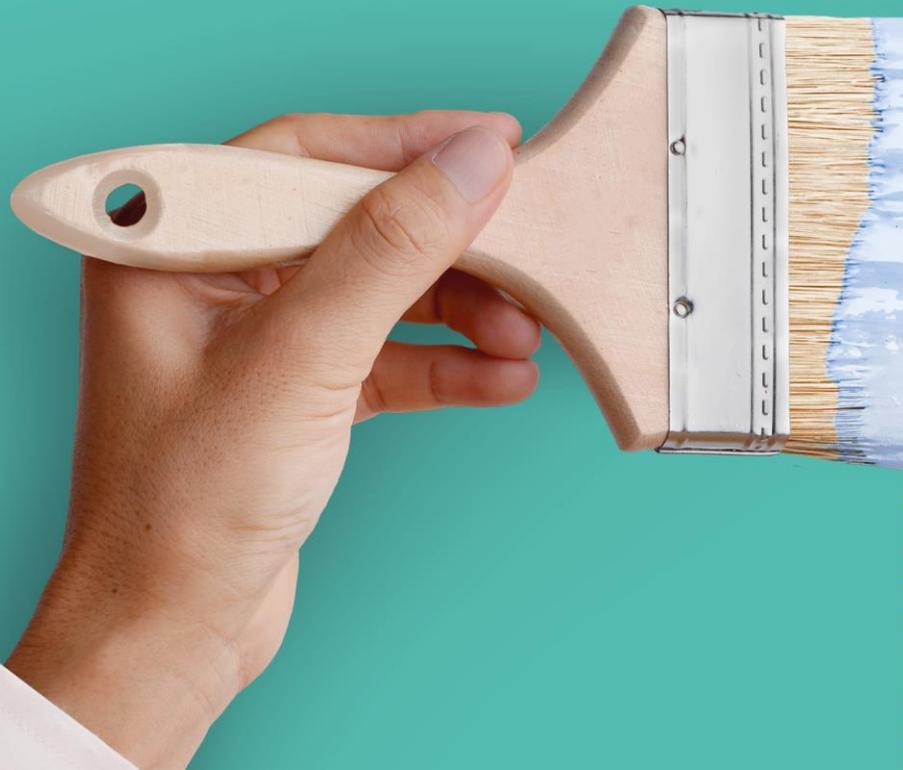


Better Homes for Everyone

Kingfisher Responsible Business Report 2022/23

Kingfisher





Responsible Business update

1. Introduction

- Responsible Business highlights and heritage

2. Responsible Business strategy and governance

- Priority areas, governance structures and reporting

3. Responsible Business performance

- Priorities (Colleagues, Planet, Customers, Community)
- Fundamentals

Progress on our Responsible Business priorities

Category	Targets	Performance
Colleagues Gender 	35% women in senior leadership by FY25/26	25.8% of senior leaders are now women (FY21/22: 25.2%)
Colleagues Gender 	40% women in management by FY25/26	38.9% of managers are now women (FY21/22: 37.9%)
Colleagues Learning 	5.0 million hours of skills for life learning by FY25/26	6.6 million hours of learning completed by colleagues since FY19/20, surpassing our target (FY22/23: 2.6 million hours)
Planet Wood & Paper 	100% responsibly sourced wood and paper for our products and catalogues by FY25/26	94.5% of wood and paper used in products responsibly sourced (FY21/22: 87.2%) and 100% of catalogue paper in FY22/23 (FY21/22: 100%)
Planet Carbon Footprint 	Net Zero emissions for our operations (scope 1 and 2) by FY40/41	52.6% reduction in our scope 1 and 2 emissions since FY16/17 baseline exceeding our FY25/26 target, which is the first step to our net zero journey (FY21/22: 24.5%)
Customers 	60% of Group sales to be from our Sustainable Home Products (SHP) and 70% of our OEB products sales by FY25/26	46.8% of total Group sales (FY21/22: 44.1%) and 56.4% of OEB product sales came from SHP in FY22/23 (FY21/22: 54.7%)
Communities 	2.0 million people supported whose housing needs are greatest by FY25/26	2.1 million people have been supported by our projects, therefore hitting our target three years ahead of schedule

We have a strong heritage in Responsible Business

1993

Founding partner of the Forest Stewardship Council® (FSC®) to help source responsibly managed wood.



2010 & 2011

B&Q awarded the 'Best Green Company' by The Sunday Times.



