

UK Gender Pay Report 2021: Kingfisher plc

We are committed to becoming truly representative of the communities in which we operate

Welcome to the Kingfisher UK Gender Pay Gap Report 2021.

At Kingfisher we believe in the value of inclusion and diversity. It is central to our purpose and business strategy, and is one of our four Responsible Business pillars.

Having an agile, inclusive culture, led by trust is critical to the effective delivery of our strategy. We have made significant strides towards this in the past year but recognise that we have more to do to become truly representative of the communities in which we operate and meet the expectations of our colleagues and customers.

We are dedicated to continuing to make this change and whilst this report focuses on gender, our inclusion & diversity strategy considers diversity beyond this.

This report outlines our gender pay gap for the UK workforce on a combined (Kingfisher Corporate entities, B&Q and Screwfix) and entity basis, and details the actions we believe will help us progress towards reducing our gender pay gap and embedding a truly inclusive culture.

The information contained herein is confirmed as accurate by Kate Seljeflot, Chief People Officer.

Our commitment

We treat everyone with fairness, dignity and respect irrespective of their age, educational and professional background, gender, gender re-assignment, marital status, race, ethnicity, religion and beliefs, and sexual orientation and recognise that in difference, there is strength.

We are proud of the progress we have made to gender diversity in the period up to April 2021 but recognise there is still more work to do. Our combined Kingfisher median hourly gender pay gap reduced to 1.5% from 2.0% in 2020, however there are differences across our UK entities in the gaps reported. Both our combined median hourly pay gap (1.5%) and mean hourly pay gap (10.9%) are significantly below the provisional Office for National Statistics ("ONS") figure for businesses in the UK of 15.4%.

In order to continue our progress we will focus on a range of inclusion and diversity actions over the coming year including: increasing the number of women in senior positions, improving insights on inclusion and diversity through better data, and using an external index to benchmark our practices to ensure they are aligned to best practice.

Increasing women in senior positions is a particular key focus for us and our goal is to have 35% of senior leadership and 40% of management positions held by women by 2025. We will do this by improving retention of women, having a gender balanced shortlist for promotions, ensuring there is no bias (conscious or unconscious) within our recruitment process and investing to build a long term pipeline of diverse colleagues. To achieve this and drive gender diversity at all levels we have built these goals into our incentive plans for executives and other senior leaders.

Contents of this report

This report sets out our gender pay calculations for UK colleagues of Kingfisher for 2021, prepared in line with the UK Equality Act 2010 Regulations 2017. The reporting covers the 12 month period ending 5th April 2021. 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.

Kingfisher key facts*

Kingfisher plc is an international home improvement company with over 1,380 stores in eight countries across Europe. In the UK we have over 40,000 employees across 5 entities.

As a company with retail banners, the majority of our colleagues are customer facing and c.85% of our retail banners (B&Q and Screwfix) workforce are hourly paid.

41,965 Colleagues in the UK	45.4% of Kingfisher UK are female	54.6% of Kingfisher UK are male
5 legal UK entities made up of retail banners and corporate entities	97% of UK colleagues work within retail banners (B&Q and Screwfix)	3% of UK colleagues work within our Corporate entities

*Numbers in the table are based on relevant employees as per the 2021 Gender Pay Gap calculation.

What is the gender pay gap?

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

- **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 equal pay is the first consideration when determining pay for all colleagues.
- **Gender Pay** calculations specifically compare average pay (both mean average and median average, for hourly pay and bonus pay) for men and women and are therefore impacted by the number of men and women at different levels of seniority throughout the organisation.

Calculating the gender pay gap

How mean hourly pay is calculated

Female mean hourly pay

Sum of hourly pay of all females in Kingfisher



Total number of females in Kingfisher

Male mean hourly pay

Sum of hourly pay of all males in Kingfisher



Total number of males in Kingfisher

How median hourly pay is calculated

Highest hourly pay

£

£

Median female hourly pay

£

£

£

Lowest hourly pay

The median employee is the middle employee when we rank all our employees' hourly pay from highest to lowest

Highest hourly pay

£

£

Median male hourly pay

£

£

£

Lowest hourly pay

How the hourly pay gap is calculated

Male hourly pay - Female hourly pay



Male hourly pay

How the bonus pay gap is calculated

The bonus gap is calculated using actual bonuses paid to colleagues for the 12 months to 5 April 2021.

The mean bonus, median bonus and overall gap is calculated using the same formula as hourly pay.

Note this calculation applies to both the mean and median hourly pay gap.

