Kingfisher plc
UK Gender Pay Gap Report 2023
Introduction

This is Kingfisher’s seventh Gender Pay Report and sets out our gender pay calculations for the UK workforce on a combined UK (Kingfisher Corporate entities, B&Q and Screwfix) and on an individual entity basis. It is prepared in line with the UK Equality Act 2010 Regulations 2017 and details the actions we believe will help us progress towards reducing our gender pay gap and embedding a truly inclusive culture.

As well as setting out the progress on our gender pay position in this report, you can read more about the practical steps we’re taking to drive gender equity in our business. At Kingfisher we recognise the value of inclusion and diversity. We are delighted to see progress in the diversity of our teams, as we strive to continually reflect the customers and communities we serve. We have set challenging representation targets and are firmly on track to meet our 2025 target of 40% of women in management. These are all supported by a host of development activities; including internal and external programmes and mutual mentoring opportunities. This year we launched a Group-wide allyship campaign, co-created with colleagues from across our businesses. We know that allyship is critical to creating an inclusive culture for all, becoming a better place to work for women requires all colleagues to play their part.

Creating an environment where everyone can thrive is key to our success, we know there is more work to do, and we are committed to delivering positive change.

*The information contained herein is confirmed as accurate by:*

Kate Seljeflot
Chief People Officer

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.
Our People

Kingfisher plc is an international home improvement company with over 1,900 stores in 8 countries across Europe.

Inclusion and Diversity

25.8% of senior leaders and 38.9% of managers are women, compared with 25.2% and 37.9% respectively last year. We remain focused on improving our gender balance.

We are seeing improvements to the senior leadership figures in B&Q and Screwfix, where the proportion of women in senior leadership and management roles have increased from April 2022 to April 2023.
About Gender Pay Gap Reporting

The process of reporting our Gender Pay Gap and analysing the results helps us to assess our policies and processes, their implementation and take relevant steps to ensure that Kingfisher is a great environment for everyone to thrive.

What is Gender Pay?

The gender pay gap is not the same as equal pay analysis.

The gender pay gap calculations compare average pay (mean and median, for hourly pay and bonus pay) for men and women. Therefore, it is impacted by the number of men and women at different levels of seniority throughout the organisation.

Equal pay is determined by assessing whether men and women are paid equally for doing the same work or work of equal value. At Kingfisher, we have policies and processes in place to ensure that our men and women colleagues are paid the same for work of equal value.

How are the pay gaps calculated?

The mean pay gap is calculated by taking the average hourly earnings of everyone in an organisation, including their pay and bonus, and comparing the difference between men and women.

The median pay gap looks at the middle point of the population for pay of men and women. The difference between the middle point for men and the middle point for women is compared to show any pay gap.

What factors influence the Gender Pay Gap?

The gender pay gap can be affected by a number of variables and many of these may change year on year.

Hierarchy within the organisation has a significant impact on the pay gap figures. For example, an increase in the number and proportion of women in senior positions should improve the overall pay gap.

The number and proportion of men in senior roles vs. junior roles also has an impact on the pay gap figures.

Other factors to consider include the components that make up the hourly and bonus pay figures for individual colleagues. For example, the bonus pay gap measurement not only includes the bonus pay amount but also any long service awards, payouts from all-colleague share plans, as well as any ad-hoc bonus payments made to the general population. Share exercises\(^4\) that have occurred over the 12 months prior to the snapshot date are also included in the figures. These factors can create inconsistency, year on year as they are not regular payments. In particular, share exercises can cause volatility as the choice to exercise shares is dependent on personal circumstances. Additionally, shares are typically granted to more senior roles in the organisation, which can amplify any pay gap linked to hierarchy further.

\(^4\) Kingfisher in the UK grants its share awards by the way of nil-cost options, giving colleagues the right to a share upon certain criteria being achieved. A share is received from an option when the colleague chooses to “exercise” their right at which time relevant taxes are paid. In line with regulations, the value of the exercised option is reportable as a bonus.
Our Gender Pay Gap

The information in the following section of this report is shown on a combined basis for Kingfisher, this includes all 5 entities (i.e. Kingfisher Corporate entities, B&Q and Screwfix) - entity specific gaps can be found in Appendix 1. We have chosen to present our consolidated group figures as we believe it shows a more complete picture of the whole UK Kingfisher community.

