

An aerial photograph of a lush green forest with a blue lake in the center, showing the reflection of the trees in the water.

Better Homes, Better World

Kingfisher Responsible
Business Report 2021/22



At Kingfisher we have been working on Responsible Business for over 30 years, and it's a key part of our 'Powered by Kingfisher' strategy.

Our Responsible Business Report summarises our strategy and the actions taken to positively impact the lives of our customers, colleagues, communities and the planet. It explains performance against our targets, highlights actions taken across our retail banners and includes key performance data for our financial year 1 February 2021 – 31 January 2022.

We also publish a detailed performance data appendix with further information on progress against targets. Our appendix includes details of how our reporting aligns with external frameworks such as the United Nations Global Compact, the United Nations Sustainable Development Goals, the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). See [Performance Data Appendix 2021/22](#).

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About Kingfisher

Kingfisher plc is an international home improvement company with over 1,470 stores in eight countries across Europe.

We operate under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş, supported by a team of 82,000 colleagues.

We offer home improvement products and services to consumers and trade professionals who shop in our stores and via our ecommerce channels.

At Kingfisher, we believe a better world starts with better homes. So our purpose is to help make better homes accessible for everyone.

82,000[†]

colleagues

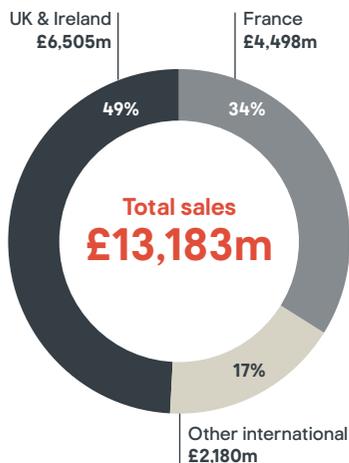
Over 1,470*

stores

Over 3,100

suppliers across 65 countries

Our markets and our stores
(at 31 January 2022)



All figures on this page relate to the year ended 31 January 2022.
 1 B&Q UK & Ireland 312, Screwfix UK & Ireland 790.
 2 Castorama 93, Brico Dépôt 123.

* Turkey joint venture not included.
 † Total, not full-time equivalent.
 Map figures relate to store numbers in each country.

From our Chief Executive Officer

Two years ago we launched our strategy, ‘Powered by Kingfisher’, seeking to maximise the benefits of combining our distinct retail banners with the scale, strength and expertise of the Kingfisher Group. We put Responsible Business at its heart with a commitment to lead our industry in four areas: becoming an inclusive company; helping to tackle climate change and become Forest Positive; making greener and healthier homes affordable; and working with charity partners to fix bad housing.

Since then and despite the pandemic and other challenges, we have come a long way. This year we saw both strong financial results and good performance against our Responsible Business targets, reinforcing our belief that having a positive impact on society goes hand in hand with business success.

A more inclusive company

We want to break down barriers to employment and progression, becoming a truly inclusive business and giving all colleagues opportunities for learning and growth. Across our banners we continue to build on our approach, improving our understanding of how to create and lead inclusive and diverse teams. While we know we have much more to do, we’re pleased to have

reached 25.2% women in senior leadership and 37.7% in management and to have delivered 2.3 million learning hours.

Stronger climate targets

The threat posed by climate change is becoming ever more apparent. We have already reduced emissions from our direct operations by almost a quarter since 2016/17, on track to our independently validated science-based target. Now, we’re announcing our new goal to reach net-zero emissions in our operations by 2040.

We’ve been working on sourcing our wood and paper responsibly since the early 1990s and our Forest Positive commitment goes further, committing us to create more forest than we use. Key to this is our partnership with the Rainforest Alliance which sees us supporting six projects covering 300,000 hectares that are tackling deforestation and supporting sustainable livelihoods for forest communities.

Resource-efficient homes for all

We think everyone deserves a greener, healthier home – that’s comfortable to live in but uses fewer resources and costs less to run. With rising energy prices, home energy efficiency has never been more important.

In 2021/22, 44.1% of total Group sales came from our Sustainable Home Products that include everything from energy efficient appliances, low flow water taps and chemical-free gardening ranges, to products made from responsibly sourced wood and recycled plastic.

This reflects years of work within our teams and with our suppliers and we expect further progress in 2022.

We have a great story to tell and will be increasingly focused on making sure customers know that besides wide choices at competitive prices, our products will help make their homes more sustainable.

Committed to our communities

In a business focused on improving homes, we don’t forget that for many people a safe and healthy home is an unrealised dream. Through our community investment we have helped over 1.5 million people since 2016/17 to feel more safe and secure in their homes and communities – from bringing DIY skills to disadvantaged communities to renovating refuges, orphanages and care homes. We now have seven charitable foundations, one in every banner – which is increasing our impact and enabling us to support more local organisations working to improve housing and community spaces.

Our relief efforts for Ukraine

Since late February, we have been supporting some of those affected by the war in Ukraine. Our business and our colleagues have reacted quickly, providing funds and practical support to help refugees and others affected. We decided early on to stop selling the limited number of products directly sourced from Russian and Belarusian suppliers, and we will continue to look for more ways to help –

particularly through our store teams in Poland and in Romania, as well as through direct donations.

It has been another extraordinary year in so many ways, and I would like to thank all Kingfisher colleagues for their work and what they have helped us achieve. I look forward to reporting further progress on our Responsible Business actions next year.

Thierry Garnier

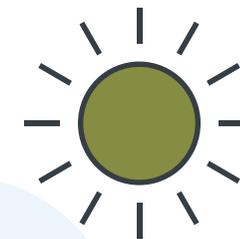
Chief Executive Officer



Responsible Business Highlights 2021/22

Committed to a 1.5°C trajectory

We're working towards net-zero by 2040 for our scope 1 and 2 emissions, and have our science-based targets in place to 2025

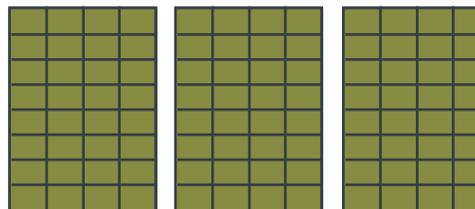


Inclusion and diversity strategy

Celebrating difference and enriching our company

24.5%* reduction in carbon emissions across our operations

We now purchase 100% renewable electricity



Helping local housing

We've established a network of charitable foundations across our banners



£5.8 billion of Sustainable Home Products sold

44.1% of total Group sales



Building skills for life

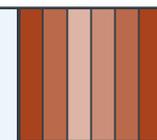
3,890

 Kingfisher apprentices across the group

Improving gender balance

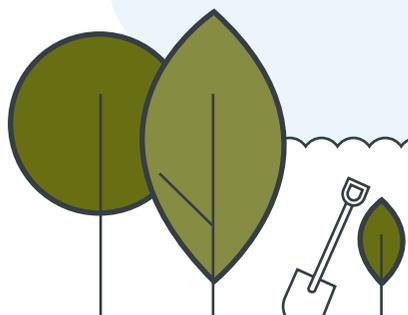
37.7%

of management roles currently held by women



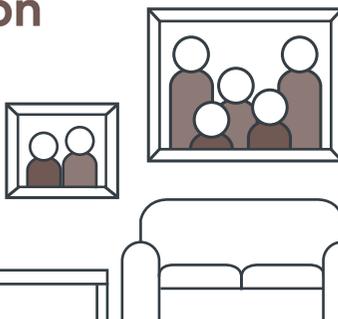
Becoming Forest Positive

We're partnering with the Rainforest Alliance to help support communities most at risk of deforestation



Over 1.5 million

people with a housing need helped so far*



Caring for our communities

£4.0 million

 invested in community projects through fundraising, products and contributions

More sustainable packaging

At least 30% recycled content in plastic packaging by the end of 2023



Colleagues

We will be a more inclusive company

Planet

We will be Forest Positive and help tackle climate change

Customers

We will help make greener, healthier homes affordable

Communities

We will fight to fix bad housing

* Since 2016/17

Our Responsible Business strategy

We have been prioritising Responsible Business for over three decades – from collaborating across sectors to pioneer approaches for the responsible sourcing of wood and paper, to creating more sustainable products for our customers, and establishing innovative charitable partnerships.