2012

Net Positive strategy launched, committing to a restorative impact by 2050.



2018

First net-zero energy Screwfix outlet opened in Peterborough.



2020

Powered by Kingfisher strategy launched, Responsible Business a strategic priority. Partnership with Rainforest Alliance established.



2022

Published new net zero 2040 target for our scope 1 and 2 emissions.



1991

Published our first responsible timber policy at B&Q and were a founding member of the WWF 1995+ Group.



1998

First UK retailer to label and cut VOCs in paint.



2011

Founding partner to the Ellen MacArthur Foundation, pioneering circular economy approaches.



2017

Partnered with the homeless and housing charity Shelter to help people who have experienced homelessness feel safe and secure.



2019

Set ambitious 2°C science-based targets approved by the Science Based Target initiative.



2021

1.5°C science-based target approved by the Science Based Target initiative.

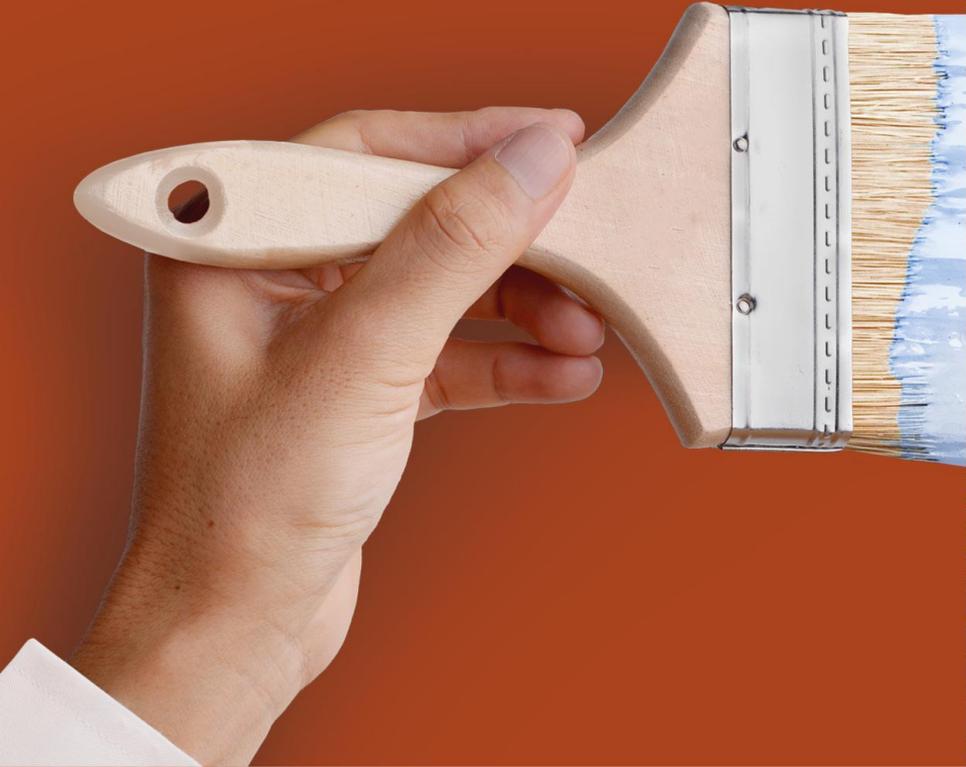


2022

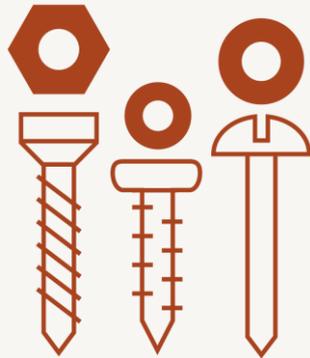
60% of group sales to be from our Sustainable Home Products by 2025.



