

Independent Limited Assurance Report to Kingfisher plc

KPMG LLP ('KPMG' or 'we') were engaged by Kingfisher plc ('Kingfisher') to undertake a limited assurance engagement over selected aspects of the Kingfisher Net Positive Report (Kingfisher's report as a whole is referred to below as 'the Report') for the reporting year ended 31 January 2014.

Assurance scope, level of assurance and reporting criteria

Assurance scope	Level of assurance	Reporting criteria
1. The adherence to Kingfisher's process to gather and report progress against selected Net Positive Foundations Targets for the year ended 31 January 2014 marked with the symbol ▼ in the Report.	Limited assurance	The description of the process to gather and report progress on the Net Positive Foundations Targets, as set out within Kingfisher's Data Collection Methodology Document www.kingfisher.com/netpositivereport .
2. Selected Net Positive performance data for the year ended 31 January 2014 marked with the symbol ■ in the Report.	Limited assurance	Kingfisher's reporting guidelines for the selected Net Positive data as set out within Kingfisher's Data Collection Methodology Document www.kingfisher.com/netpositivereport .

We have not performed any procedures with respect to other information included in the Report and, therefore, no conclusion on the Report as a whole is expressed.

Assurance standards require that we state the reporting criteria we used to form our judgements. For both the adherence to the process to gather and report progress against selected Net Positive Foundation Targets, and for the selected Net Positive performance data we used the relevant contents of Kingfisher's Data Collection Methodology (which is available at www.kingfisher.com/netpositivereport).

Respective responsibilities of Kingfisher and KPMG and use of our assurance report

The Directors of Kingfisher are responsible for the proper preparation and presentation of a Report that is fairly stated in accordance with the applicable criteria and for the content and statements contained therein. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of a Report that is free from material misstatement, whether due to fraud or error. It also includes selecting and/or developing the reporting guidelines to be used as the criteria against which to evaluate the elements of the Report that are within scope and maintaining appropriate records from which the reported information is derived.

Our responsibility is to examine the Report prepared by Kingfisher and to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained.

This assurance report is made solely to Kingfisher in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Kingfisher those matters we have been engaged to state in this assurance report, and to facilitate the presentation by Kingfisher of matters relating to the Kingfisher Net Positive Report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Kingfisher for any purpose or in any context. Any party other than Kingfisher who obtains access to our assurance report or a copy thereof and

chooses to rely on our assurance report (or any part of thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Kingfisher for our work, for this independent limited assurance report, or for the conclusions we have reached.

Applicable professional standards and independence

Our assurance engagement has been conducted in accordance with two International Standards issued by the International Auditing and Assurance Standards Board. The component of our engagement relating to Greenhouse Gas data has been conducted in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410): Assurance Engagements on *Greenhouse Gas Statements*. Our assurance engagement on all other elements of the scope has been conducted in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Both these Standards require that we comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which sets out ethical requirements, including independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and plan and perform our procedures to enable us to express a limited assurance conclusion in relation to the above scope.

A limited assurance engagement in accordance with ISAE 3410 or ISAE 3000 involves assessing the risks of material misstatement of the elements of the Report that are within scope, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of those elements. The nature, timing and extent of procedures selected depend on our understanding of the Report and other engagement circumstances, and our consideration of areas where material misstatements of the elements of the Report that are in scope are likely to arise.

In developing our understanding of the Report, we developed an understanding of internal control over the preparation and presentation of the Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Kingfisher's internal control over the preparation and presentation of the Report.

Limited assurance is less than absolute assurance and reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the evidence-gathering procedures performed in response to the assessed risks, which vary in nature from and are substantially less in scope than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

We conducted our engagement with a multidisciplinary qualified and experienced team in financial and non-financial assurance. The team included Chartered Accountants and specialist professionals in providing assurance over financial and non-financial information and with many years' experience in similar engagements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact accuracy and comparability. Greenhouse gas quantification is unavoidably subject to inherent uncertainty as a result of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the selected corporate responsibility information contained within the Report as set out in the assurance scope in the context of Kingfisher's reporting guidelines.