Today, we are working to integrate Responsible Business into every part of our operations, from our governance and reward structures to how we run our stores. Responsible Business is one of the priorities of our 'Powered by Kingfisher' strategy.

Our Responsible Business priorities

We focus on four key priorities, set out on the next page, where we can use our experience, scale and influence to bring about positive change. We have set ambitious targets in each area and we monitor progress against an established set of KPIs. This year we are integrating Responsible Business measures into our long-term incentive plan (known as the Kingfisher Performance Share Plan), which will be granted to members of our senior leadership team.

We selected our four priorities based on research with our customers, the findings of our materiality assessment and external frameworks such as the UN Sustainable Development Goals.

Our targets and measurement approach have been developed with leading sustainability organisation Bioregional, who are experts in the development of sustainable communities and in measuring and monitoring sustainability performance.

Our Responsible Business Fundamentals

Our four priorities are underpinned by our Responsible Business Fundamentals – the issues and impacts we measure and manage to ensure we continue to operate responsibly across our business. We have clear policies and guidance in each of these areas.

Governance of Responsible Business

Our Responsible Business Committee (RBC) is a sub-committee of Kingfisher's plc Board. It supports the governance of Responsible Business and monitors performance against our priorities. The RBC is chaired by Sophie Gasperment, a non-executive director (NED) of the Board, and includes a further NED, our Group CEO, and other members of the Group Executive.

The Board receives regular updates on our performance and sustainability risks and reviews our Responsible Business KPIs each quarter as part of its governance duties.

We have a three-year Responsible Business plan for the Group and have worked with our Group functions to integrate Responsible Business actions into their three-year plans. This is reviewed by the Group Executive and the Kingfisher Board of Directors twice a year.

The UN Sustainable Development Goals

We support the UN Sustainable Development Goals that provide a framework for governments, business and civil society to work together to end poverty, fight inequality and stop climate change by 2030.

We have reviewed our progress and strategy against the UN Sustainable Development Goals and have identified the priority goals for our business. For more information see our [Performance Data Appendix](#).

Reporting standards and disclosure

We align with a number of external disclosure initiatives including CDP, the Workforce Disclosure Initiative (WDI), the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) standards for Multiline and Speciality Retailers and Distributors.

Our TCFD disclosure is published in our Annual Report and Accounts. We publish detailed performance data which includes our response to SASB. Details on data and target scope and calculations are included in our data collection methodology and we publish a GRI index on our website.

Our four key priorities



Colleagues

We will be a more inclusive company

We will become an inclusive company, by breaking down barriers to employment and progression and building skills for life.

Our targets

- Improve gender balance to 35% women in senior leadership and 40% women in management by 2025/26.
- Provide five million hours of skills for life learning by 2025/26.



Planet

We will be Forest Positive and help tackle climate change

We will become Forest Positive by creating more forests than we use, and investing in forest projects. We will help tackle climate change by reducing carbon emissions from our business, products and supply chains.

Our targets

- 100% responsibly sourced wood and paper for our products and catalogues by 2025/26.
- Become Forest Positive by 2025/26.
- Achieve our approved science-based carbon reduction target by 2025/26.
- Reach net-zero emissions for our operations by 2040/41.



Customers

We will help make greener, healthier homes affordable

We will help millions of customers have a greener, healthier home – one that is resource-efficient, uses planet-friendly materials and is free from harmful chemicals.

Our target

- 60% of Group sales to be from our Sustainable Home Products (SHP) by 2025/26, including 70% of sales for our own exclusive brand products (OEB).



Communities

We will fight to fix bad housing

We will donate our products, expertise and time to help people whose housing needs are greatest in the communities we serve.

Our target

- Help more than two million people whose housing needs are greatest by 2025/26.

Underpinned by our Responsible Business Fundamentals*

Employee safety

Responsible sourcing

Waste and recycling

Ethical conduct

Tax governance and risk management

Public policy

Pensions

Guided by Governance including stakeholder engagement and materiality

* This Report summarises progress against targets for our four key priorities. Further detail and other targets are covered in our data appendix.

Supporting the relief efforts for Ukraine

Together with our colleagues and customers, we have been doing what we can to support people in Ukraine and in Eastern Europe, particularly those who have had to leave their homes.

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. Many of our colleagues have got directly involved in relief efforts – from collecting and distributing support packages to providing a place to stay in their own homes.

£500,000 donated to relief efforts

By the end of April 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. This included match funding colleague donations to the Red Cross Ukraine Crisis Appeal.

Supporting refugees in Castorama Poland and Brico Dépôt Romania

Our teams in Poland and Romania have been supporting local organisations working with refugees and helping to renovate housing and facilities.

Castorama Poland has dedicated PLN 1 million for aid (c. £180,000) directly and via Fundacja Castorama Poland to the Polish Red Cross, Polish Humanitarian Action and the Polish Mobile Clinic. This has supported organisations assisting refugees at the border and reception points, including helping to renovate the refugee centre in Przemyśl. Fundacja Castorama Poland is also working with organisations in providing longer-term accommodation for refugees, with volunteering support from colleagues. Stores have made product donations and established collection points for food, clothing and medicines.

Fundația Brico Dépôt Romania has donated c. £25,000 to the Romanian Red Cross for emergency supplies such as shelters, blankets, medicines, food and water. It has also donated c. £8,000 to FARA Foundation to help those in refugee camps and refugee transit centres, and c. £10,000 to the Humanitarian Foundation North 2001 – Blood for Romania to provide emergency supplies, food and water to Ukrainian families at the border. Brico Dépôt Romania has also donated products and in-kind support to NGOs and local authorities supporting refugees including fuel and generators, blankets, blow-up mattresses, torches and waterproof clothing.

In September 2020, Kingfisher completed the sale of Castorama Russia to Maxidom, a Russian home improvement company. We have no more operations in the country, nor do we provide sourcing to Maxidom.



Volunteers of the 'Your camp' in one of the villages in Chernivtsi Raion, western Ukraine.
©UNHCR/Anton Fedorov



Red Cross Volunteers meet with a refugee family from Ukraine to provide information and assistance at a train station in Slovakia.
©Marko Kokic/IFRC

Colleagues and customers mobilise to support refugees

Across all our other banners our teams have been raising funds and organising activities to support refugees. Activities included:

- In-store and online donation facilities for customers to donate funds or products such as clothes, blankets, medicines and hygiene products.
- B&Q is donating all profits from sales of sunflower seeds, the flower of Ukraine, between March and the end of July 2022, while Castorama Poland is donating profits from selling blue-yellow orchids.
- #Run4Ukraine – a sponsored run by Kingfisher Group colleagues to raise money for the Red Cross, and a virtual 'human powered' journey from Screwfix Head Office to Ukraine's capital, Kyiv, which saw Screwfix colleagues run, walk and swim 1,556 miles to raise funds for the British Red Cross.
- Colleagues in Romania have raised funds for Humanitarian Foundation North 2001- Blood for Romania to provide humanitarian and logistics aid, and collected six pallets of clothing, bedding and other supplies for refugees.
- In Spain, Brico Dépôt is working with the Red Cross to find employment for refugees in our stores.

Supporting colleagues during the war in Ukraine

Many colleagues have been personally affected by the war, particularly in Poland which is home to many people of Ukrainian descent.

Recognising that the war is a source of stress and anxiety, particularly where colleagues have friends or family that are directly affected, Castorama Poland has also made psychological counselling available for all store and head office employees. It has provided financial support where needed for Ukrainian employees as well as paid leave for colleagues to volunteer. It has also given financial support to colleagues sheltering Ukrainian refugees at their homes or using their vehicles to deliver aid.

In Romania, Brico Dépôt has provided support to colleagues directly affected by the war and those experiencing heightened anxiety due to the war. This has included a hotline providing free and anonymous mental health counselling, and legal and financial advice.

Our supply chain

On 1 March 2022 we took the decision to stop selling products directly sourced from Russian and Belarusian suppliers across the Group, and those products have been removed from our shelves. We are engaging with our suppliers to ensure materials or components are no longer sourced from Russia or Belarus.