Responsible Business strategy and governance



Our four key Responsible Business priorities



Colleagues

We will be a more inclusive company



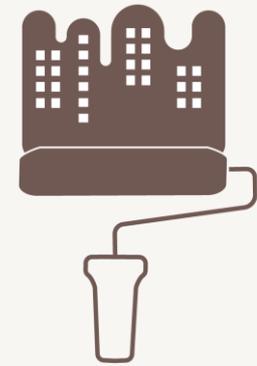
Planet

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

Underpinned by our Responsible Business Fundamentals

Employee safety

Human rights & responsible sourcing

Waste & recycling

Ethical conduct

Tax governance & risk management

Public policy

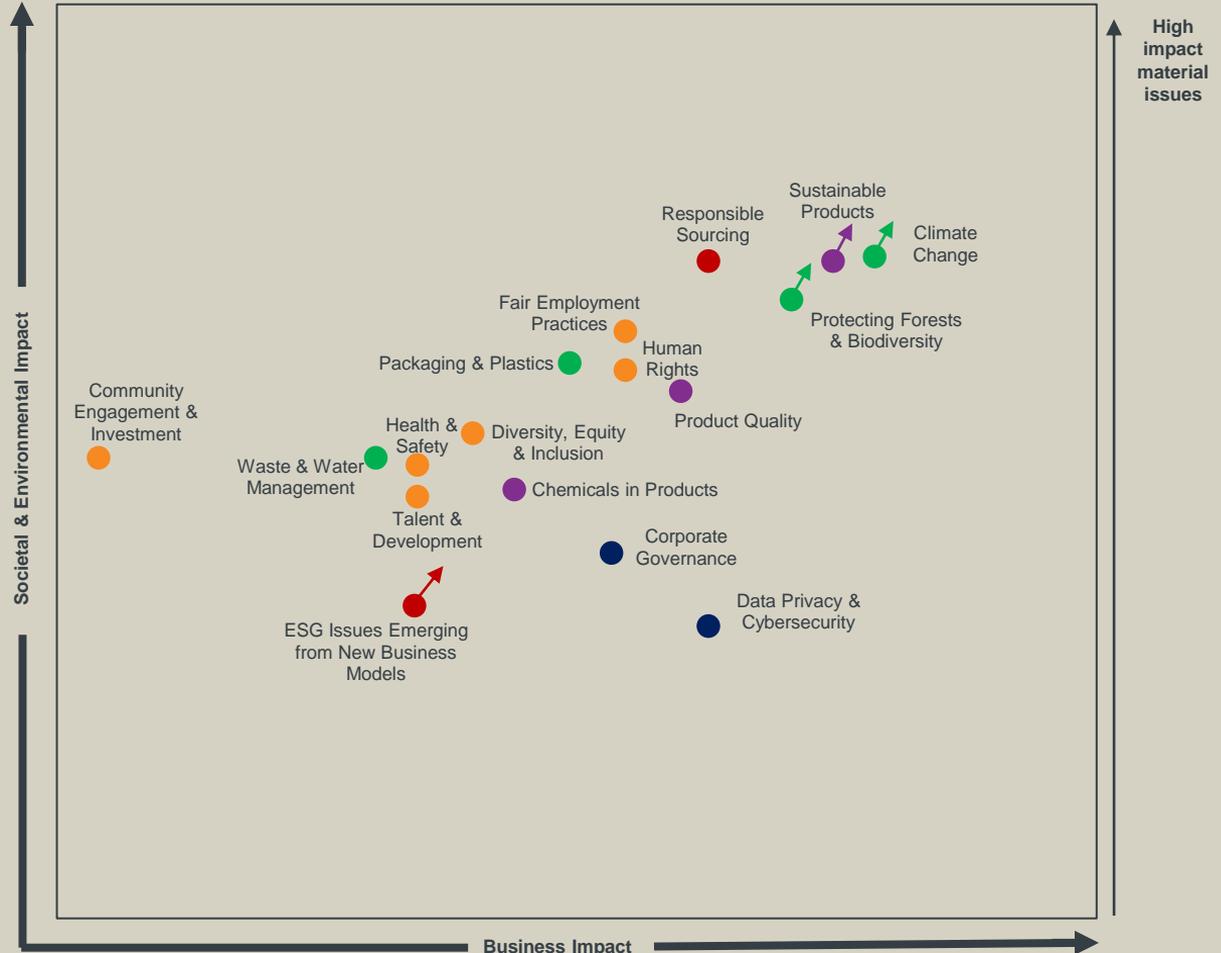
Pensions

Guided by Governance including stakeholder engagement and materiality

Material issues

- In FY22/23, we completed a full review of our materiality matrix and implemented the concept of double materiality, using two criteria when assessing the issues: the importance to our stakeholders and the significance of impact on our business.
- Our materiality assessment informs how we focus our resources, and what information we choose to include in our Responsible Business reporting.
- To identify issues for assessment, we reviewed industry trends and risks, internal information and data, peer disclosure and media analysis. We also gathered stakeholder feedback via a series of internal and external (investor, NGO, supplier) interviews and online surveys to rank each issue's relative importance.
- The arrows on the matrix represent issues identified as rising in importance, showing a dynamic view of how material issues may change over time to become more impactful.