Kingfisher Mean and Median Pay Gap over the last 3 years

Hourly Pay Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Mean</th>
<th>Median</th>
</tr>
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<tbody>
<tr>
<td>2021</td>
<td>10.9%</td>
<td>44.7%</td>
</tr>
<tr>
<td>2022</td>
<td>11.8%</td>
<td>40.6%</td>
</tr>
<tr>
<td>2023</td>
<td>9.4%</td>
<td>30.6%</td>
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Bonus Pay Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1.5%</td>
<td>14.9%</td>
</tr>
<tr>
<td>2022</td>
<td>1.1%</td>
<td>21.1%</td>
</tr>
<tr>
<td>2023</td>
<td>0.8%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

Hourly Pay Gap

- Mean: 9.4%
- Median: 0.8%

Bonus Pay Gap

- Mean: 41.5%
- Median: 30.6%

14.3% 5
UK National Average Pay Gap

9.4%
Kingfisher Average Pay Gap

* Source ONS: Gender pay gap in the UK: 2023

Continued
Our Gender Pay Gap

Hourly Pay Gap

Kingfisher’s median hourly pay gap reduced to 0.8% in 2023, this compares to 1.1% in 2022, and the mean hourly pay gap has also decreased to 9.4% from 11.8% in 2022.

The median and mean hourly pay gaps are calculated using different methodologies (see page 4). We continue to see a pay gap, and this is primarily driven by the higher proportion of men in more senior roles. These colleagues tend to have a higher bonus opportunity which has a greater impact on the mean versus the median hourly pay gap.

Screwfix and B&Q saw an improvement in the number of women in senior leadership and management positions, leading to a positive change in their hourly pay gap numbers (see Appendix 1).

Bonus Pay Gap

Kingfisher’s median bonus gap increased to 30.6% in 2023 from 21.1% in 2022. Likewise, the mean bonus pay gap has increased slightly to 41.5% from 40.6% in 2022. The reason for the increase is driven by changes in B&Q as this banner makes up more than half of the overall Kingfisher population. There has been an increase in the number of share exercises by B&Q colleagues and significantly more men than women have exercised shares in the reporting period.

Percentage of colleagues who received a bonus

There has been an increase in the percentage of colleagues receiving a bonus compared to 2022. This is due to changes in the employee population as well as all-colleague share plans that have impacted the percentage of colleagues who received a bonus. Store colleagues in B&Q and Screwfix have taken part when ordinarily they would not be eligible for a ‘bonus’ payment.
Our Gender Pay Gap

Quartiles
The quartiles table shows the distribution of colleagues in our UK business within four pay quartiles. The lowest quartile represents more junior roles in our organisation, such as apprentices, while the top quartile represents the most senior roles, including the Group Executive members, which are the highest paid.

There is a higher proportion of men in the top quartile across Kingfisher, especially in the Corporate entities which attract higher average salaries overall. This is the main driver for the mean pay gap across our business and in particular for our Corporate entities, e.g. Kingfisher Corporate has a mean hourly pay gap of 28.3% compared to B&Q and Screwfix whose gaps are 5.6% and 5.5% respectively.

Summary
Our gender pay gap statistics show some improvements, with the hourly mean and median pay gaps decreasing from 2022. Both are below the provisional Office for National Statistics ("ONS") figure for businesses in the UK of 14.3%, which is calculated using UK Government data from all colleagues working in organisations in the UK. However, there is still more work to do in addressing the gap, especially the bonus pay gap, which is heavily influenced by the higher proportion of men in senior roles within the business.

We know the best way to positively impact our gender pay figures is to improve representation of senior women. This is a multi-year journey and at times progress in our pay gap may be diluted by other factors (share awards, bonus payout fluctuation, etc.) however we remain focused on improving year on year. See the next section for an outline of the initiatives contributing to this.
Building a Workplace for Everyone

Improving gender equity

With a broader workforce that is 45.6% women, it is also important for us to ensure our leaders represent our colleagues. We will do this by promoting equity throughout the organisation, a key feature of our I&D Strategy:

Senior Leadership

Our senior leadership team role models inclusion and are authentic sponsors of culture change.

A Culture of Inclusion

Our culture supports everyone to thrive and succeed.

Customer Proposition

We commit to accessible and inclusive products and multi-channel experiences.

Learning for Life

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

Outcome

Our leadership reflects our broader colleague base and the communities and customers we serve.

Everyone at Kingfisher understands the role they play in building an inclusive place to work and shop.

Our inclusive, accessible design acts as a brand differentiator.

We operate targeted initiatives focussed on developing skills, especially for disadvantaged groups.
Senior Leadership

We strive to represent the customers and communities we serve. We’ve set ambitious targets and we’re gaining momentum. This is a multi-year journey and we are focussing on two key areas:

**Diversifying our Leadership**

We are taking steps to ensure the moments that matter in our colleague journey are supporting women to progress their careers, some examples of which can be seen below:

- Conducting one on one interviews for any senior leavers to understand their motivations for leaving Kingfisher.
- Analysing our colleague insight data, to understand how men, women and non-binary colleagues experience working at Kingfisher.
- Driving completion of our UK Colleague Census (now at 52%), so we can better understand the diversity within the women at Kingfisher and their career pathways.
- Introducing an external partner to help objectively assess the profile of our high potential talent and support the building of robust development plans.
- Setting goals for gender balanced cohorts on our apprenticeship programmes, so we have more of our own colleagues ready for promotion to store management.
- Expanding our access to mutual mentoring and coaching, as development options for our leaders.