Vitali, from a city outside of Kyiv, has been volunteering with the Ukrainian Red Cross.
© Anette Selmer-Andresen/IFRC



UNHCR staff assist Svetlana, 83, after she crossed the border into Moldova at Palanca.
© UNHCR/Andrew McConnel

Colleagues

We will be a more inclusive company

It's our 82,000 colleagues that help our customers make their home improvement dreams a reality.

From product developers, procurement professionals and web designers, to in-store advisers, logistics managers and accountants – every one of our colleagues plays an essential role in our business. We aim to recruit the best people and support them every step of the way so they can bring our customers the best products, deliver a great service and realise their potential.

Our diversity is our strength and is fundamental to the way we operate. We are focusing on diversity and inclusion because we know it makes for a more resilient business and a more innovative and engaged workforce. We're also investing in inspiring opportunities for colleagues to learn and grow with us.

We're making progress on our targets but know we have a lot more to do. We have big plans to go much further.

Our targets

Improve gender balance to 35% women in senior leadership and 40% women in management by 2025.

Provide five million hours of skills for life learning by 2025.

Our progress

- We've now reached 25.2% women in senior leadership and 37.7% in management, an increase from 23.2% and 36.1% respectively since last year, on track to our target.

- Colleagues completed 2.3 million hours of skills for life learning during 2021/22 bringing the total number of hours completed since 2019/20 to 3.9 million, on track to our target.

- 3,890 apprentices across the Group in 2021/22.

Our action plan for diversity and inclusion

Our workforce should always represent the communities we operate in at all levels and we want our workplaces to be truly inclusive. Our strategy commits us to create an agile, inclusive culture led by trust.

To help us get there, our inclusion and diversity strategy identifies four priority focus areas. We have an action plan for the whole Group, setting out the steps we're taking as well as local plans for all banners.

Our plans aren't just words on a page. We've set quantitative gender targets at Group and banner level, and we're linking progress against these to the new performance incentives for executives and other colleagues. 37.7% of manager and 25.2% of senior leadership positions are now held by women, up from 36.1% and 23.2% respectively since last year. We are on track to meet our goal of 40% women in all management roles by 2025 and we made several key diverse appointments into senior leadership roles in 2021. In 2022/23 we will look beyond gender in alignment with local markets.

Our Kingfisher I&D Forum, chaired by the CEO of Screwfix, brings together employee representatives with senior leaders to agree our Group-wide priorities and accelerate progress to our 2025 goals.

Partnering on diversity

Our CEO and Chairman are members of the 30% Club which aims to increase representation of women on boards and executive committees. We have signed the British Retail Consortium's (BRC's) new Better Jobs Diversity and Inclusion Charter, making six pledges to improve diversity in the retail sector. We are also a founding member of the Diversity in Retail Collaboration Community.

Five of our senior leaders are ambassadors for the Retail Week Be Inspired programme, which promotes gender balance. We participate in MISSION Include – a cross-company international mentoring programme – and we're working with Stonewall and the Business Disability Forum.

“Across our banners we continue to build on our approach to more inclusive leadership, improving our understanding of how to create inclusive and diverse teams, and making sure this is reflected in our day-to-day actions and processes.”

Thierry Garnier,
Chief Executive Officer



Building a better home for all at Kingfisher

Our commitment: We will become a more inclusive company, by breaking down barriers to employment and progression and building skills for life.

Targets:

Improve gender balance to **35% women in senior leadership** and 40% women in management by 2025.

Provide **five million hours** of skills for life learning by 2025.

37.7% women
in management, up from 35.0% base in 2020

8.6 out of 10 inclusion score colleague engagement survey

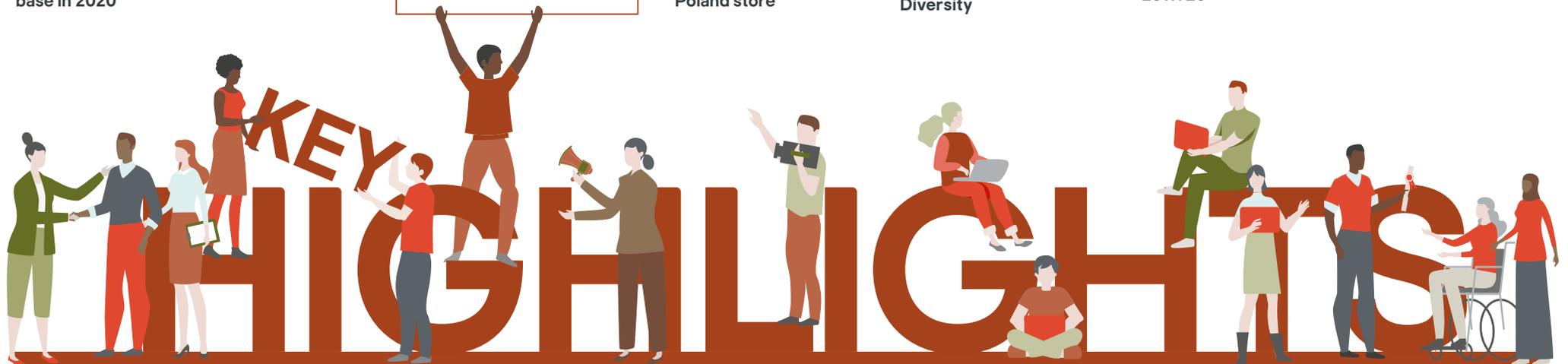
16 Affinity Networks launched

LGBTQ+ safe space
YouTube episode filmed in Castorama, Poland store

30,000+ colleagues completed our elearning module on Inclusion & Diversity

3,950,000 hours of skills for life learning completed since 2019/20

3,890 apprentices across the group



INCLUSION & DIVERSITY STRATEGY

Senior Leadership

Our senior leadership team role-models Inclusion and Diversity. Representation and authentic sponsors of culture change.

A Culture of Inclusion

Our culture supports everyone to thrive and succeed. Deep understanding of diverse groups to enhance the 'lived experience'.

Customer Proposition

We commit to accessible and inclusive products, and multichannel experiences. Inclusive, accessible design as a brand differentiator.

Inclusive Youth Employment

Our impact on society is amplified through investing in skills and work experience. Targeted initiatives focused on addressing disadvantaged youth unemployment.

Affinity networks promote inclusion

We're helping colleagues to set up affinity networks. These provide a safe and supportive space to share experiences, and are a forum for collaboration, generating new ideas that help create a more inclusive business. Many affinity networks are sponsored by members of our Group Executive or senior leaders from our banners.

We now have 16 affinity networks for colleagues with shared characteristics and allies covering gender, race, disability, and LGBTQ+, working parents and veterans. During 2021/22, affinity networks helped organise activities to celebrate events such as International Women's Day, Black History Month, Pride and the International Day for People with Disabilities.

Understanding colleagues' lived experiences

We know that every colleague will have a different experience at work and that this can be influenced by factors such as their gender, age, disability or ethnicity. By understanding more about colleagues' lived experiences, we can take targeted action to create a more inclusive environment.

Our affinity networks and listening sessions help to improve understanding. We've also reviewed our employee survey results from a demographic and diversity perspective, to understand how different groups are experiencing working at Kingfisher.

After the latest survey we carried out follow-up focus group sessions with colleagues to explore key themes. For example, we explored how stereotypes about leadership traits can act as barriers to progression and how to address this.

Equipping our leaders

Our leaders have a vital role to play in creating inclusive workplaces. That's why being inclusive is one of the new leadership behaviours we launched in early 2022/23.

During 2021/22, we ran workshops with diversity specialists Green Park for 650 senior colleagues from B&Q and Screwfix. These sessions enabled leaders to learn more about the business case for inclusion and explore barriers and how to overcome them. Participants heard about the experiences of minority and marginalised groups through feedback from colleague listening sessions, including challenges such as microaggressions and discrimination. Sponsors for our affinity networks received additional training.

