
- Land rights
- Depletion of natural resources
- Impact of climate change
- Air, water and land pollution
- Discrimination

We have previously carried out a detailed risk and gap assessment to ensure we understand where the identified **salient risks** are most likely to appear within our supply chain and business. The results confirmed that the most significant human rights risks for our business are found in our Goods For Resale (GFR) supply chain including at the raw material extraction and product manufacturing stages.

Read more about our approach to risk assessment in our [Modern Slavery Statement](#).

Ethical sourcing approach

Our ethical audit programme is focused on directly sourced products. We require all OEB suppliers as well as non-OEB suppliers above a spend threshold of £50,000 to disclose all production sites supplying us with finished goods. Suppliers share this information with us via collaborative social audit platforms including Sedex and Amfori BSCI.

In 2022, we had over 2,600 OEB and non-OEB suppliers and of these, 62% disclosed their production sites, a total of 2,801 production sites. 98% of OEB suppliers disclosed their production sites this year (2021/22: 80%).

We take a risk-based approach to ethical audit prioritising high-risk sites supplying OEB and non-OEB finished goods to undergo an ethical audit at least once every two years

or more frequently depending on the audit grade they receive.¹ In 2022, 905 out of 1,307 declared high-risk production sites had completed an audit within the last two years.

OEB suppliers compliant with our policy



In some cases, an audit finds that suppliers don't meet our minimum standards; those sites are classified as business critical. When a business critical issue is identified, we require suppliers to act swiftly to ensure the welfare of workers. In 2022, there were 41 sites identified with business critical issues and 30 sites had their non-conformances verified as closed out within the year.

We start from a principle that we should work with our suppliers to help them address issues and improve performance. Factories agree to the implementation of a remediation action plan and we agree enough time for them to develop their knowledge and implement changes. As a last resort, we cease to trade with factories if they don't work with us to address business critical issues.

We have also established an ethical sourcing approach for Goods Not For Resale (GNFR),

see our [Modern Slavery Statement](#) pages 12-13.


Working in partnership

We work in partnership with suppliers and experts to improve standards in our supply chain. This includes an ongoing supplier engagement programme and regular training.

One of our main partners is Slave Free Alliance, a social enterprise initiated by anti-slavery charity Hope for Justice, who we work with to develop our policies, train our teams and our suppliers and strengthen our audit and due diligence approaches.

We are also supporting a number of projects in our supply chain aimed at addressing human rights risks associated with our salient issues. These include projects focusing on the ceramics raw material supply chain, human rights impacts in horticulture and improving standards in our indirect supply chain. See our [Modern Slavery Statement](#) for more details pages 14-15.

1 Any sites with business critical, critical or four or more major non-conformances should have a re-audit within 12 months.



Eliminating waste and increasing recycling

We're working to eliminate waste from our business. We want to prevent waste from being generated or turn it into a useful resource by finding innovative ways to redesign, reuse and recycle. Our ambition is to eliminate waste to landfill and reach 90% recycling.

Keeping materials out of landfill and at their highest value for as long as possible is good for our business and the planet.

The quality and availability of waste and recycling infrastructure varies significantly across Europe, and even within countries. This makes recycling more difficult and means our banners each work with local contractors, often more than one, to manage waste. It also pushes up the price of using recycled material.

In the UK and France, our waste reduction and recycling commitments are embedded in the contracts with waste management providers. We meet with them regularly to review progress, and in France, we issue monthly waste scorecards for stores to encourage improvements.

Rehoming materials for reuse

Store colleagues at B&Q have been donating waste materials and products to help reduce costs for community projects for over a decade. Why bin perfectly usable odd tins of paint, offcuts of wood, or end of line tiles, when a local scout hut or hospice can make good use of them?

However, the system was managed locally, and colleague engagement and donations varied significantly from store to store. So this year B&Q trialled a new approach for its 'community reuse scheme' working with the Neighbourly platform. Now charities and community groups can sign up to their platform to be matched with resources donated by B&Q and other retailers.

2022 saw around half of B&Q's stores engaged with the trial and more than 40,000 items donated, around 21 tonnes of materials. This benefited 87 community groups. The banner is now investing further to roll out the Neighbourly partnership to all stores in 2023.

Screwfix suppliers swap plastic transit packaging for a more sustainable solution

Batches of small but fast-moving products like screws, electrical fittings and boiler parts used to arrive at Screwfix packed into cardboard boxes, stacked on wooden pallets and shrink-wrapped in stretchy plastic.

That was until Screwfix redesigned the system to replace this transit packaging with blue tote boxes. Some of our suppliers now put small items into the stackable boxes, and we are encouraging more to make the switch. Once delivered and emptied we send the totes back to suppliers for them to refill on a returning lorry.

Lesson learned

Working in partnership with suppliers across the supply chain can help to accelerate progress on reducing waste.



A light bulb moment for recycling in Romania

Only about half of Romanian households have collections for recycled waste, so there are many opportunities to increase recycling in the country.

In 2022, Brico Dépôt Romania ran an initiative encouraging customers to recycle used light bulbs. Supported by waste electrical recycling partner Ecotic, customers could bring in five broken light bulbs to receive one new energy efficient LED. Brico Dépôt Romania collected more than 3 tonnes of light bulbs from customers and the campaign encouraged customers to bring in other waste electrical products too. A follow-up campaign is planned for 2023 to encourage trade customers to recycle waste electrical items.

Lesson learned

Incentives can play an important role in helping to change behaviour when it comes to recycling.

Other banners are also preventing products from becoming waste and keeping them in use by offering repair and refurbishment services, see page 36.