What we did to reach our conclusions

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we

performed, which are set out in more detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records. We believe that the procedures we have performed and the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Assurance Scope 1: The adherence to Kingfisher's process to gather and report progress against selected Net Positive Foundations Targets for the year ended 31 January 2014 marked with the symbol ▼ in the Report.

With regard to the process to gather and report progress against selected Net Positive Foundations Targets marked with the symbol ▼ in the Report, we:

- Interviewed Kingfisher Head Office management to understand the process they followed to gather the selected data;
- Reviewed the documentation and findings relating to the review process performed by Kingfisher's Internal Audit function on the Operating Companies' self assessment against their progress on Net Positive Foundations Targets; and
- Read the Report and narrative accompanying the selected Net Positive Foundations Targets, including the description of the process to gather and report progress on the Net Positive Foundation Targets for consistency with our findings.

Assurance Scope 2: Selected Net Positive performance data for the year ended 31 January 2014 marked with the symbol ■ in the Report

With regard to the selected performance data marked with the symbol ■ in the Report, we:

- Assisted in the development of, and agreed with Kingfisher Management the scope of, work that Kingfisher's Internal Audit would perform at each Operating Company on a risk based basis and the extent of testing over each data area, which included:
 - Timber (B&Q UK, Castorama France)
 - Energy (B&Q China, B&Q UK, Brico Dépôt France, Brico Dépôt Spain, Castorama France, Castorama Poland, Castorama Russia, Koçtaş Turkey, Screwfix)
 - Innovation (B&Q UK, Castorama France)
 - Communities (B&Q UK, Brico Depot France)
 - Suppliers and Partners (B&Q UK, KSO Hong Kong)
 - Environment (Brico Depot France, Screwfix)
 - Employees (Brico Depot Spain, Castorama Poland)
- Evaluated the work performed by Kingfisher's Internal Audit and re-performed a selection of their work;
- Interviewed specialists in Kingfisher Head Office and Operating Company teams to obtain an understanding of the Net Positive management procedures, performance data collection, aggregation and internal and external reporting processes and controls;
- Reviewed key documentation and tools pertaining to Kingfisher's reporting process, including:
 - The functionality of Kingfisher's online CR reporting system
 - The Data Collection Methodology and other guidance issued to Operating Companies
 - Fuel and carbon emissions conversion factors used
- Reviewed the data collation and validation processes at the Head Office level, including:
 - Formulae used and manual calculations performed;
 - The query logs completed and submitted to Operating Companies
 - A selection of supporting evidence from Operating Companies for submitted data; and
- Read the Report and narrative accompanying the selected performance data for consistency with our findings.

Our conclusions

The following conclusions are based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Assurance Scope 1: The adherence to Kingfisher's process to gather and report progress against selected Net Positive Foundations Targets for the year ended 31 January 2014 marked with the symbol ▼ in the Report.

Nothing has come to our attention that causes us to believe that Kingfisher's process set out by Kingfisher within Kingfisher's Data Collection Methodology Document www.kingfisher.com/netpositivereport to gather and report progress against selected Net Positive Foundations Targets for the year ended 31 January 2014, marked with the symbol ▼ in the Report, has not, in all material respects, been adhered to.

Assurance Scope 2: Selected Net Positive performance data for the year ended 31 January 2014 marked with the symbol ■ in the Report

Nothing has come to our attention that causes us to believe that the selected Net Positive performance data for the year ended 31 January 2014, marked with the symbol ■ in the Report, is not, in all material respects, fairly stated in accordance with the reporting guidelines provided within Kingfisher's Data Collection Methodology Document www.kingfisher.com/netpositivereport.

Paul Holland

For and on behalf of KPMG LLP

Chartered Accountants

London

12 June 2014