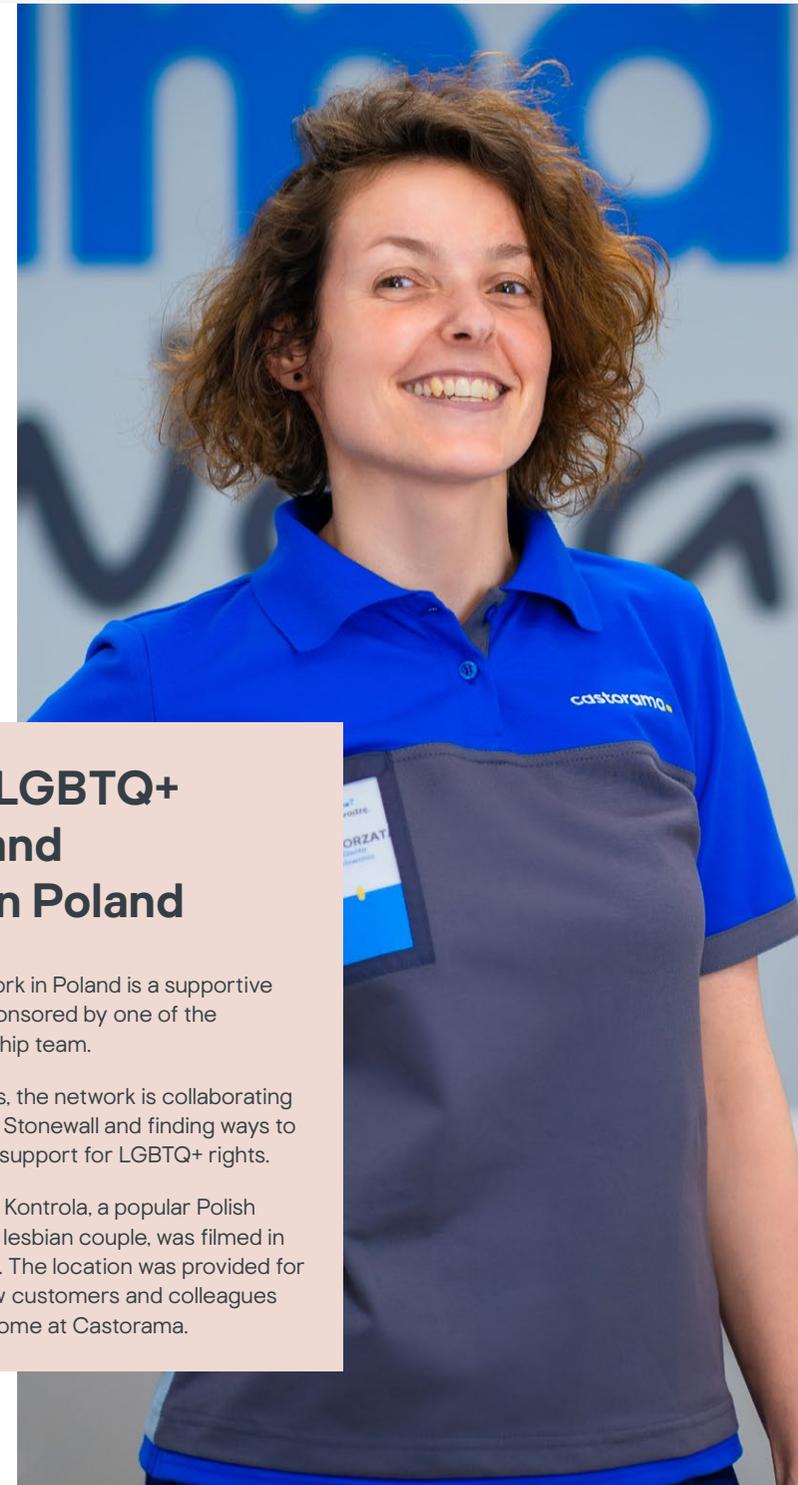
Similar leadership sessions have been held in Poland, Romania and France. Leaders in our Group functions participated in an 'inclusion immersion' over three sessions exploring the importance of sharing their diversity stories and understanding what inclusive behaviours look like. Leaders created vlogs for colleagues on topics such as leading diverse teams, hidden diversity and being an ally to minority groups.

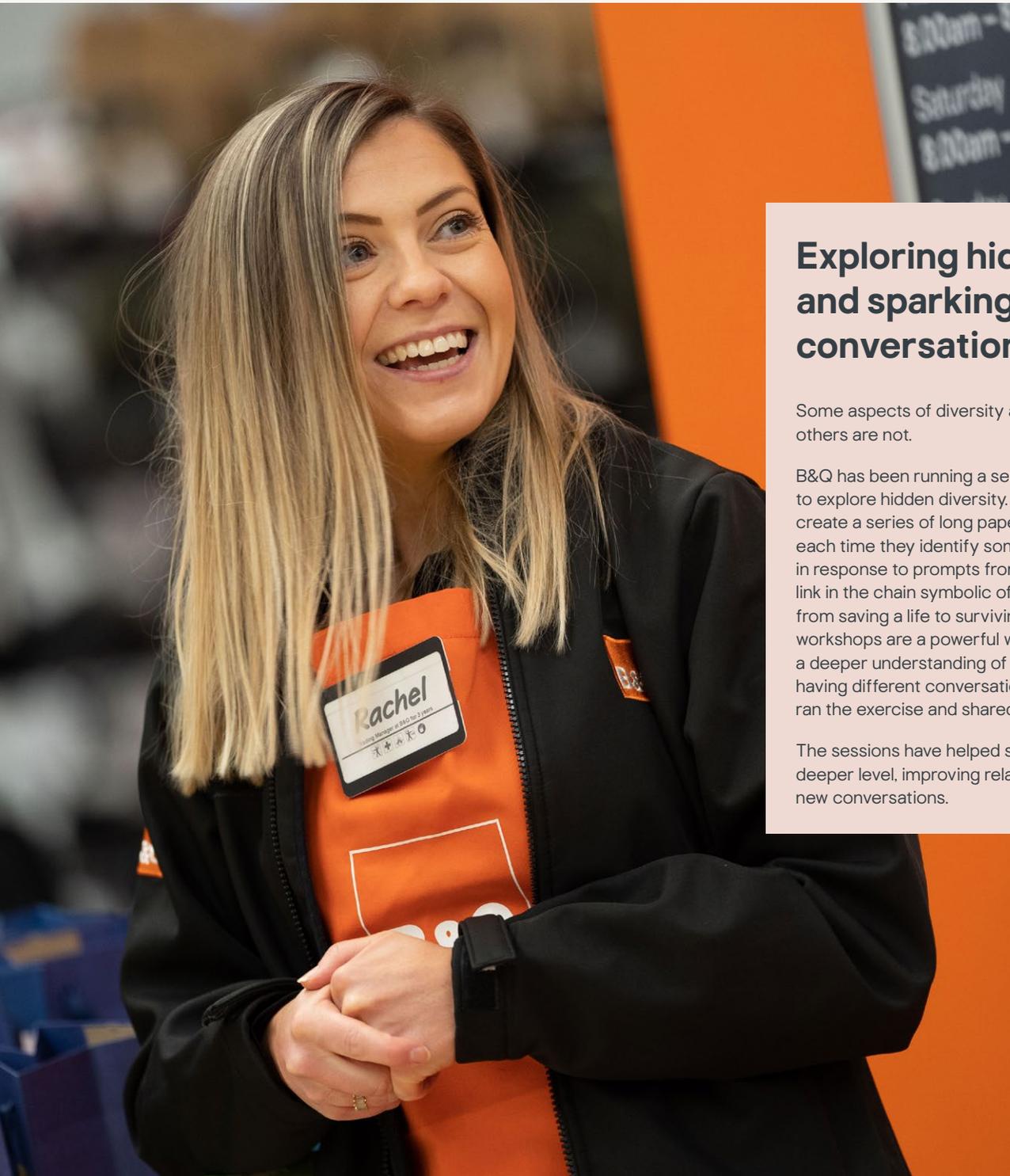
Supporting LGBTQ+ colleagues and customers in Poland

Our LGBTQ+ affinity network in Poland is a supportive network for colleagues sponsored by one of the Castorama Poland leadership team.