Incentivising recycling

National recycling systems aren't well established in Romania and Poland, so our banners in these countries are exploring engaging ways to involve colleagues and customers in increasing recycling rates.

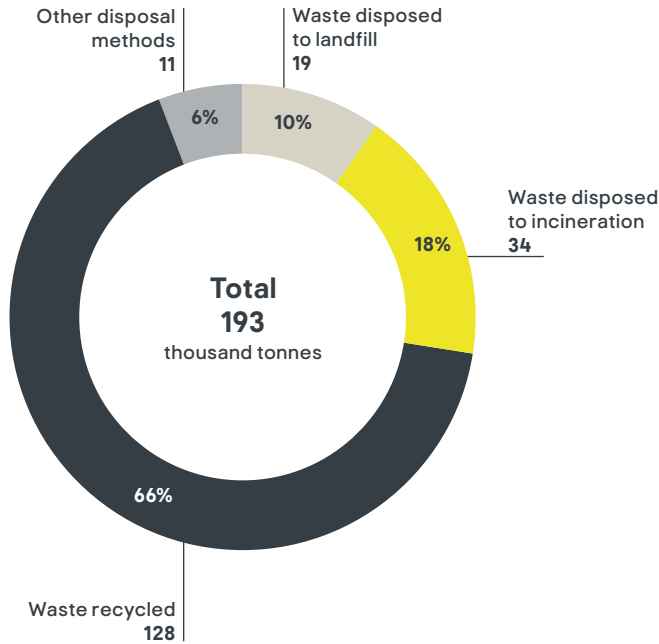
Castorama Poland runs a twice yearly 'flowers for electrical waste' campaign – inviting customers to drop off their electrical waste in exchange for a free pot plant. In the campaign's 16th year 95 stores got involved, collecting 20% more equipment than the previous year – with 994 tonnes collected.

At Brico Dépôt Romania the World Cup inspired colleagues to run a football themed competition encouraging stores to reduce their waste. Each store chose a fun team name inspired by the local football team. Throughout the year-long competition, each team earned green points for recycling waste. The greener the points, the higher a team's position in the league table. The banner's central waste team then updated and communicated the league table frequently throughout the year – driving a healthy sense of competition.

How we did in 2022/23

Overall our activities generated 193,000 tonnes of waste during the year (2021/22: 210,000 tonnes). We reduced waste production by 8% last year, but our recycling and landfill diversion rate fell by 2%.

Waste recycling and disposal 2022/23 thousand tonnes



Ethical conduct

We are committed to high ethical standards in all aspects of our business. We put in place clear policies and robust processes to ensure every colleague understands their responsibilities and applies our ethical standards.

Setting the tone with our Code of Conduct

Our Code of Conduct sets out our approach to doing business and the ethical standards we expect everyone working with us to meet. It promotes a culture of transparency, honesty and fairness.

The Code includes sections on: sustainability and ethical behaviour; working with third parties; modern slavery; anti-bribery and corruption; discrimination; gifts and hospitality; workplace behaviours; and conflicts of interest, among others.

It applies to all Kingfisher colleagues, contractors and third parties. We have supporting policies on topics such as gifts and hospitality, conflicts of interest and competition law and an online approval and reporting procedure for gifts and hospitality and conflicts of interest.

In 2022, we updated the Code to be clearer about the supporting policies we expect colleagues to comply with. You can read our [Code of Conduct](#) on our website.

Annual training for colleagues

Everyone in the business is required to complete our Code of Conduct training annually. This covers the key principles of the Code and how to raise ethical concerns. It includes scenarios to help colleagues understand how to apply our ethical principles and policies in practice. Different modules are available for store and office colleagues, tailored to the specific integrity risks they may encounter.

Over 70,000 colleagues completed the Code of Conduct e-learning in 2022/23.

Colleagues working in sensitive areas of the business or in higher risk roles also complete additional training on fair competition and Market Abuse Regulation.

Oversight from the top

Our Group Ethics and Compliance Committee meets every quarter to review our ethical compliance processes, and to discuss any investigations and sensitive whistleblowing reports.

It is chaired by the Kingfisher Chief Financial Officer and members include our Chief People Officer, Group General Counsel, Internal Audit and Risk Director, and Group Compliance Director.

We have a Local Ethics and Compliance Committee and a local compliance officer in each banner to embed our standards at the local level, and review compliance trends.

Our internal audit function provides additional assurance on compliance to key aspects of the Code, using a risk-based approach to plan their work. The Audit Committee of the Board of Directors receives regular updates on the outcomes of our whistleblowing channel and sensitive investigations.

Clear whistleblowing procedures

All employees have a duty to report actual or potential breaches of our Code, and our Whistleblowing Policy and procedures set out that they can do so securely and without fear of discrimination.

Our external and confidential [whistleblowing hotline](#) is available to all employees and suppliers.

All reports to the hotline are reviewed and, where necessary, investigated. The outcome is reported to the relevant Local Ethics and Compliance Committee. More serious or

sensitive cases are reviewed by the Group Ethics and Compliance Committee. A summary of outcomes is reported to the Audit Committee of the Board of Directors.

SpeakUp reports in 2022

In 2022, we received 528 reports via our SpeakUp hotline (2021: 400). We believe the increase in cases over the last two years reflects our efforts to raise awareness about the hotline. More than 50% of reports relate to people issues such as discrimination, bullying or harassment. Other categories include working conditions, health and safety, policy compliance, fraud, data protection and conflict of interest.

Our SpeakUp hotline is designed as a reporting channel available to all Kingfisher employees, contractors and third parties. Once a report is submitted, an acknowledgement of receipt will be delivered to the reporter and an initial decision will be made on whether the case will be investigated by Group (sensitive matters) or the respective banner (non-sensitive matters). All cases are dealt with by trained specialists and trends and material issues are reported to our Group Ethics and Compliance Committee.