- Using tools like Textio (a tool that detects gender biased language in text) to improve the appeal of our job adverts.
- Relaunching the Kingfisher Careers site. Applicants can now ask questions directly to Kingfisher colleagues, working across a range of departments, before they apply.
- Ensuring we have diverse and balanced shortlists for all senior appointments.
- Reviewing our partnerships with key executive search agencies. We partner with a number who are accredited under the “FTSE Women Leaders Enhanced Code of Conduct”.
- Introducing new interview materials, aligned to our Leadership behaviours.

Supporting our leaders to role model inclusion

We have launched 6 new leadership behaviours, common across all Kingfisher Group and its banners, setting clear expectations on the role they need to play as shapers of our culture.

- Be customer focused
- Be human
- Be curious
- Be agile
- Be inclusive
- Be accountable

In 2023, inclusive leadership was the first topic in our “Kingfisher Retail Academy”, an internal series of masterclasses delivered by some of our leaders. We heard from Kingfisher leaders on their experience of mutual mentoring, being an ally to or member of affinity networks and had a peer discussion activity on how each individual was going to role model allyship more actively. More on our group-wide efforts to build a culture of allies can be found on the next page.

As well as reflecting our customers and communities, we have ambitious targets to ensure our senior leadership population also reflect our broader colleague base:

**Gender Diversity at the end of January 2024:**

- **Senior Leadership:** 28.6% (Target for 2025 is 35%)
- **Management:** 39.6% (Target for 2025 is 40%)
- **All colleagues:** 43.3%
A Culture of Inclusion

We know that every colleague plays a critical role in making Kingfisher a more inclusive place to work and shop. Our work on inclusion is led by our Kingfisher I&D Forum, in 2023 they championed and helped design a Group-wide allyship campaign.

Campaign Overview

Mandatory E-learning
20-minute commitment for every single colleague, over 27,000 hours. Featuring real-life scenarios from our colleagues and supported by huddle sheets & team conversation guides. All colleagues invited to make an “allyship pledge”.

Allyship Hub
A safe space for people to be curious, without burdening colleagues in minority and marginalised groups. Featuring content curated by our 17 affinity networks & a place to ask anonymous questions.

New Communications Toolkit
A new visual identity, featuring all of Kingfisher’s banners, marking the change in approach. This campaign was designed by colleagues, for colleagues with the specific aim of inviting people in majority groups into the dialogue on inclusion.

Outcome

- Be clear on acceptable and unacceptable behaviours at Kingfisher, reinforcing the role we all play in building and sustaining an inclusive culture.
- Ensure our colleagues know what to do when they experience or observe non-inclusive behaviours.
- Evolve the narrative around I&D across Kingfisher, emphasising inclusion for everyone.

We also spent time reviewing and improving our formal and informal practices around handling non-inclusive behaviours.

We are also working with our charity partners to make our communities more inclusive too:

The B&Q and Screwfix Foundations have invested over £100,000 in projects supporting women. For example, using our products to renovate and improve counselling service spaces or running community days.

At Kingfisher Group, we have partnered with Hestia, a human rights and domestic abuse charity in London and the South East. Our donations have supported their work at their Croydon refuge.

Kingfisher I&D Forum: Quick Stats

- Established in January 2022.
- Chaired by John Mewett, CEO of Screwfix.
- Features a Senior Leader & a “Colleague Voice” representative (usually a Co-chair of one of our 17 affinity networks) from each banner.
- From February 2024, we’ll be adding a Gen Z representative from every banner.
Customer Proposition

We know that our customers have a range of needs. Accessible and inclusive products that are available both online and in-store make sure our banners can meet as many of those needs as possible. Our inclusive and accessible products and services include:

**Assisted Living Range at Screwfix**
We know that some of our customers require their home to be adapted as their needs change. At Screwfix, there is a wide range of products available across our Kitchen & Bathrooms ranges that ensure safety and support as well as enhancing and helping with day to day living.

**Accessible Shopping at B&Q**
We want our stores to be a welcome place for all our customers accommodating for a range of access needs. At B&Q, we have partnered with AccessAble to provide accessibility and facilities guidance for over 290 stores across the UK, available to search and view online or via the AccessAble App.

**Site Workwear at Screwfix**
We conducted research with women working as tradespeople about their challenges buying workwear. Our panel of professionals identified sizing, material and cost as key issues.

Based on the research, we have redesigned and expanded our product offer for women’s workwear.
Learning for Life

We remain deeply committed to investing in our colleagues and in the home improvement sector as a whole. With colleagues ranging from age 18 to 80 across our UK banners, it is essential that colleagues can learn and grow at every stage of their career with learning offerings that suit their aspirations.