Theme	
●	Products & customer
●	Environmental
●	Governance
●	Cross-cutting
●	Social
➔	Issues rising in importance



Governance of Responsible Business

Responsible Business Committee (RBC) of the Board

- Formed in 2020, the committee is chaired by a non-exec director (NED) and its members include Kingfisher's CEO, Chief Offer & Sourcing Officer, Chief People Officer, another NED, and Screwfix's CEO.
- Meeting at least twice a year, the committee leads and oversees delivery of how we operate as a responsible business.

Group Climate Committee

- Formed in 2022, the Group Climate Committee oversees Kingfisher's progress against the group emissions reduction targets, processes for assessing and managing climate-related risks and disclosures.
- The Committee is chaired by Kingfisher's CEO, and includes the Kingfisher's Chief Financial Officer, Chief People Officer, Chief Commercial Officer, and a banner CEO (currently Castorama Poland). The committee meets quarterly and reports to the RBC and Group Executive.

Executive remuneration linked to ESG measures

- A new Remuneration Policy was approved by shareholders at the 2022 AGM which includes a new share plan known as the Kingfisher Performance Share Plan which will be granted to our senior leadership population.
- Responsible Business measures form part of the performance conditions which determine the vesting of award of this plan. This includes a 25% weighting on ESG measures.

Risk management

- Significant risks are included in our Responsible Business risk register. The register is reviewed and updated annually.
- Policies are reviewed and approved annually by our Group Executive.
- Key policies are published on our website.
- Material issues are assessed to identify our most important Responsible Business issues, risks, and opportunities.



Strong performance in external ESG benchmarks

We use best practice standards to inform our industry-leading ESG reporting

External benchmarks

We received a rating of 'A' for CDP Climate Change

We received a score of 81%, above the sector average of 66% for Workforce Disclosure Initiative

MSCI-ESG rating of 'AAA' for our ability to manage ESG issues

On Sustainalytics, we rank 2nd out of 43 in home improvement retail and 4th out of 484 in the wider retailing industry

Listed in FTSE4Good Index with a rating of 4.6 out of 5

ISS ESG corporate rating of 'C+' ('Prime' status)

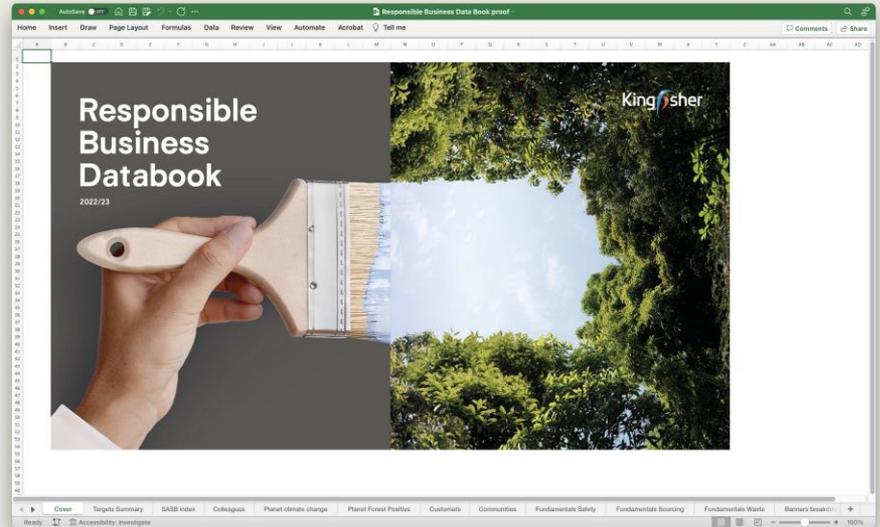


Frameworks and standards



Launch of our Responsible Business Databook

- To improve the accessibility of our data, we have launched our Responsible Business Databook for the first time this year.
- The Databook is an Excel document that includes tables showing our historic and current performance across our Responsible Business priorities.
- The Databook can be accessed through our website (www.kingfisher.com/databook).