Kingfisher's 2021 Gender Pay Gap

Kingfisher's mean and median hourly gender pay gap (as at 5 April 2021) and bonus pay gap (for the 12 months to 5 April 2021) is shown below. See Appendix 1 for gender pay gaps by entity.

10.9%

Mean hourly pay gap 2021
- an increase from **10.1%** in 2020

1.5%

Median hourly pay gap 2021
- a decrease from **2.0%** in 2020

44.7%

Mean bonus pay gap 2021
- a decrease from **46.5%** in 2020

14.9%

Median bonus pay gap 2021
- a decrease from **50.0%** in 2020

Proportion of female and males by pay quartile

These tables show the proportion of males and females across Kingfisher in four equally sized groups, sorted by level of hourly pay in 2021. The figures for 2020 are shown underneath as a comparison.

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	50.6% (2020: 44.0%)	45.0% (2020: 45.1%)	43.6% (2020: 42.6%)	39.2% (2020: 34.2%)
Male	49.4% (2020: 56.0%)	55.0% (2020: 54.9%)	56.4% (2020: 57.4%)	60.8% (2020: 65.8%)

Proportion of employees receiving a bonus

This table shows the % of males and females who received a bonus during the 12 months to 5 April 2021.

	Percentage of employees receiving a bonus in 2021
Female	85.4% (2020: 32.0%)
Male	84.3% (2020: 31.1%)

Understanding the numbers

Hourly pay gap

Kingfisher's median hourly pay gap reduced to 1.5% in 2021, this compares to 2.0% in 2020. However, our mean hourly pay gap increased marginally to 10.9% in 2021, from 10.1% in 2020.

The median and mean hourly pay gaps are calculated using different methodologies (see page 2). The difference in the mean and median hourly pay gap figures is primarily driven by the number of higher paid males in Kingfisher who have a greater impact on the mean vs the median hourly pay gap. Additional context is set out below.

Both our 2021 hourly pay gaps are below the provisional ONS figure for businesses in the UK of 15.4%, and our gaps are also consistent with other large employers in retail based on research published by Diversity in Retail.

Key influences and context for our 2021 hourly pay gaps include:

There are more men in the highest paid roles

Representation of women in senior leadership improved in 2021 - with more women in the "upper pay quartile" than 2020. However, there are still more men in this quartile (especially in the Corporate entities which attract higher average salaries overall) as well as more women in the "lower pay quartile". This is the main driver for the mean pay gap across our entities (and in particular for our Corporate entities, e.g. Kingfisher Corporate has a mean hourly pay gap of 49.5% compared to B&Q whose gap is 7.3%).

Additional analysis shows that if we apply a 50:50 gender mix across all grades within our Corporate entities, then our mean pay gaps would be significantly reduced, and almost eliminated in some cases. This further demonstrates that our gap is driven by the structure and representation of gender across our organisations. See our action plan on page 4 for how we are addressing this.

We have a better gender balance in our retail banners across all quartiles

The majority of our colleagues work in our retail banners (B&Q and Screwfix) where we have improved representation of females. Additionally, the majority (88%) of these colleagues are on set hourly pay rates which reduces the risk of pay gaps for these populations. This has resulted in positive progress in reducing the combined median hourly pay gap.

Bonus pay gap

Kingfisher's median bonus pay gap reduced to 14.9% in 2021 from 50.0% in 2020. Likewise, our mean bonus gap reduced in 2021, to 44.7% from 46.5% in 2020.

The median and mean bonus pay gaps are calculated using different methodologies (see page 2). The fall in the median bonus pay gap is driven by the greater number of colleagues both male and female receiving bonuses of similar values in 2021 vs 2020.

Key influences and context for our 2021 bonus pay gaps include:

There are more men in the highest paid roles


As with hourly pay there are more men in senior leadership roles than women. As these individuals receive larger bonus payments, this contributes to the bonus pay gaps.

Special "thank you" bonuses were paid to our store staff

During 2021 special "thank you" bonus payments of similar values were made to our UK store colleagues who were essential workers throughout the lockdown periods. These bonuses were one-off and so won't necessarily be awarded in future years. This is why the percentage of employees receiving a bonus increased significantly for 2021. We have the strongest gender balance in our stores, therefore these one-off bonus payments have positively impacted the mean and median consolidated bonus gaps as well as the B&Q and Screwfix bonus gaps.


Our approach to improving our gender pay gap

Shown below are the 5 key actions outlined in our 2020 Gender Pay Gap report (see Appendix 2 for further initiatives). Achieving greater diversity throughout Kingfisher, including gender diversity, rests heavily on being able to attract and retain diverse colleagues. This is why we are putting equal focus on building an inclusive culture where everyone feels they belong. This will in turn help us reduce our gender pay gap, however it is likely to take time and as such it is too early to see the full impact in our numbers.