Our commitment to colleague learning

We were delighted to achieve our global target of delivering 5 million hours of “Skills for Life” learning by 2025 early (6.6 million hours delivered by January 2023) and have worked to set out a new ambition which reinforces our commitment to lifelong learning.

In 2023, we launched a new target to deliver 20,000 completed apprenticeships, traineeships and formal qualifications by 2030.

We hope that our apprentices, trainees and colleagues undertaking formal qualifications choose to have long and successful careers at Kingfisher and its banners, but if they do choose to move on, their completed qualification goes with them and perhaps even helps them secure their new role.

Our commitment to our current and future customers

Looking beyond our own colleagues, we also recognise the need to inspire people, especially women, to develop and work as skilled tradespeople. Our research indicates that the UK economy could lose out on as much as £98 billion in growth opportunities by 2030 due to a shortage of skilled tradespeople.

Only 2% of tradespeople in the UK identify as women.

Doubling this to only 4% would boost economic growth in the UK by over £800 million per year.

To help young tradespeople grow their careers and create future industry role models both B&Q & Screwfix have funded trade apprenticeships.
Creating an environment where everyone can be at their best

We want to encourage an environment that enables and supports our colleagues to thrive. Day to day wellbeing is important for us all. That’s why it’s a continuous focus for us here at Kingfisher. We know none of our colleagues could be anywhere near their best without good wellbeing. We’re all human and we all have human difficulties. So, we regularly share and sign-post colleagues to our wellbeing resources covering mental & physical health as well as financial & social wellbeing.

Beyond education, there are also some practical activities we have taken which support women, men, and nonbinary colleagues to have the career they want at Kingfisher, supporting our ambition of making Kingfisher a more inclusive place to work.

At Kingfisher Group in 2023, we have:

- Relaunched our “Becoming a Parent” and “Transitioning at Work” policies and guidance, both co-created with our colleague networks
- Improved our employee provisions for Maternity, Paternity, Parental Leave and Adoption Leave, across all UK entities
- Introduced a buddy scheme for parents and caregivers
- Trained a number of Wellness Warriors with our Employee Assistance Plan provider
- Introduced Peptalk, providing a range of Inspirational content on topics such as parenthood and career progression
- Introduced the option to buy up to 5 days more holiday
- Launched flexible Bank Holidays. Giving colleagues the choice to swap up to 4 of the UK bank holidays for a day that is more meaningful to them
- Made significant changes to our Flexible Working Policy, introducing the Right to Request Flexible Working from day one of employment, as well as removing the limit on number of applications that can be made
Appendix

Under the UK Equality Act 2010 Regulations 2017, all legal entities in Great Britain with more than 250 employees are required to report their gender pay gap. As such, set out below and on the following page are the gender pay gap figures for each of Kingfisher UK’s 5 legal entities.

UK Retail Operations

B&Q
Screwfix

As Kingfisher’s largest entities, the figures for B&Q and Screwfix are discussed in more detail on their respective reports. This report does not include figures from Screwfix Connect which was bought by Kingfisher in 2023; its report will be published separately. We will look to include the figures for this entity in the 2024 report.

<table>
<thead>
<tr>
<th>Legal Entity</th>
<th>Hourly Pay Gap</th>
<th>Bonus Pay Gap</th>
<th>% of colleagues who received a bonus</th>
<th>Percentage of women and men in pay quartiles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
<td>Median</td>
</tr>
<tr>
<td>B&amp;Q Limited</td>
<td>5.6%</td>
<td>0.5%</td>
<td>45.5%</td>
<td>73.3%</td>
</tr>
<tr>
<td>Screwfix Direct Limited</td>
<td>5.5%</td>
<td>1.4%</td>
<td>34.6%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>
## Appendix

### Corporate Entities:

Kingfisher plc - employing primarily individuals in our corporate head office and the management teams of our Banners

Kingfisher International Products Limited - employing colleagues in our Offer & Sourcing and Supply & Logistics business

Kingfisher Information Technology Services (UK) Limited - employing individuals in our IT services business

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
<td>Median</td>
</tr>
<tr>
<td>Kingfisher PLC</td>
<td>28.3%</td>
<td>15.5%</td>
<td>51.6%</td>
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</tr>
<tr>
<td>Kingfisher International Products Limited (KIPL)</td>
<td>21.8%</td>
<td>16.7%</td>
<td>38.1%</td>
<td>24.1%</td>
</tr>
<tr>
<td>Kingfisher Information Technology Services (UK) Limited (KITS)</td>
<td>9.7%</td>
<td>8.5%</td>
<td>24.3%</td>
<td>15.1%</td>
</tr>
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