

Kingfisher plc 2024 Annual General Meeting

Shareholder Questions

Q: Given the fact 53 FTSE 100 companies are already accredited as a living wage employer, Kingfisher should join these companies, extending its living wage guarantee to third party contractors and accrediting as a living wage employer. Will the Board commit to taking these steps and building on the positive progress Kingfisher has made this year already?

- Thank you for your question and for the prior sighting of it. In April, B&Q raised its minimum rate of pay to £12.21 and Screwfix to £12.15 so, above the real living wage. On top of that we are very proud of the full package we offer. We offer a colleague discount; high quality pension scheme with up to 14% of salary employer contribution; cash allowances such as a location allowance; and life insurance. So, we have a very strong package on top of the pay.
- At the same time, we have a lot of third parties working for us. We have a strict onboarding process and undertake a high level of due diligence. In parallel we value their independence and consider they are independent businesses, so we do have limited influence on exact pay levels compared to our employees and other contractors.

Q: Kingfisher is doing a lot of good stuff and presenting the values of a ESG leader across many aspects, including climate. You have a great scope three GHG emission plan at the moment and you are on track to meet your 2025 commitments. My question is on the use of product targets. Scope three emissions from the use of your products remains the largest component of your overall scope three emissions. To partly address this Kingfisher has set a sales target for sustainable home products for 2025, which we recommend (e.g. the sales of LED lights). However, whilst progress has been made, we as investors are aiming to assess whether Kingfisher is likely to continue to meet its targets and capture the related commercial opportunity that we see. My question is twofold: first, can Kingfisher commit to provide investors like us with greater disclosure on the practical steps and strategies that will help you deliver on your scope three product footprint; second, whether your net zero targets will be validated by SBTi?

- Thank you for your question; it is very detailed, and we are very passionate about this topic internally. So, to be clear, when we talk about carbon emissions, there is Scope 1 and Scope 2, which are usually in our own operations, so our stores and logistics. On this, we have committed to net zero by 2040. We have a plan that has been prepared in line with SBTi and we have already reduced emissions by over 60% against a FY16/17 baseline, so we are on track to meet our target.
- The other element is Scope 3 which is linked to our products. We have a target to reach by 2025, we have already achieved reductions ahead of target. We are working hard on the next steps to build out our net zero roadmap (in line with SBTi).
- One step we have already made is going public with our expectations from our vendors. This is on our website, and you can see our vendor decarbonisation targets. We are the first company in home improvement to clearly announce our expectations from our vendors.
- Next week we will publish our Responsible Business report. This will include plenty of data and information around what we are doing and how we engage with investors.

- Kingfisher is a founding member (with Thierry as President) of a global collaborative task force initiated by EDRA/GHIN and this association launched a task force last year to help the industry better understand Scope 3 and collaborate in decarbonising the retail sector. This is a very critical topic for us so thank you very much for your question.

Q – A compliment on the choice of venue for our meeting. Is this a one-off or will we be going back to last year’s venue?

- Thank you, I am glad you like it. We think it works well: it is cost effective, and we think it’s well located; hopefully the transport links have worked well for you. Assuming everyone feels it has worked well today, I imagine we may come back in the future. I hope you enjoy your afternoon.

Q – On page 4 of the annual report it says that in France your performance was impacted by historically low consumer confidence. Why is consumer confidence low in France?

- First of all, we have performed broadly in line with the market in France. I appreciate it is difficult to understand against the backdrop of macroeconomic and consumer challenges in France.
- When you look at the historical trends, last year we reached a ten-year low point in terms of consumer confidence. We believe the uncertainty may be attributed to a combination of factors, including the perception of inflation and the cost-of-living crisis, as well as political instability in France.

Q – Why has Kingfisher abandoned expansion in Germany?

- Kingfisher has collected a range of businesses over the years based on a number of driving characteristics, including our ability to compete and the GDP of a country. So, when we look for home improvement opportunities, we consider economic context as well as our competitive advantage, and then use our scale to drive efficiencies to benefit our operating Banners in our markets.
- We have removed ourselves from places we didn’t think we could compete, such as Russia and before that, China. The Board and the business have made some tough decisions, including our exit from Germany (and trial of Screwfix). The idea of rolling Screwfix out in other countries is interesting and we are doing that now in France, where we have an established infrastructure. We will remove ourselves if we don’t think we have the right competitive chance of winning without an appropriate return on investment.
- The opportunities to expand our business in Iberia are going well and are a part of our future plan. In Poland, we are number one in a market where the economics have been trending upwards in the last fifteen to twenty years. In Romania we are number two position in the market. So, when looking for new opportunities, we are very selective and do not believe in a one size fits all approach. We also take into account the population of a country.

Q - Of your share register, roughly what proportion constitutes retail investors, and do you have any active investor relation programmes targeting the retail investor?

- Firstly, we certainly recognise that individual investors are critical for Kingfisher. Recently our team partnered with a company called Equity Development to run a dedicated teach-in and Q&A for retail investors, with over 150 people in attendance. The recording is still accessible on our website, social media and YouTube.

- We also try to engage on social media as there are a lot of younger, retail investors who use LinkedIn and other social media platforms to gather information, so that is important to us.
- Around 1% of our share register constitutes retail investors, so definitely an opportunity which is why we take it seriously.