The types and number of reports we receive can vary by country. We have started to

review data by country and to compare our data with regional benchmarks to provide more meaningful insight into trends and performance.

Engaging suppliers on our Code of Conduct

We embed our Code of Conduct into our procurement processes and supplier contracts. Potential new suppliers are informed during the tender process of our Code of Conduct, policies and ethical requirements so they can take these into account when quoting to provide products or services. Our whistleblowing hotline is also available for suppliers. More information is included in our [Modern Slavery Act Transparency Statement](#).

Applying our standards to new partnerships and acquisitions

When we acquire new businesses or enter into new partnerships, we embed our Code of Conduct and Responsible Business policies into partnership agreements.

In 2022/23, we extended the Code to our newly acquired NeedHelp business and colleagues there completed our Code training in early 2023.

Governance and risk management

We have integrated Responsible Business practices into our governance and management structures, allowing us to make strides towards our goals and targets while also ensuring accountability in our decision-making.

Board-level and executive oversight

Our Responsible Business Committee (RBC), a Committee of the Board, is chaired by a non-executive director and oversees the delivery of our Responsible Business strategy. In conjunction with the Audit Committee, which has overall responsibility for the integrity of narrative reporting, it provides advice and assurance to the Group Executive and the Board on all matters relating to Responsible Business practices, and monitors performance against our priorities.

The Chair of the RBC reports on its activities to the Board and the Board and Committee members also review Responsible Business KPIs on a quarterly basis as part of their governance duties. The Committee members include two non-executive directors, the Group CEO, and other members of the Group Executive. The Committee met twice during 2022.

In 2022 we established a Group Climate Committee at the executive level to oversee the company's approach to meeting its climate commitments and assessing climate-related risks and opportunities. More detail on page 27 of our [Annual Report and Accounts](#).

Embedding Responsible Business

We have a three-year Responsible Business Plan for the Group that is reviewed by the Group Executive and the Kingfisher Board of Directors twice a year.

Our central Responsible Business team, led by our Chief People Officer, develop strategy, targets, governance and reporting and communication on Responsible Business.

We have experts in our Group functions who drive and embed progress on our four priorities and fundamentals. For example, the sustainability team within our Offer & Sourcing function embed sustainability into our Own Exclusive Brand product ranges and support banners as a centre of excellence.

Each of our banners has appointed a Responsible Business lead. They are supported by our central team and experts within Group functions. Banners have integrated our Responsible Business targets into their three-year plans.

Integrating Responsible Business performance measures

This year Responsible Business measures (climate change, Forest Positive and gender diversity) were included in the Kingfisher Performance Share Plan for our senior leadership team.

In 2021/22 we agreed a £550m three-year revolving credit facility with a group of our relationship banks. The facility is linked to our Responsible Business targets, including the delivery of our 1.5°C targets for scope 1 and 2 emissions. This enables us to benefit from a lower interest rate if we deliver on our targets.

Responsible Business policies

Our policies guide our approach and help us to adopt consistent standards across our markets. For transparency, we publish key policies on our website. See www.kingfisher.com/sustainabilitypolicies.

We aim to review our policies annually and update them when necessary. Updates to our policies are approved by our Group Executive.

In 2022/23 we updated our [Responsible Business policies](#) to align with best practice and ensure accountability in our decision-making.

Risk management

Identification and management of sustainability risks are incorporated in our strategic risk assessment processes, which are explained in our [Annual Report and Accounts](#).

Climate change is now considered one of our principal risks. We have conducted scenario analysis to help us develop our approach to climate risks and opportunities. The results are summarised in our disclosure against the recommendations of the Task Force on Climate-related Financial Disclosures in our [Annual Report and Accounts](#).

Our internal Responsible Business risk register (part of our overall Group risk management process) is used to help us monitor risks over the short term (0-1 years), medium term (1-3 years), and long term (3+ years). It includes risks relating to: climate change; new business models (e.g. joint ventures, franchise and online marketplace); supply chain ethical and environmental compliance; wood and paper compliance; discrimination and risks to diversity and inclusion; sustainability regulation and compliance; and delivery, reporting and communications of our Responsible Business strategy.

There were no prosecutions or fines relating to health, safety or the environment during the year.

“The Responsible Business Committee exists to enable and ensure that Kingfisher upholds its commitment to Responsible Business practices. We want to make sure all colleagues are equipped and empowered to implement our Responsible Business programmes, to amplify our impact and to bring our commitment to life for customers, suppliers and stakeholders.”

Sophie Gasperment,
Chair of the Responsible Business Committee

Tax management

Our Kingfisher Code of Conduct sets high standards of transparency, honesty and fairness for both our employees and suppliers. It mandates ethical work practices and compliance with the law, with a zero-tolerance policy for tax evasion and facilitation. These principles guide our approach to tax.

Our core tax objectives are to pay the right amount of tax at the right time and to comply with all relevant tax legislation in all Group entities. Kingfisher undertakes its activities and pays tax in the countries in which it operates in compliance with the local and worldwide tax rules. These tax objectives are met through the application of the Group Tax Standards and the published Kingfisher Tax Strategy, which are Board approved, as well as other relevant Group policies and standards, which document our approach to tax compliance, tax risk management and tax planning to ensure that consistent minimum standards are observed throughout the Group.

The responsibility for tax policy and management of tax risks lies with the Chief Financial Officer and the Group Tax Director

who engage regularly with the Board and the Audit Committee on all tax matters.