Responsible Business performance





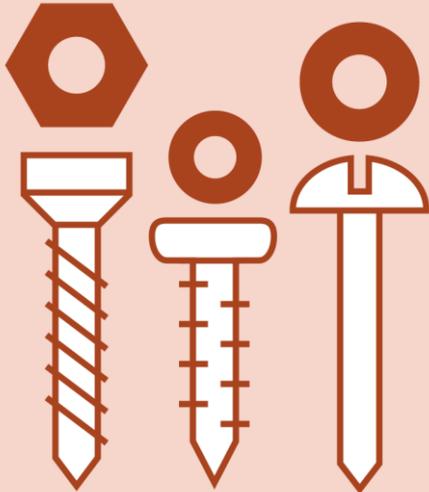
Colleagues

We will be a more inclusive
company



We will be a more inclusive company

Colleagues



Targets

- Improve gender balance to **35%** women in senior leadership and **40%** women in management FY25/26.
- Provide **five million hours** of skills for life learning by FY25/26.

Performance

- **25.8%** of senior leaders and **38.9%** of managers are women (FY21/22: 25.2% and 37.9% respectively).
- Colleagues completed **2.6 million hours** of skills for life learning during FY22/23 bringing the total number of hours completed since FY19/20 to **6.6 million**, thereby surpassing our target.

Creating an agile and inclusive culture led by trust

Colleagues – *in action*

- In FY22/23, our employee Net Promoter Score (eNPS) for colleagues' willingness to recommend their workplace to others was 54, which is in the top 5% of global retailers. Each part of the business also developed local action plans to address colleague feedback, which have been endorsed by the Group Executive and Board.
- The Inclusion and Diversity (I&D) Forum was established this year, which brings together senior leaders and representatives from our affinity networks from across the Group. The I&D Forum is working to improve colleague sentiment in minority and marginalised groups and to build greater allyship among majority groups.
- In FY22/23, the I&D Forum has recommended two questions to be added to our colleague engagement survey on colleagues feeling valued and fair opportunities. Our eNPS scores for those were 43 (22 above the external retail benchmark putting us at the top 25% of retailers) and 69 (34 above the external retail benchmark putting us at the top 5% of retailers) respectively.
- We have also been monitoring 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 and Iberia, which focused disproportionately on store colleagues.





Planet

We will help tackle climate change
and become Forest Positive



We will help tackle climate change and become Forest Positive

Planet



Targets

- **100%** responsibly sourced wood and paper for our products and catalogues by FY25/26.
- Become **Forest Positive** by FY25/26.
- Achieve our approved science-based carbon reduction targets:
 - Reduce scope 1 and 2 emissions by **37.8%** by FY25/26 against FY16/17 baseline.
 - Reduce scope 3 emissions from the supply chain and customer use of products by **40%** per £million of turnover by FY25/26 against FY17/18 baseline.
- Reach **net zero** emissions for our operations (scope 1 and 2) by the end of FY40/41.

Performance

- Responsibly sourced **94.5%** of wood and paper used in products and **100%** of catalogue paper in FY22/23.
- Founding member of the **Rainforest Alliance's 'Forest Allies' initiative** and supporting forest projects in tropical regions benefiting some 190,000 hectares of community managed forests and contribute towards the protection of more than 2.5 million hectares of protected areas.
- B&Q, Castorama France, Castorama Poland and Screwfix **established local partnerships** to restore, create and protect native woodland and forests.
- Reduced scope 1 and 2 greenhouse gas emissions by **52.6%** since FY16/17 exceeding our FY25/26 target. This is our first step towards achieving net zero emissions by FY40/41.
- On scope 3, we reduced the intensity of our emissions from the supply chain and customer use of products by **34.1%** since FY17/18, meaning we are on track to meet our target of 40% by FY25/26.

We're committed to reaching 'net zero' emissions in our operations

Tackling climate change – *in action*

100%
(base year
emissions)

2016–2021

Developed initial 2°C Science-based targets

Ambition increased to 1.5°C

Founding member of UN's Race to Zero
Breakthrough: Retail

2022–2025

Deliver 1.5°C science-based targets

Continue electrification of heating in small store formats

Secure long-term zero carbon electricity

24.5%
achieved

2026–2030

Trial and deployment of key technologies

Trial battery electric delivery vehicles and install charging

Electrify heating of larger store formats

2031–2035

Complete property decarbonisation

Complete store heating electrification

Complete electrification of home delivery fleet

2035–2040

Reach net zero emissions

Majority of fleet transitioned to ULEVs

Neutralise residual emissions (once 90% reduction achieved)

2040 onwards

Maintain net zero status

Base year emissions

('000 tonnes of CO₂e, 2016)

- 86.2 Use of fossil fuels within our buildings
- 57.2 Fuel for store and home deliveries
- 140.3 Purchased electricity and heat*

* Market-based emissions

We're on track to achieve our near term science based target of **37.8% reduction by 2025**

Net Zero
by 2040

0%

Launching local forest projects

Becoming Forest Positive – *in action*



Snaizeholme landscape © Jill Jerinings WTM.