As well as regular meetings, the network is collaborating with organisations such as Stonewall and finding ways to demonstrate Castorama's support for LGBTQ+ rights.

During 2021, an episode of *Kontrola*, a popular Polish YouTube series featuring a lesbian couple, was filmed in Castorama's Warsaw store. The location was provided for free, and the aim is to show customers and colleagues alike that everyone is welcome at Castorama.





Exploring hidden diversity and sparking new conversations at B&Q

Some aspects of diversity are visible but many others are not.

B&Q has been running a series of interactive workshops to explore hidden diversity. In each session, colleagues create a series of long paper chains – adding a new link each time they identify something they have in common in response to prompts from the facilitator. With each link in the chain symbolic of a shared experience – from saving a life to surviving domestic abuse – the workshops are a powerful way for participants to gain a deeper understanding of their colleagues and start having different conversations. Each B&Q store manager ran the exercise and shared their own hidden diversity.

The sessions have helped store teams connect on a deeper level, improving relationships and opening up new conversations.

How are we embedding diversity in recruitment?

We're making sure that we consider diversity as we recruit and develop our leadership teams.

We have selected recruitment agencies and executive search firms who have a proven track record on successful recruitment of diverse candidates as well as a commitment to diversity within their own workforce. We've also reviewed our recruitment policies and processes to prevent bias having an impact on hiring decisions. Our goal is 50/50 diverse shortlists for all senior roles, and we aim to have at least one additional diverse leader on all boards by the end of 2023.

We develop many future leaders through our talent programmes and we're making sure that these are gender balanced with a diverse range of colleagues included. We've also introduced 'stay interviews' to support retention of women and diverse talent and proactively manage their career development.

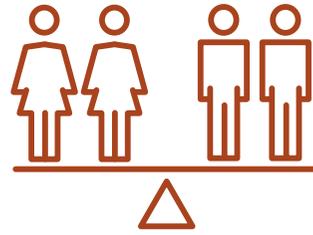
These efforts are starting to have an impact. For example, Screwfix has increased the number of women on its 'Trade up to Branch Manager' development programme and as a result 55% of new senior manager hires were women in 2021. It has reached 35.5% women managers overall, on track to our 2025 target.

What does our diversity data show?

In 2021/22 we increased our women in senior leader roles to 25.2% from 23.2% last year. There were 37.7% women in management, up from 36.1% in 2021/21, compared with our 40% target. We are pleased to have increased the percentage of women year on year but know we need to accelerate progress to meet our target and reach greater gender balance.

Our latest gender pay report (2021) for the UK shows a median hourly pay gap of 1.5% (2020: 2.0%) and mean pay gap of 10.9% (2020: 10.1%) for all UK Group and retail banner employees. It shows a bonus pay gap of 14.9% median (2020: 50.0%) and 44.7% mean (2020: 46.5%). These gaps reflect the higher pay for our senior management, many of whom are male. Read the report on our website. In addition to our UK reporting requirements, we also publish our Gender Equality Index in France.

We want our workforce to reflect the communities in which we operate but do not yet have robust data on ethnic diversity and other diversity characteristics. We will be working on improving our data in 2022.



37.7%

**Gender balance:
women in management**

Gender balance

% of female colleagues based on headcount

	2019/20	2020/21	2021/22
Total workforce	42%	43%	43%
All management	35%	36%	38%
Senior management*	24%	23%	25%
Group Executive	17%	17%	23%
Board of Directors	38%	44%	50%

* The senior management population reflects those executive leaders included in our Alignment Share plan (see pages 75-104 of the Annual Report and Accounts 2021/22 for more detail). 2020/21 data reported has been re-baselined to show progress against our target. This means it is not directly comparable with data for 2019/20 and 2018/19.



Building skills for life and engaging our colleagues

We believe in lifelong learning – giving colleagues the opportunity to keep learning and growing, building skills for life. This is an investment in our people and our future business success.

Altogether, colleagues completed 2.3 million hours of skills for life learning during 2021/22. This included new product training, strengthening commercial capabilities, and leadership development; as well as modules on our OEB products.

Colleagues enjoy on-demand learning

Our Group and UK banner colleagues are benefiting from Mylo – our learning management system with access to thousands of courses.

Since we launched Mylo in April 2021, 25,000 colleagues have logged in and completed over 27,000 learning activities. Colleagues can access Mylo whenever and wherever they want and complete courses on topics from Managing Change to Inclusion and Diversity. Our Responsible Business induction module is available via the platform. All new starters receive the training, reporting a 4.9 out of 5 satisfaction rating.

We also use Mylo to connect to a host of online resources, webinars and tools including a mentoring hub, wellbeing webinars and personal development planning. It also

connects with LinkedIn Learning to provide access to even more content for our colleagues via a single sign-on.

In 2022, we will add a Project Management hub and improve the structure of Mylo so that it's even easier for colleagues to access the content they are looking for.

Product training brings our ranges to life

Customers look to our retail banner colleagues for advice on products and home improvement projects. We provide banner teams with information on the features and benefits of our own exclusive brand (OEB) product ranges to help them advise and deliver a great service to customers. In 2021, this included learning modules on our OEB Alara and Atomia storage ranges. Our banners also train their teams on our ranges. For example, Brico Dépôt Iberia created over 2,000 hours of learning on new products for colleagues in 2021.