Tax risks can arise from changes in law, differences in interpretation of law and the failure to comply with the applicable rules and procedures. The Group seeks to take a balanced approach to tax risk having regard to the interests of all stakeholders including investors, customers, staff and the governments and communities in the countries in which it operates. As a multinational group, operating in an increasingly complex and changing international corporate tax environment, some risk is unavoidable.

Kingfisher manages and controls this risk through local management, the tax specialists that it employs and agile monitoring of changes in law and interpretation of law. The Group may engage with reputable professional firms on areas of significant complexity, uncertainty or materiality, to support it in complying with its tax strategy. Group companies work within a tax controls framework, and compliance with this is monitored by the Internal Audit and Risk team.

The Group seeks to engage with tax authorities with professionalism, honesty and respect. It works with all tax authorities in a timely and constructive manner to resolve

disputes where they arise, although it is prepared to litigate where this is not possible.

Tax contribution

Kingfisher makes a significant economic contribution to the countries in which it operates. In 2022/23 it contributed £2.3 billion in taxes it both pays and collects for these governments (2021/22: £2.4 billion).

The Group pays tax on its profits, its properties, in employing 82,000 people, in environmental levies, in customs duties and levies, as well as other local taxes. The most significant taxes it collects for governments are the sales taxes charged to its customers on their purchases (VAT) and employee payroll-related taxes. Taxes paid and collected together represent Kingfisher's total tax contribution, which is shown below:

| Taxes paid £millions | 2022/23 | | |
|-------------------------|---------|---------|-------|
| | 2021/22 | 2020/21 | |
| Taxes borne | 794 | 844 | 735 |
| Taxes collected | 1,534 | 1,552 | 1,466 |
| Total Tax Contribution | 2,328 | 2,396 | 2,201 |

Kingfisher participates in the Total Tax Contribution survey that PwC perform for the Hundred Group of Finance Directors. The 2022 survey ranked Kingfisher 23rd (2021: 23rd) for its Total Tax Contribution in the UK. In 2022, 95 (2021: 95) companies contributed to the survey.

Tax rate

The Group's adjusted effective tax rate (ETR) is sensitive to the blend of tax rates and profits in the Group's various jurisdictions. It is higher than the UK statutory rate because of the amount of Group profit that is earned in higher tax jurisdictions. The adjusted ETR, calculated on profit before adjusting items, prior year tax adjustments and the impact of future rate changes, is 22% (FY 21/22: 22%).

The adjusted ETR is consistent with the prior year rate with small increases relating to the impact of increased losses in territories in which tax credits are not recognised, and a higher share of profits in France; offset by reductions for the fall in French corporate income tax rate.

The statutory effective tax rate includes the impact of adjusting items (including prior year tax items). The impact of these result in a statutory effective tax rate of 23%.

The statutory tax rates applicable to this financial year in our main jurisdictions are as follows:

| | 2022/23 |
|--------|---------|
| UK | 19% |
| France | 26% |
| Poland | 19% |

Engaging our stakeholders

We engage with many stakeholders on our approach to Responsible Business. This collaboration is essential to address the many systemic and complex sustainability challenges.

Our main stakeholders include our customers, investors, colleagues, suppliers and regulators as well as NGOs, the media and other organisations working on sustainability and business issues.

Our Board of Directors monitors the effectiveness of our stakeholder engagement including reviewing feedback from colleagues and customers. A summary is included in our [Annual Report and Accounts](#).

Customers

We engage with our customers on Responsible Business through our research, via our websites and in-store communications and through our charity partnerships and fundraising campaigns. Research into customer views on sustainability topics has informed the development of many of our targets.

Three Responsible Business questions are included in our Brand Health Tracker consumer research. This explores

perceptions of our banners and their key competitors in the UK, France, Poland, Romania, Spain, Portugal and Ireland in relation to offering sustainable products, community investment and caring about the environment (along with other areas).

We also conduct in-depth customer research on key Responsible Business issues. In 2022, this included our report 'Tackling the UK's Energy Efficiency Gap' which drew on research with 2,000 consumers from across the UK to understand views on energy efficiency in the context of the rising cost of living.

Colleagues

We engage with colleagues formally and informally through a variety of internal channels and social communication tools, surveys, virtual town halls and Q&As. The results from our latest colleague survey are summarised on page 16. The Kingfisher Colleague Forum (KCF) is a joint forum of management and employee representatives which meets twice a year. We also have an Inclusion and Diversity (I&D) Forum, see page 11.

Our Responsible Business network brings together colleagues from our Offer & Sourcing, sustainability, procurement, logistics, brand, investor relations, customer



and marketing teams and our banners to share ideas and best practices. All colleagues in any role are welcome to join. The network holds monthly webinars on key topics. We communicate with colleagues throughout the year on Responsible Business issues.

Investors

Our Responsible Business and Investor Relations (IR) teams collaborate closely to communicate our approach to environmental, social and governance (ESG) risks and performance to investors, including via investor meetings, our Annual Report, Responsible Business Report, Final Results announcement and benchmarks and indices.

Our ESG presentation for investors is published on our website. We engaged with over 100 investors and analysts on ESG topics in 2022/23, and participated in several ESG investor events including Teach-in Event in July 2022, Chairman Roadshow and BofA ESG Consumer & Retail Conference.

We participate in various investor benchmarks and align our reporting to external ESG standards. This includes the Sustainability Accounting Standards Board (SASB) standards for Multiline and Speciality Retailers and Distributors, the Global Reporting Initiative (GRI), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Regulators

We engage with the governments and regulators in each of our key markets and with the EU, both directly and through our trade associations. Our approach to public policy engagement is explained on page 60.