1 


Action: Launch a new engagement tool to listen to our colleagues. Conduct deeper analysis into sentiment of minority and marginalised groups to understand where Kingfisher should best focus in the coming year.

Progress: Our new listening tool launched and as part of this our inclusiveness score was 60*. This is a top quartile result vs the global benchmark.

2 

Action: Make progress against individual inclusion plans.

Progress: All parts of the Group have made good progress, in particular: over 2,500 hours of inclusive leadership training undertaken in B&Q and Screwfix, employee listening exercises held across the Group to deep dive into outcomes of our annual survey (see action 1), launch of Affinity Networks across the Group (for Gender, LGBTQ+, Ethnicity, Disability and Armed Forces).

3 


Action: Understand further inclusion & diversity best practice.

Progress: We have established an 'Inclusion & Diversity Centre of Excellence' to lead the group on "next and best" practice and worked with a number of external partners to further our learning.

4 

Action: Improve representation at Kingfisher and drive change through a transparent approach.

Progress: We included representation targets as part of 2021/22 annual bonus, demonstrating the importance of diversity to our business objectives.

5 

Action: Launch an inclusion Advisory Board to deliver and accelerate inclusion & diversity plans.

Progress: We launched the 'Kingfisher Inclusion & Diversity Forum' which has representatives from senior leadership and colleague networks from every Retail Banner and is chaired by John Mewett, CEO of Screwfix and Group Executive sponsor of inclusion & diversity. This will support us to progress towards our 2025 representation targets.

Our priorities for 2022/23

We are proud of the progress made in this last year and we will continue to take steps to address inclusion & diversity through:

- Continuing work towards our 2025 targets to have 35% of senior leadership and 40% of management positions held by women and assessing progress;
- Improving our insights on inclusion and diversity through better data, including ethnicity data which we are currently preparing to collect;
- Partnering with an external index to benchmark our inclusion and diversity data & practices to identify areas for further investigation and/or change;
- Ensuring that our diverse talent who have potential to lead our business in the future have the opportunity to participate in external development programmes and cross-industry mentoring schemes;
- Leveraging the new 'Kingfisher Inclusion & Diversity Forum' to accelerate the delivery and impact of our local inclusion & diversity plans;
- Building a suite of allyship resources for colleagues across the Group in a range of languages; and
- Further embedding good practices across Kingfisher such as 50/50 gender balanced recruitment shortlists and reverse mentoring.



*Belonging question: "I feel a sense of belonging at Kingfisher"

Appendix 1

Gender Pay Gap by legal entity

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 are the gender pay gap figures for each of Kingfisher five entities.

A brief description of each UK legal entity and what they relate to can be found below:

- B&Q and Screwfix are our two UK retail operations.
- Kingfisher Corporate (HQ), one of three smaller entities within the Group employing primarily individuals in our corporate head office and the management teams of our Banners.

As Kingfisher's largest entities, the figures for B&Q and Screwfix are discussed in more detail on their respective websites.

B&Q gender pay report

<https://www.diy.com/genderpayreport>

Screwfix gender pay report

<https://www.screwfix.com/gender-pay-report>

- Kingfisher International Products Limited, one of three smaller entities within the Group employing colleagues in our Offer & Sourcing and Supply & Logistics business.
- Kingfisher Information Technology Services (UK) Limited, one of three smaller entities within the Group employing individuals in our IT services business.
- The gender pay gaps within these entities are driven by differences in pay structures and representation across the organisations in line with the consolidated Kingfisher figures.

Kingfisher Corporate (HQ)

	Hourly pay gap	Bonus pay gap
Mean	49.5%	71.1%
Median	34.3%	52.2%

Percentage of employees receiving a bonus in 2021	Female	74.8%
	Male	69.0%

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	72.7%	66.7%	45.5%	31.8%
Male	27.3%	33.3%	54.5%	68.2%

Kingfisher Information Technology Services (UK) Limited (KITS)

	Hourly pay gap	Bonus pay gap
Mean	12.7%	51.7%
Median	10.8%	20.1%

Percentage of employees receiving a bonus in 2021	Female	87.0%
	Male	84.4%

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	32.6%	27.4%	28.1%	19.9%
Male	67.4%	72.6%	71.9%	80.1%