- **B&Q and Screwfix** have launched a major new partnership with the Woodland Trust, the UK's largest woodland conservation charity. The partnership will support creation of new native woodland at Snaizeholme in the Yorkshire Dales, which is currently a tree-less valley. The aim is to capture carbon and help to reduce flood risk in surrounding areas, as well as creating a haven for wildlife.

- **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 seven hectares to a healthier condition. This project will see more than 25,000 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.



Customers

We will help make greener,
healthier homes affordable

We will help make greener, healthier homes affordable

Customers



Targets

- **60%** of Group sales to be from our Sustainable Home Products (SHP) by FY25/26. This includes **70%** of our own exclusive brand (OEB) products sales to be from SHP.

Performance

- In FY22/23, **£6.2 billion** of sales, representing **46.8%** of Group sales (FY21/22: 44.1%) were from SHP.
- In FY22/23, **56.4%** of OEB product sales were from SHP (FY21/22: 54.7%).
- **10.6% of sales** came from energy and water saving products in FY22/23.
- **We have phased out peat-based compost** at B&Q (our Group's biggest seller of compost by volume). We're now working to remove peat from all our Own Exclusive Brand bagged compost Group-wide.
- **We have removed solvents** from further paint lines (e.g., through the launch of Naturéa, a biobased paint).
- **We increased our use of recycled plastic** and alternative materials in products and packaging.
- **We continued to drive circularity** to increase the longevity and reparability of our ranges.

Enabling customers to be energy efficient

Customers – *in action*

- In FY 22/23, we launched energy saving services in the UK and France to help households understand what they can do within their budget to make their home 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's energy saving service was launched nationally in partnership with the Energy Savings Trust. Customers can book a home energy assessment and receive personalised guidance on the changes that can improve their home's energy efficiency, reduce their energy bills and lower their carbon emissions.

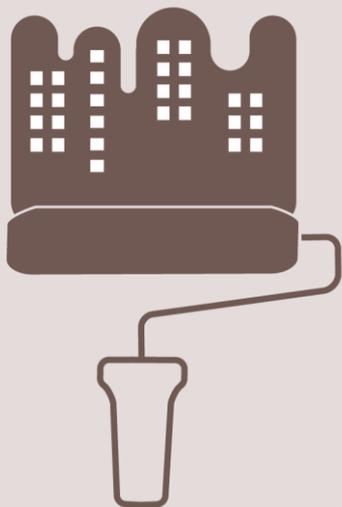





Communities
We will fight to fix bad housing

We will fight to fix bad housing

Communities



Targets

- Help more than **two million** people whose housing needs are greatest by FY25/26.

Performance

- In FY22/23, we invested **£5.4 million** in our communities, and our colleagues and customers raised an additional **£2.8 million**.
- **2.1 million people** supported through our projects since FY16/17, hitting our target three years ahead of schedule.
- Continued our **partnerships with national charities**, Shelter and MacMillan Cancer Support in the UK, Fondation Abbé Pierre and Compagnons Bâisseurs in France, and Habitat for Humanity in Romania and Poland.

Helping over two million people with housing needs

Communities – *in action*

- We have now surpassed our target to help two million people by FY25/26, three years ahead of schedule.
- Our banners support a range of local projects such as the Bricobus run by Compagnons Bâisseurs in France helping people in deprived rural regions access free DIY training and advice, as well as Meta Pomoc in Poland supporting young people leaving the care system to improve their housing.
- The Screwfix Foundation has been running since 2013 and passed the significant milestone of £10m raised.



Supporting emergency relief efforts

UKRAINE CRISIS



In 2022, we had donated around £500,000 to help organisations such as the International Red Cross and the United Nations High Commission for Refugees (UNHCR) with their relief efforts. Two of our banners, Brico Dépôt Romania and Castorama Poland, are in countries bordering the Ukraine and have been working hard to provide funds and practical assistance to refugees.