Suppliers

We collaborate with suppliers on Responsible Business issues including through our product development and engage with them on our approach to ethical sourcing and our Code of Conduct. See pages 52 and 55.

NGOs and industry partners

We partner with many NGOs, other businesses and specialist organisations to learn from their insights and address Responsible Business challenges. Examples are included on pages 24, 52 and 60.

Organisations we work with include: Aldersgate Group, Bioregional, Business Disability Forum, Centre for European Reform, ChemSec, Fondation Abbé Pierre, FSC®, Green Alliance, Green Chemistry & Commerce Council (GC3 and GC3 Europe), Habitat for Humanity, Rainforest Alliance – Forest Allies, the Red Cross, Shelter, Slave Free Alliance, Stonewall, the UN Race to Zero Breakthroughs: Retail Campaign and the Woodland Trust.

More information on stakeholder engagement is available in the [Annual Report and Accounts 2022/23](#).

How are we rated?

We continue to rank highly in external benchmarks and indices, including:

MSCI

We rank as a ‘Leader’, having received the highest-possible ‘AAA’ score, which was achieved by only 5% of companies in the Retail – Consumer Discretionary sector.



CDP Climate Change

We achieved the highest score of ‘A’ (2021/22: A-), one of just 283 companies to achieve this score globally.



CDP Forests

The focus of our submission to the CDP Forests questionnaire is on timber. We received a score of ‘B’ which is above the average discretionary retail performance of ‘C’. (2021/22: B).



Workforce Disclosure Initiative

We received a disclosure score of 81%, which is ahead of the average consumer discretionary sector score of 66% and average disclosure score (all companies) of 68%.



Sustainalytics

We ranked second out of 43 in home improvement retail and fourth out of 487 in the wider retailing industry.



ISS ESG Corporate Rating

We achieved a ‘C+’ rating. This is supported by our ‘Prime’ status, which is given to companies that are perceived to be sustainability leaders in their industry.

FTSE4Good

We are listed in this index with a rating of 4.6 out of 5 (‘Strong’ performance).



Public policy

We interact with regulators and government officials in our markets and at EU level. We give our views on proposed legislation and policies that will impact our business and the retail sector.

We also engage on sustainability topics, supporting measures that incentivise sustainable business practice and encourage investment in sustainable innovation.

Our approach and standards

Our Director of Corporate Affairs manages our public policy activities and reports to a member of our Group Executive. The Board of Directors reviews the key aspects of our public policy activity at least twice a year.

All our public policy work must meet the ethical standards set out in our Code of Conduct and our Group Corporate Affairs Policy and reflect our public sustainability commitments. We are registered on the EU Transparency Register of lobbying activities. In line with EU and UK corporate governance best practice and as stated in our Code of Conduct, it is our policy not to make donations directly to political parties or politicians.

We follow government guidelines in relation to employing former public officials (the ‘revolving-door’).

Working with lobbying companies

We work with external lobbying companies, which are all members of recognised self-regulatory organisations such as the Association of Professional Political Consultants in the UK and the European Public Affairs Consultancies’ Association (EPACA) in the EU and are governed by their codes of conduct. The lobbying companies we use in the EU are listed on the EU Transparency Register.

Which trade associations do we work with?

Sometimes we engage with policymakers via trade associations and industry groups. This can increase the impact of our policy messages. Relationships with trade associations in the UK, Ireland, France and Brussels are overseen by our Group Director of Corporate Affairs and, in other markets, by the relevant local CEO. We want to make sure that our trade associations are aligned with our position on climate change and regularly engage with them on this issue. This has included engaging with the BRC on development of its Climate Change Roadmap.

We may terminate our relationship with trade associations if they don’t meet our standards. In 2023, we cancelled our membership of the Confederation of British Industry (CBI) in the UK following allegations of serious misconduct.

Our memberships include:

- **EU:** EDRA/GHIN (the European DIY Retail Association home and the Global Home Improvement Network) and Euro Commerce.
- **UK:** The British Retail Consortium (BRC), the GC100 – the Association of General Counsel and Company Secretaries working in FTSE 100 Companies, Green Alliance and Aldersgate Group.
- **France:** The French Association of Private Businesses (AFEP), France Commerce and the French Federation of DIY Retailers (FMB).
- **Ireland:** Irish Business and Employers Confederation (IBEC), Retail Excellence Ireland.
- **Poland:** The Polish Confederation of Private Employers (Lewiatan) and the Polish Organisation of Commerce & Distribution (POHID).

- **Portugal:** Portuguese Association of Retail Companies (APED).
- **Spain:** Association of Distributors of Hardware and DIY (ADFB).
- **Turkey:** Chain Stores Association (KMD), Turkish Industry and Business Association (TÜSİAD).

Which issues did we prioritise in 2022/23?

- **Domestic energy efficiency:** We support policy that makes homes more energy efficient. In the UK, we have called for robust incentives and support to encourage the wider uptake of energy efficiency retrofit, publishing a [five-point plan](#) to share our views with government. We also published our report ‘[Tackling the UK’s Energy Efficiency Gap](#)’ in 2022. In France, we engaged with the Government on home energy renovation and how to make subsidy schemes clear and accessible for consumers.
- **Trade careers:** In the UK we are working to inform policymakers of the ongoing need for a more robust promotion and incentivisation of trade careers as high skill, high wage roles in all parts of the UK.

- **Deforestation:** We engaged with the EU on the development of its new Regulation on Deforestation-Free Products.
- **UK business rates:** We took part in research carried out by WPI Economics to demonstrate the direct impact of current business rates policy on ‘Levelling Up’ and the cost of living crisis.