Kingfisher International Products Limited

	Hourly pay gap	Bonus pay gap
Mean	26.3%	41.0%
Median	21.4%	43.0%

Percentage of employees receiving a bonus in 2021	Female	73.4%
	Male	81.3%

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	57.4%	58.4%	51.0%	27.5%
Male	42.6%	41.6%	49.0%	72.5%

B&Q Limited

	Hourly pay gap	Bonus pay gap
Mean	7.3%	41.3%
Median	1.2%	10.6%

Percentage of employees receiving a bonus in 2021	Female	84.5%
	Male	82.0%

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	50.5%	45.3%	44.4%	40.7%
Male	49.5%	54.7%	55.6%	59.3%

Screwfix Direct Limited

	Hourly pay gap	Bonus pay gap
Mean	8.4%	38.4%
Median	1.6%	16.3%

Percentage of employees receiving a bonus in 2021	Female	88.3%
	Male	89.9%

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	49.8%	46.6%	41.6%	36.5%
Male	50.2%	53.4%	58.4%	63.5%

Appendix 2

Becoming a more inclusive company

In addition to our actions achieved and priorities set out on page 4 we are becoming a more inclusive company through the following initiatives and partnerships:

Listening to our colleagues

In 2021 we communicated with our colleagues in the following ways to understand further their views and lived experience:

- Conducted extensive listening exercises in partnership with Greenpark to get a deep view of employee opinions.
- Piloted a “Digital Conversation” with over 120 colleagues in Group Functions where colleagues could engage in real time with each other’s views on our culture and how inclusive we are.

Learning & talent development

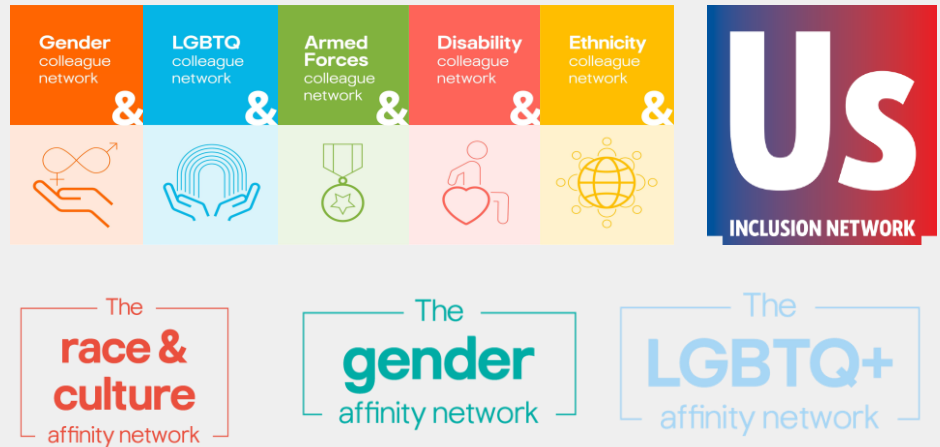
In 2021 we supported our colleagues with learning more about inclusion & diversity through:

- Investing in training on inclusion to build allyship. There were over 2,500 hours of leadership training attended in B&Q and Screwfix.
- Non-mandatory inclusion & diversity e-learning for all colleagues with 20,000 completions.
- Reflective workshops run during National Inclusion Week on “How to be a great ally”.
- Sponsored high potential women participating in external talent development opportunities.

Affinity Networks

Our networks provide a support forum for colleagues to share experiences and ideas with each other and our leadership, and organise events and activities to promote understanding of diversity.

In 2021 we partnered with the Gender Affinity Network to launch global menopause guidance and campaign.



Our external partners

We have strong relationships with our external partners which help us promote best practice.

Our CEO and Chairman are members of the 30% Club which aims to increase representation for women on boards and executive committees. Additionally, a number of our key leaders are ambassadors for the Retail Trust’s Be Inspired programme.

We participate in 3 committees for Diversity in Retail: HR Steering Group; Race & Ethnicity Committee; and Inclusion & Diversity Data Group.

All of our retail banners are members of the Business Disability Forum and work with Stonewall, the leading charity for lesbian, gay, bi and trans equality, and partnering with MIND to promote mental health.



Kingfisher Gender Equality Index in France

In addition to our UK reporting requirements, we also publish our Gender Equality Index in France. This is a requirement for only two of our Corporate entities and we are proud that Kingfisher International Products Limited scored 88/100 and Kingfisher Information Technology Services (UK) Limited (KITS) scored 93/100 against the relevant criteria. See <https://www.kingfisher.com/en/investors/corporate-governance/the-gender-equality-index-2020-in-france.html> for further details.