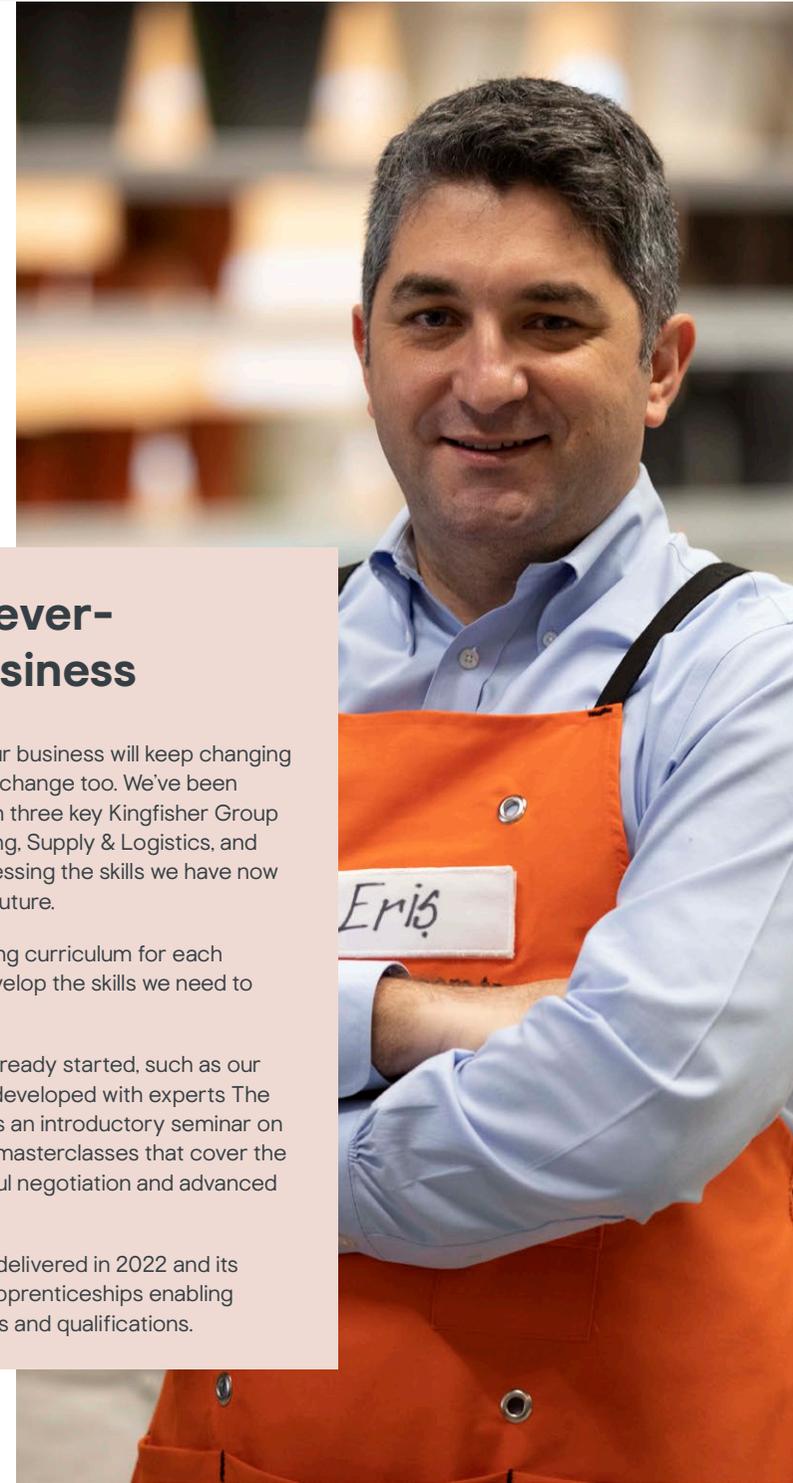
Skills for an ever-changing business

Over the next five years our business will keep changing and the skills we'll need will change too. We've been reviewing our capabilities in three key Kingfisher Group functions – Offer & Sourcing, Supply & Logistics, and Digital & Technology – assessing the skills we have now and the ones we'll need in future.

Next we'll establish a learning curriculum for each function, enabling us to develop the skills we need to deliver our business plans.

Some programmes have already started, such as our Negotiation Skills training, developed with experts The Gap Partnership. It includes an introductory seminar on negotiation principles and masterclasses that cover the three stages of a successful negotiation and advanced negotiation techniques.

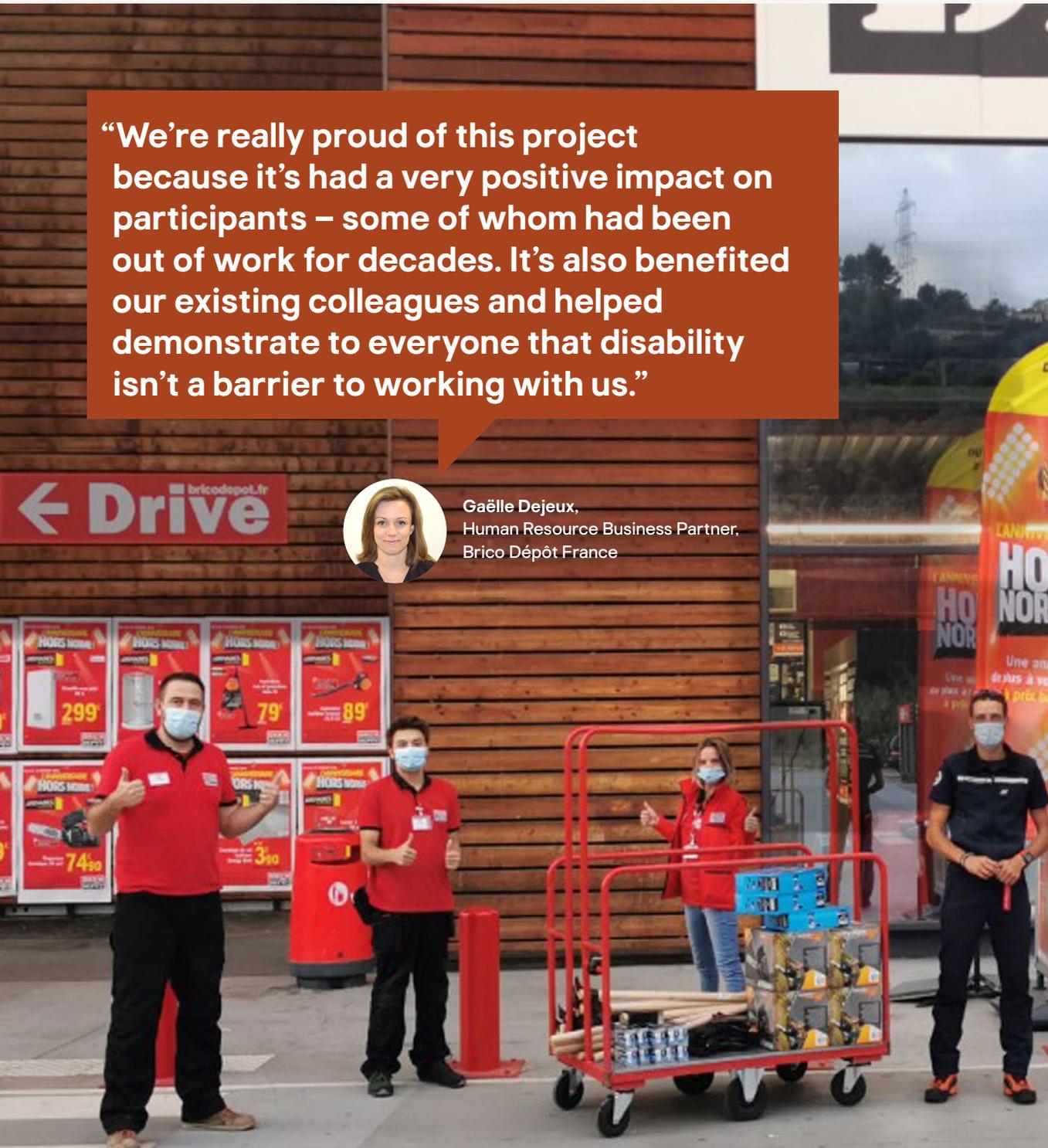
Our Tech Academy will be delivered in 2022 and its learning offer will include apprenticeships enabling colleagues to gain new skills and qualifications.



“We’re really proud of this project because it’s had a very positive impact on participants – some of whom had been out of work for decades. It’s also benefited our existing colleagues and helped demonstrate to everyone that disability isn’t a barrier to working with us.”



Gaëlle Dejeux,
Human Resource Business Partner,
Brico Dépôt France



Spotlight on

Internships help people with disabilities back into employment

Many people with disabilities are effectively excluded from mainstream employment but with the right support and training, disability doesn’t need to be a barrier to a fulfilling working life. Brico Dépôt France is working with HANDIWORK, a specialist organisation, to provide work placements and paid employment to people with disabilities who are long-term unemployed.

Participants complete a nine-week training placement at a Brico Dépôt store supported by colleagues and HANDIWORK. By the end of the programme, they gain the skills and confidence to work independently as sales advisers.

Sixteen interns have taken part so far at three Brico Dépôt stores. Following the internships, six participants have secured permanent roles with us and two have found jobs at other businesses.

Inclusive youth employment

We want to help more young people enter the workplace, particularly those from disadvantaged backgrounds. By standing up for young people, we're also helping to develop our future workforce and promote social mobility. We make sure we recruit a diverse and gender balanced range of young people to join our apprenticeship, work placement and mentoring programmes.

Our banners in France have a long history of supporting young people. At Brico Dépôt France 1,237 people are enrolled on apprenticeship programmes, with a further 1,251 in place at Castorama France. In 2021/22, the banners began a new partnership with Nos Quartiers ont des Talents (NQT), an association supporting young people living in disadvantaged urban areas to find employment. Store Directors have volunteered to mentor the young people, supporting them with their job search and careers advice. 14 colleagues took part supporting 15 young people in 2021/22, and we'll be rolling the programme out across France in 2022/23.

Colleague engagement helps steer our business

We now have colleague forums in our banners and for Kingfisher Group functions bringing together colleague representatives with members of our leadership teams. These provide invaluable feedback, advice and ideas. Our Kingfisher Colleague Forum meets every six months and includes representatives from

all parts of the Group and is attended by Board and Group Executive members. In some countries we also work closely with trade unions, for example in France and Poland.