Pensions

The Kingfisher Pension Scheme (KPS) manages the pensions of past and present employees. The Scheme is open to all UK employees with the same benefits offered to all.

The KPS integrates responsible investment principles into its work and communicates with stakeholders on its approach to environmental, social and governance (ESG) issues.

The KPS has held the Pension Quality Mark since 2012, an independent accreditation that recognises and celebrates high-quality defined contribution (DC) pension schemes.

The KPS Trustees

The KPS is governed by a Trustee Board that consists of independent, member nominated and employer nominated Trustee Directors. Most Trustees are colleagues, or former colleagues, from a wide range of roles. Half of the Trustees are women.

Trustees receive training throughout the year to enable them to fulfil their duties. Topics in 2022/23 included: cyber security, liability driven investments, stewardship policies, regulatory updates, climate change and other ESG matters.

Our responsible investment principles

Investment decisions of the KPS are governed by the Scheme's Statement of Investment Principles (SIP). This sets out the Trustees' commitment to act as a responsible investor and states the Trustee Board's belief that all companies should be run in a responsible way.

Investment managers acting on behalf of the KPS are required to take account of ESG considerations where these may have a financial impact on investment performance. They are encouraged to engage with investee companies on these issues, including exercising voting rights where appropriate. Investment managers must disclose their ESG investment approach to the KPS and share how they integrate ESG factors and considerations into the management of their portfolios.

Addressing climate change risks and opportunities

The Trustees take into account the potential risks and opportunities associated with climate change and the transition to a low carbon economy. They will publish their first disclosure against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2023. This will include

data on the greenhouse gas emissions associated with the scheme's investments. The Trustees have received training on climate risks, opportunities and the disclosure requirements during the year to support the reporting process.

Our pension Scheme has two sections. The KPS Money Purchase Section is open to current and new colleagues. The majority of members and assets are invested in the Default Strategy, which consists of 70% Passive Equity Fund and 30% Diversified Return Fund. Both of these funds are part of the Legal and General Investment Management (LGIM) Future World Fund range. The Passive Equity Fund aims to hedge climate change risk by prioritising companies who invest in low carbon innovation whilst reducing investment in carbon intensive industries. The Diversified Return Fund is invested in the LGIM Future World Multi-Asset Fund and provides enhanced ESG integration, focusing on companies that are actively reducing carbon emissions and adopting strong ESG policies. KPS also receives quarterly updates from LGIM on stewardship activities.

The other section of the Scheme is the closed Final Salary Section. Whilst it mainly invests in government bonds and insurance buy-in policies, the KPS Trustees have explored opportunities to invest in specific

funds that support progress on sustainability and climate issues. This includes an investment in a global renewable energy fund.

Promoting pension literacy

The Kingfisher Pension Scheme runs regular events and awareness campaigns to encourage more colleagues to think about their pension. In 2022, this included a series of webinars with LGIM to discuss different aspects of pension planning. The Scheme also raised awareness of the 'pension gender gap', which can mean women have a lower pension pot on retirement than men, and how members can address this.

The Scheme provides access to the Tumelo app, allowing members to see their pension's investments and engage with managers. It shows proposed shareholder resolutions and enables members to express their views. About 1,000 members have registered, sharing opinions on governance, equality and environmental topics.



Cyber security

Cyber-attacks and security incidents have increased in recent years and the retail sector has joined a number of industry sectors as a target due to it becoming more data driven.

We are very mindful of these risks and have designed processes and controls to protect the data entrusted to us and our business operations. All colleagues have a role to play in protecting data and guarding against cyber security threats.

Roles and responsibilities

Cyber security is one of our principal risks and receives Group Executive-level sponsorship and Board focus. It is an integral part of our IT strategy with a three-year plan to continue to develop and evolve our capabilities to meet threats.

Our Board receives regular updates on cyber security. Our Information Security and Risk Director owns, develops and operates the cyber security strategy. They report to our Chief Technology Officer who reports to our CEO.

Cyber insurance is purchased to provide financial cover and additional loss management support, should we suffer an event at Group or banner level.

Our approach

Our Information Security and Acceptable Use policies are approved by our Group Executive and supported by a suite of more detailed security standards. Our policies, standards and associated controls framework are aligned to international standards such as ISO 27001 and NIST. We review and refresh our policies annually and update our guidance regularly, benchmarking our approach against industry best practice and reflecting changes in technology and new cyber security threats.

We evolved our technology risk framework including IT General Controls in 2022 to ensure we have a robust approach aligned to industry best practice. As part of that work we conducted an assessment of our infrastructure in partnership with PwC. Our systems and processes comply with the General Data Protection Regulation (GDPR) and other relevant regulations.

New technology developments go through a 'Secure By Design' process to ensure solutions are secure and compliant with regulations when deployed. We perform security assurance on our supply chain where a third party processes our data, with robust security clauses in our contracts.

We regularly review the cyber threats facing Kingfisher. We undertake frequent vulnerability assessments to identify and deploy additional capabilities to actively protect our data and IT systems.

We have a robust major incident management process to respond to and manage security incidents and data breaches. We have nominated a Cyber Executive Committee to lead our response in the event of a cyber security incident. We are conducting a programme of simulation exercises to further improve our readiness to respond in the event of an incident.

Independent assurance

Our systems and processing of card payments in the UK are certified compliant with PCI DSS, the Payment Card Industry Data Security Standard. This involves an annual external audit of our systems. Our European card payments processes are also designed to meet the requirements of the standard and were independently assessed in 2022.

We are regularly independently assessed to help us monitor progress against our cyber security maturity targets. Audit findings are reported to the Kingfisher Audit Committee.