B&Q donated profits from sunflower seeds from 14 March to 31 July raising £135k for the British Red Cross Ukraine appeal. B&Q Foundation has partnered with the Refugee Council to enable refugees to access comprehensive advice and support. This project takes an inclusive approach to supporting all refugees affected by conflict.

TURKEY AND SYRIA EARTHQUAKE



To support the ongoing relief efforts, we have made donations to the Disasters Emergency Committee and our banners have also been sourcing supplies to help survivors who have lost their homes.

Castorama France and Castorama Poland have worked with our sourcing office in Turkey to transport 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.

Our Responsible Business Fundamentals (1/2)

Areas we continue to measure and manage to ensure we are a Responsible Business

Fundamentals

Safety at work



Responsible sourcing and human rights



Performance

- Our Group Safety and Compliance Officer oversees our approach and is supported by Senior Management Safety Committees in each retail banner and a network of safety professionals.
- We have a Health and Safety dashboard which summarises performance at each retail banner. This data is reviewed quarterly by the Group Executive and the Board and is published annually in our Responsible Business report.
- We have 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.
- We have clear policies and standards on human rights and modern slavery. Our Human Rights Policy sets out our commitment to respect human rights, in line with international agreements and guidelines. Our Supply Chain Workplace Standards set out minimum standards on labour practices that our suppliers must abide by.
- Our Human Rights & Modern Slavery Working Group oversees due diligence and disclosure on human rights and modern slavery. Its action plan includes internal training, supplier training, supplier ethical risk assessment and audit.
- We are working to raise standards on the environment, labour practices, and human rights in our supply chain. Information on our approach to managing human rights and modern slavery risks is detailed in our [Modern Slavery Act Transparency Statement](#).



Our Responsible Business Fundamentals (2/2)

Areas we continue to measure and manage to ensure we are a Responsible Business

Fundamentals

Waste and
chemicals



Ethical
conduct



Performance

- We are committed to achieving zero waste to landfill and increasing recycling. In the UK and France, these policy commitments are integrated into the contracts with waste management partners.
- We are starting to phase out hazardous and chemicals of concerns from our OEB ranges. In FY22/23, we updated our chemicals roadmap to ensure our approach will align with significant regulatory changes expected in the EU.
- Our Code of Conduct helps to promote a culture where transparency, honesty and fairness are the norm. We provided compliance training to all colleagues on our Code, as well as tailored modules for store and office-based colleagues covering the different compliance risks they might encounter.
- Our Group Ethics and Compliance Committee is chaired by our Chief Financial Officer and oversees compliance, identifies priorities, and reviews compliance reports and investigations during its quarterly meetings.
- We use a third-party due diligence tool to support our processes in areas such as anti-bribery and corruption, data protection, sanctions and conflict of interest. We operate a confidential whistleblowing hotline.

Cyber security and data protection

We have robust processes and controls to protect data and our business operations

- Cyber-attacks and data breaches are a growing risk to all businesses. We are very mindful of these risks and have designed processes and controls to protect the data entrusted to us and our business operations.

Cyber security

- Our Board receives regular updates on cyber security. Our policies, standards and associated controls framework are aligned to international standards such as ISO 27001 and National Institute of Standards and Technology (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 continually monitor for cyber threats facing Kingfisher, enabling us to identify, investigate and respond swiftly to security incidents.

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 European General Data Protection Regulation (GDPR).
- Key policies are updated regularly including our Data Protection Policy. We have a data protection lead in each banner to help implement our Group policies in line with local requirements. Our data protection specialists work with colleagues throughout the business to apply our policies.
- Colleagues complete data protection training when they first join, followed by refresher training every year.



Read more

Our Responsible Business website

www.kingfisher.com/responsible-business

Annual Report and Accounts

www.kingfisher.com/annualreport

Our Responsible Business Report

www.kingfisher.com/responsiblebusiness-report

Our performance data appendix

www.kingfisher.com/dataappendix

Our Responsible Business data book

www.kingfisher.com/databook

Our data collection methodology

www.kingfisher.com/datamethodology

Our Sustainable Home Product guidelines

www.kingfisher.com/shpguidelines

Contacts

investorenquiries@kingfisher.com

responsiblebusiness@kingfisher.com