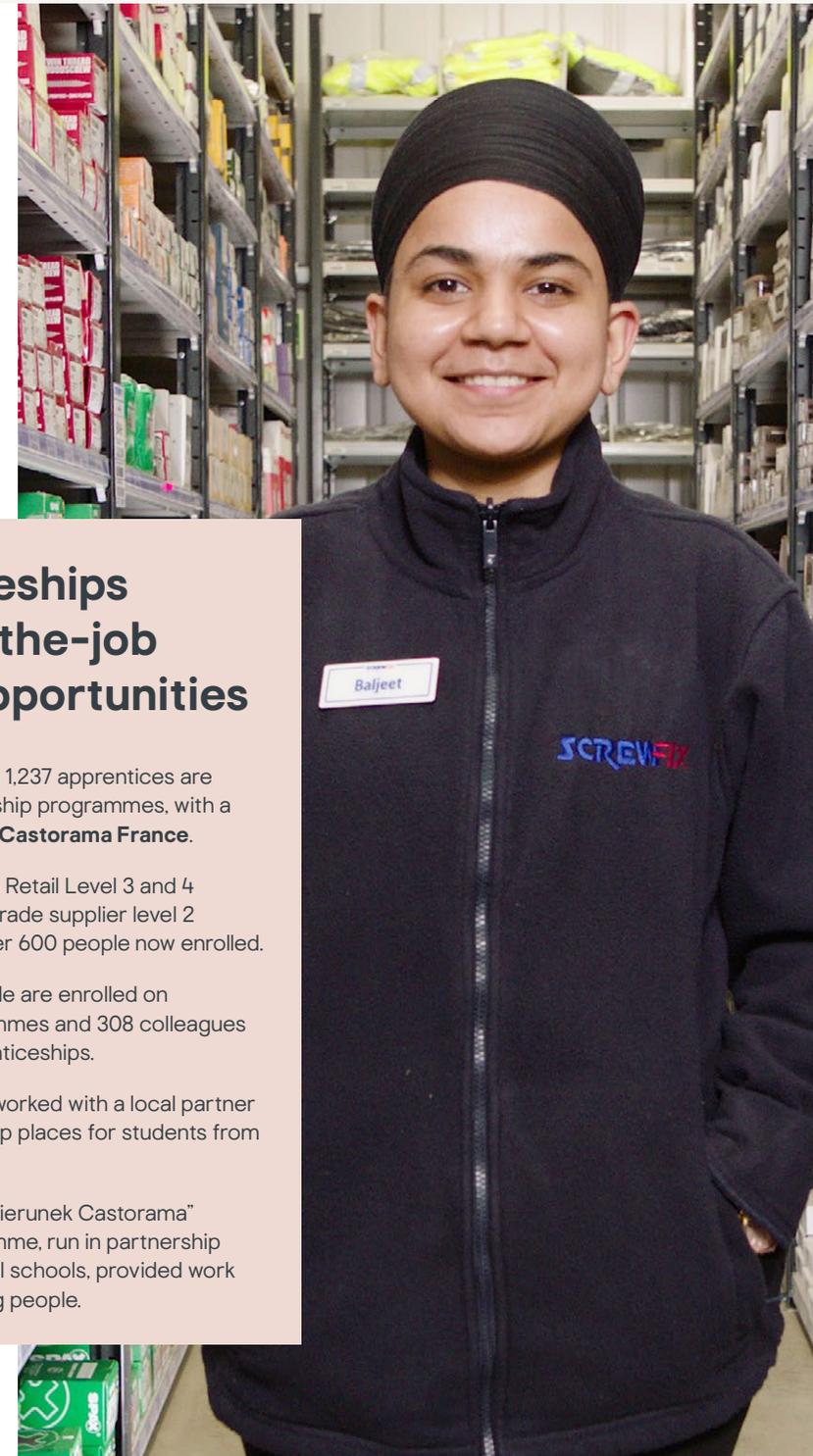
What do our colleagues think?

We want to know what our colleagues really think about working with us and their ideas to keep improving our business. Over 63,500 colleagues, almost 80% of our total, took part in our most recent colleague survey sharing 290,000 comments and ideas. The feedback showed an overall engagement score of 8.3 compared to the retail benchmark of 7.7. Our Employee Net Promoter Score (eNPS) was 48, putting us in the top 10% of global retailers. eNPS measures how willing colleagues are to recommend their workplace to family or friends.

We use colleague feedback to help us keep improving. Recent examples include the planned launch of a second all colleague share plan following feedback from the Kingfisher Colleague Forum, and updates to our approach to hybrid working to provide more flexibility for office-based colleagues following feedback from our survey and focus groups. Each part of the business has an action plan to address any lower scoring areas from the survey and these are reviewed by our Group Executive and Board.

About our workforce

In 2021/22, our total workforce increased to 82,000 colleagues (2020/21: 80,000). Our employee turnover rate was 30.5% (2020/21: 25%). This includes voluntary and involuntary leavers.



Apprenticeships create on-the-job learning opportunities

At **Brico Dépôt France**, 1,237 apprentices are enrolled on apprenticeship programmes, with a further 1,251 in place at **Castorama France**.

Screwfix offers its own Retail Level 3 and 4 apprenticeships and a trade supplier level 2 apprenticeship, with over 600 people now enrolled.

At **B&Q**, over 700 people are enrolled on apprenticeship programmes and 308 colleagues completed their apprenticeships.

Brico Dépôt Romania worked with a local partner to create apprenticeship places for students from vocational schools.

Castorama Poland's "Kierunek Castorama" apprenticeship programme, run in partnership with trade and technical schools, provided work experience to 46 young people.



Giving colleagues a financial stake in our future

Almost 9,000 colleagues have now become shareholders through our '1+1 Sharing In Our Future' share plan, giving them a stake in the business and enabling them to benefit from the value we create.

With the plan, every share bought by a colleague is matched by Kingfisher on a one-for-one basis (up to a value of £1,500 per participant) after a six-month contribution and 12-month holding period. Around 75% of those participating work in our banners. Later in 2022 we will launch a new 1+1 all-colleague share plan. The plan will give colleagues the opportunity to continue sharing in the success of our growth strategy and promotes inclusivity at all levels.

Helping colleagues stay fit and well

We're all happier and more productive when we look after our mental, physical, social and financial health. That's why we're investing in wellbeing programmes in each part of our business. Programmes vary by location and include promoting healthy lifestyle choices; Employee Assistance Programmes (EAP) with services such as counselling, financial and legal advice or specialist support; occupational health services; and discounted rates on healthcare and medical benefits for colleagues and their families.

All colleagues in the UK can use our online portal with training and advice on many

aspects of wellness provided by the Retail Trust. This includes access to counselling support for colleagues and their children. We have similar EAP programmes in France, Romania, Iberia and Turkey.

We provide support and training to line managers on how to look after their own and their team's wellbeing. We have introduced hybrid working principles and policies to support colleagues working from home.

Tackling taboo around the menopause

The menopause is a natural stage of life which affects around half of the population, yet many women don't get the support they need and may not feel comfortable discussing the menopause at work.

We want to remove the stigma and get talking about the menopause, and to coincide with World Menopause Day, together with our Gender Affinity Network, we pulled together information and resources, creating new menopause support pages on our Group intranet. These have been viewed over 1,700 times and generated positive feedback from colleagues.

Planet

We will be Forest Positive and help tackle climate change



We want to play our part in protecting our planet for today and for future generations. It's a commitment that goes back over 30 years and encompasses every aspect of our business from the products we sell to how we run our retail banners.

We're focusing on forests because wood and paper is found in many of our products. We've been working on sourcing our wood and paper responsibly since the early 1990s and it is still a top priority. Today responsible sourcing is part of our Forest Positive commitment that will see us creating more forests than we use by supporting projects and organisations working to tackle deforestation.

We set our first climate change target in 2007 and since then we've kept increasing our ambition.

This year, we have committed to a new net-zero target for our scope 1 and 2 emissions by 2040.

Our targets

- 100% responsibly sourced wood and paper for our products and catalogues by 2025.
- Become Forest Positive by 2025.
- Achieve our approved science-based carbon reduction target (scopes 1, 2 and 3) by 2025.
- Reach net-zero emissions for our operations (scope 1 and 2) by the end of 2040.