Active industry involvement

We participate in industry and government forums to ensure we remain aware of the latest regulatory developments and cyber threats and to share best practices.

We are a member of the Payment Card Industry Security Council and belong to the Cyber Security Information Sharing Partnership (CiSP), a joint industry and government initiative set up to exchange cyber threat information in real time. In 2022 we joined the Retail Trust Group organised by the National Cyber Security Council (NCSC), meeting regularly with other retailers to discuss cyber threats, share insights and develop industry responses.

Enabling greater cyber awareness

We communicate our policies and remind all colleagues to keep security top of mind through our awareness campaigns. In 2022, we created a dedicated capability to support ongoing education and awareness. Cyber security is included in our induction programme for all colleagues with additional training for relevant roles. Third parties completing IT development work are contractually required to educate their staff on cyber security. During Cyber Awareness Month we hosted speaker sessions with external cyber specialists and received positive feedback from colleagues.

Investing in cyber security skills

We are investing in the skills we need to keep strengthening our approach to cyber security. In 2023, we're launching our Cyber Academy, providing opportunities for school leavers to complete a Level 4 apprenticeship. We are working with an apprenticeship provider to encourage applications from candidates from diverse backgrounds to support both our own future needs and that of the security industry which continues to face significant skills shortages. On completion of the two-year programme, we hope our apprentices will move into permanent roles with us or with one of our partners.



Data protection

We hold customer, colleague and supplier data and have a responsibility to collect, use and store it responsibly in line with national regulation and the EU General Data Protection Regulation (GDPR). Our approach includes strong policies on data management and training for our people.

Clear policies and accountability

Our Group Data Protection Officer oversees our approach and reports to the Group General Counsel. Our Chief Financial Officer has overall executive responsibility for data protection and we have a data protection lead in each banner to help implement our Group policies in line with local requirements.

Our Data Protection Policy helps our colleagues to understand and apply our data protection obligations.

Engaging our colleagues on data protection

All our data protection policies and information are easily accessible to colleagues via a dedicated Data Protection intranet page.

Colleagues complete data protection training when they first join, followed by refresher training every year. This explains our key processes and how to protect personal data and recognise and report personal data breaches.

Almost 90% of our colleagues completed our Data Protection e-learning during 2022/23.

Key data protection processes

When a business activity involves collecting and/or using personal data, colleagues are required to complete a Records of Processing Activity assessment. This helps us to ensure we are complying with the record keeping requirements of the GDPR and other aspects of data protection law. If the business activity may involve handling personal data in such a way it might pose a risk to data subjects (individuals whose data we hold), colleagues are also required to complete a Data Protection Impact Assessment which helps us to understand and mitigate data risks.

Suppliers that process personal data on behalf of Kingfisher must confirm that they comply with our data protection and information security policies, and this requirement is integrated into our contracts with data processors.

In certain cases, individuals have the right to access, rectify and delete any data we hold on them. We have a process in place for customers and colleagues to exercise their rights.

Our data protection specialists work with colleagues throughout the business to apply our policies. For example, in 2022 they supported colleagues in our People team to safeguard our approach to collecting diversity data.

Responding to data breaches

Under the GDPR, we're required to report certain types of data breaches to the relevant regulator, such as the Information Commissioner's Office in the UK, and the affected individuals.

Our Data Protection team investigates personal data breaches to mitigate risks and determine if notification to the affected individuals and regulators is required.

We have implemented a GDPR management solution to ensure appropriate reporting of data breaches. The system also enables us to monitor whether Records of Processing Activity assessments and Data Protection Impact Assessments have been completed.

Identifying our material issues

We conduct regular materiality assessments to make sure we remain focused on the key issues and impacts for our business and our stakeholders.

We worked with an external consultancy to conduct a double materiality assessment in 2022. This considered a wide range of ESG topics from both a financial materiality and an impact materiality perspective.

Our methodology

Our assessment included the following stages:

Issue analysis: We used an initial longlist of 21 topics with more than 140 subtopics. These were identified based on our previous materiality process, external standards and peer company approaches and a media scan. Issues and subtopics were reviewed and merged to generate a shortlist of the 17 most material ESG issues, reflecting our business priorities, stakeholder expectations and industry terminology.

Stakeholder engagement: Interviews were conducted with senior internal stakeholders and external stakeholders. Internal stakeholders included senior representation of key business functions, including Finance, People, Legal, Offer & Sourcing

and Commercial teams. External interviews included investors, NGO advocacy groups, Retail Trade Associations, and suppliers. Surveys were also sent out to a wider group of colleagues at the Group and banners, alongside external stakeholders.

Assessing double materiality: To align with a double materiality approach, survey respondents and interviewees were asked to provide their views on the extent of impact that Kingfisher could or does have on the issues (Societal & Environmental impact or impact materiality) and the financial impact of the issues on Kingfisher (Business impact or financial materiality).

Validation: The draft matrix was reviewed at an internal workshop of senior leaders to ensure it accurately reflected the relative importance of the issues to the business.

Key findings

Climate change was identified as the highest impact issue, with sustainable products and forests also receiving a high impact rating. All three issues were rated more highly than in previous processes, reflecting increased focus on these topics in the business and externally. Responsible sourcing was also identified as a high-impact issue due to the number of suppliers and global reach of the Kingfisher supply chain.

This year, several material ESG issues were changed or consolidated to reflect changing stakeholder expectations and business priorities. ESG issues emerging from New Business Models was added as a new topic to reflect the impact of new business offerings in recent years and expansion into new markets.

Our materiality matrix



Assurance statement

Independent Limited Assurance Report to the Directors of Kingfisher plc

Kingfisher plc (“Kingfisher”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “us” or “we”) to conduct a limited assurance engagement over Selected Information presented in their Responsible Business Report 2022/23 and the Performance Data Appendix 2022/23 (together the “Report”) for the reporting year ended 31st January 2023.

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained on page 66.

Our Observations

Our observations and areas for improvement will be raised in a separate report to Kingfisher’s Management. Selected observations are provided below. These observations do not affect Our Conclusion set out to the left.

- Many of the processes used to collect source data for entry into Kingfisher’s Sustainability Reporting Tool continue to rely predominantly on manual processes using spreadsheets which could result in manual transcription errors. We repeat our recommendation to introduce automated processes and use systems-based solutions as part of Kingfisher’s wider digital transformation strategy, and de-risk continuity issues in case of personnel change.
- **Carbon footprint – Scope 2 emissions:** It was noted that market-based Scope 2 emissions were underreported by 6.6% due to errors in conversion factor consolidation at B&Q and Brico Dépôt Romania. Kingfisher undertook further checks to validate the electricity conversion factor verification across all banners. Market-based Scope 2 emissions were consequently updated prior to publication. We recommend Kingfisher updates the

property procedure guidance to reduce the risk of unverified supplier emission factors.

- **Carbon footprint – Scope 1 emissions:** Errors were found in the Castorama Poland distance travelled data for dedicated home delivery, as the source data for four sites were materially overstated when input into the reporting file. Castorama Poland updated the errors prior to publication. We recommend that all banners consolidate data from sites on a monthly basis to detect and address material data discrepancies earlier in the reporting cycle.
- **Community investment:** We noted community investment classification errors (B&Q and Group function) against Kingfisher’s reporting criteria which cumulatively led to material errors, and therefore were updated prior to publication. We recommend Kingfisher introduces further training and capacity building internally to reduce the risk of banner misclassification.
- **Responsibly sourced wood and paper products:** This year, the Wood and Paper Offer & Sourcing (O&S) team implemented some further automated data consolidation steps. However, the final data consolidation still relies on the individual knowledge of the O&S data reporting lead. We recommend

Kingfisher continues to document its consolidation framework and engages internally to evaluate whether a new product contains wood and paper during product development. This will increase confidence in the completeness of the wood and paper data set.

- **Supplier ethical audits:** We noted the total number of declared production sites has increased by 45% compared to the last reporting period as good progress. We recommend Kingfisher continues to engage with its banners and supply chain partners to improve the visibility of its production sites, and engages in supplier capacity building efforts to further increase its ethical audit compliance levels.

Selected Information

The scope and boundary of our work is restricted to selected 2022/23 performance data included within the Report (the “Selected Information”), as indicated with “ø” in the Performance Data Appendix 2022/23 for the following areas:

Colleagues

- Gender diversity (page 17)
- Training hours (page 18)

Planet: Climate change

- Property portfolio carbon intensity (page 19)
- Carbon emissions from direct haulage (dedicated store and home delivery fleets) (page 22)
- Carbon footprint – Scope 1, 2 and selected Scope 3 emissions (pages 19-21)
- Energy use (page 23)

Planet: Forest Positive

- Responsibly sourced wood and paper products (page 24)

Customers

- Sustainable Home Products sales (page 26)

Communities

- Community investment (page 29)

Fundamentals: Responsible sourcing

- Supplier ethical audits (page 32)

Sustainability Targets

- Progress towards Sustainability Targets* (page 6)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Kingfisher’s Sustainability Data Collection

* Sustainability targets that are related to the Selected Information included in the scope for our independent assurance.

Methodology 2022/23 (the “Criteria”), which can be found [here](#). We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Kingfisher’s website for the current reporting period or for previous periods.

Standard and Level of Assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially

lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for Our Conclusion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of Our Conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting remote interviews with Kingfisher management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Remote and onsite meetings with teams from two retail banners, Screwfix and Castorama Poland, to review processes and systems for preparing retail banner level data consolidated at Group level. For community investment, remote meetings were conducted with Castorama Poland and the Group team responsible for Group reporting. We were free to select retail banners and they were chosen on the basis of materiality and frequency of audit visit over the past four years;
- Remote meetings with head office personnel to review processes and systems for preparing and consolidating Group level data;

- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing whether Kingfisher followed its stated process in the Criteria to determine progress towards its Sustainability Targets;
- Assessing the appropriateness of the Criteria for the Selected Information;
- Reviewing that the evidence, measurements and their scope provided to us by Kingfisher for the Selected Information is prepared in line with the Criteria; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

DNV Business Assurance Services UK Limited

London, UK

19th June 2023



DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

www.dnv.co.uk/BetterAssurance

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. DNV holds other audit and assurance contracts with Kingfisher, none of which conflict with the scope of this work. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by Kingfisher have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Responsibilities of the Directors of Kingfisher and DNV

The Directors of Kingfisher have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Kingfisher in the form of an Independent Limited Assurance Conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

Read more

Our Responsible Business website
www.kingfisher.com/responsible-business

Annual Report and Accounts
www.kingfisher.com/annualreport

Our Performance Data Appendix
www.kingfisher.com/dataappendix

Our Responsible Business Data
Collection Methodology
www.kingfisher.com/datamethodology

Our Responsible Business GRI Index
www.kingfisher.com/GRI-index

Our Responsible Business Databook
www.kingfisher.com/databook

Our Sustainable Home Product guidelines
www.kingfisher.com/shpguidelines

Our Modern Slavery Act Statement
www.kingfisher.com/Modern-Slavery

Contacts

What do you think about our performance?
We'd love to hear your views on
Responsible Business at Kingfisher at
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