Our progress

- 87.2% of wood and paper in our products was responsibly sourced (2020/21: 81.2%) and 100% of catalogue paper.
- As a founding member of the Rainforest Alliance Forest Allies initiative, we are investing in six projects in key forest geographies across the globe.
- Reduced scope 1 and 2 greenhouse gas emissions by 24.5% since 2016/17, on track to target. This is our first step towards achieving net-zero carbon by 2040/41.
- Reduced intensity of our scope 3 emissions from the supply chain and customer use of products by 19.7% since 2017/18.

What do we mean by Forest Positive?

By becoming Forest Positive we'll create more forest than we use, focusing on three areas:

- 100% responsibly sourced wood and paper across our business.** This covers any product containing wood and paper; as well as our catalogues, packaging and construction materials. This is the foundation for our Forest Positive approach because supporting sustainable forestry practices is vital to protecting the world's forests.
- No deforestation through the other materials we use.** Alongside our focus on our wood and paper supply chains, we are also addressing deforestation risks associated with other materials, such as leather (used in products like gloves and workwear boots). We are a member of the Leather Working Group, which promotes sustainable environmental practices.
- Protecting and restoring forests.** We're partnering with the Rainforest Alliance as a founding member of its Forest Allies initiative (page 21). This includes supporting forest projects, working together to better understand our impact on forests and biodiversity and the actions we need to take. Our banners are also developing forest projects at the local level. Brico Dépôt France, for example, has linked reforestation to a colleague running and cycling challenge, and has planted 70,000 trees in France and Peru.

We are members of FSC® and Chair of the British Retail Consortium's Timber Working Group.

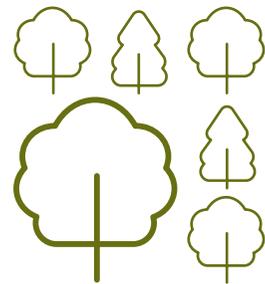
On track to our target

We're making good progress towards our target. In 2021/22, 87.2% of the wood and paper used in products sourced during the year (per number SKUs purchased) met our responsible purchasing criteria. This data covers all banners.

In some banners we've made even more progress. Across B&Q, Castorama France and Brico Dépôt France, we've reached 92.4% responsibly sourced wood and paper (2020/21: 91%).

100% of catalogue paper in all retail banners met our responsible purchasing criteria (2020/21: 100%).

Read about sustainable packaging on page 38.



87.2%

of wood and paper in our products is from proven, well-managed forests or recycled sources

Colleagues at Brico Dépôt France get involved in a reforestation project. The banner has planted 70,000 trees in France and Peru.



Responsibly sourced from our kitchens to our sandpaper

From timber boards to kitchen cabinets and sandpaper we want every piece of wood or paper we sell and use to be sourced responsibly.

Our Forest Positive Policy states that all wood and paper must be sourced from well-managed forests that have been certified to credible certification standards such as FSC® or PEFC™ or from verified recycled sources. Our commitment to responsible sourcing covers any wood or paper used in our business including our products, catalogues, packaging and construction materials.

Suppliers must provide proof of Chain of Custody certification, and we train colleagues and suppliers on our approach, monitoring compliance via spot checks and product testing.

Our wood and paper target was included in our colleague bonus scheme in 2021/22 to help drive improvement.

When products don't comply we work with the supplier to achieve compliance or to remove the product from sale. For example, in the past it has been challenging to source sandpaper made from responsibly sourced wood and paper. After working with suppliers on this issue over several years, Screwfix is now able to source certified sandpaper for many of its ranges.

In 2021/22, within 87.2% of our responsibly sourced wood and paper, 71% was FSC®-certified, 27% was PEFC™-certified (includes

endorsed schemes) and 2% was verified recycled material. For further detail see our [Performance Data Appendix](#).

On 1 March 2022 we took the decision to stop selling wood products directly sourced from Russian and Belarusian suppliers across the Group. We are engaging with our suppliers to ensure wood in our products' materials or components is no longer sourced from Russia or Belarus. This is also in line with sanctions that were announced in April that prohibit the importing of wood products from Russia into the UK and EU.

Supporting more than 300,000 hectares of forest

Forest communities play a vital role in protecting forests. If we are to restore forests and halt deforestation and degradation, we need to foster partnerships that create long-lasting change and these include forest communities.

As a founding member of the Rainforest Alliance's Forest Allies initiative, we are supporting communities in regions most at risk of deforestation to build stronger local economies while protecting the forests we all depend upon. We are investing in six projects covering over 300,000 hectares and supporting the livelihoods of 7,400 people. This includes restoring Guatemala's Mayan Biosphere Forest; building enterprises with Indigenous Peoples in the Peruvian and Colombian Amazon; protecting Cameroon's Mintom landscape through community forestry; and improving degraded landscapes through social forestry in Java and West Kalimantan Indonesia.

What makes a successful forest project?

We will be reporting progress on our forest projects, looking at their benefits for people and the environment. This might include:

- How a project has protected or restored the natural and cultural value of the forest.
- How colleagues in our banners or local communities have been engaged and involved.
- How a project has contributed towards meeting national or international biodiversity objectives and its cultural or economic benefits.
- How a project supports climate change adaptation and mitigation.

Forest Positive – what's next?

We will be further developing our approach to Forest Positive over the next few years, looking in more detail at our impacts on, and benefits from, biodiversity and how to quantify these.

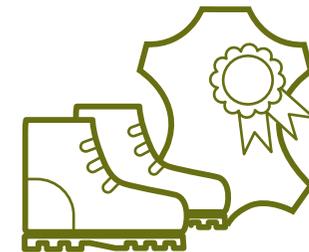
We will also be exploring whether investments in forest restoration and forest planting as well as use of certified timber can help us to reduce emissions within our supply chains. This includes working with the FSC® under the ISEAL Innovation Fund Value Change Programme (co-hosted by SustainCERT and Gold Standard) to quantify carbon emission reductions from certified commodities. The aim is to enable purchasers to include the reductions when reporting progress against their climate change targets.

Responsible sourcing of leather

Leather production contributes to deforestation when forests are cleared to make way for cattle grazing. Parts of the industry are also known for adopting poor practices in the use of chemicals for tanning leather.

We use relatively small volumes of leather for a few of our products such as gloves and footwear but we want to make sure it is sourced responsibly.

Kingfisher is a member of the Leather Working Group (LWG), which works to improve environmental standards in the leather supply chain and tanning process. This has enabled us to identify the tanneries in our supply chain for our own exclusive brand (OEB) products. 15 of the tanneries that supply leather for our products have been audited by the LWG and 13 of those have achieved a Gold or Silver rating.



13

of the tanneries that supply leather for our products have been audited and achieved a Gold or Silver rating



Seedling trees that will be used to restore 50 hectares of the Amazon rainforest. ©Rainforest Alliance.

Restoring forests and improving lives in Guatemala

The Maya Biosphere Reserve, Guatemala, is one of the most important areas of tropical forest outside the Amazon. We're supporting a project to restore degraded parts of the forest by involving local communities and boosting their livelihoods.

Seven nurseries have been set up with 150,000 seedling trees that are being planted across 50 hectares. Three nurseries are being managed by local people who are also learning to grow food crops using sustainable agriculture and natural pest management techniques.

The project has created 63 jobs and trained 120 members of the local communities in forest restoration so far. Initial feedback shows it has increased community support for protecting the forest.

Sustainable local businesses help protect the Peruvian Amazon

In Peru, our support is helping 11 indigenous communities to establish successful and sustainable forest-based businesses, making a living from the forest while protecting it against deforestation.

The project is based in the Lamas region of the Amazon, home to numerous protected species including the spectacled bear and South American tapir. Around 50,000 hectares of forest have been lost here in the last 20 years, so protecting what's left is a top priority.

The project is providing seedlings for community members to restore and reforest degraded areas and supporting them to establish sustainable rubber tapping businesses by identifying markets for natural latex extracted from the forest's Shiringa trees.

Committed to net-zero by 2040

To avert the worst impacts of climate change, the world needs to reach net-zero emissions by 2050 at the latest. We're committed to playing our part and, in fact, we want to go faster. Our new target is to reach net-zero for our operations (scope 1 and 2) by the end of 2040.

This means we will reduce absolute emissions by at least 90% against our 2016/17 baseline, and neutralise our residual emissions, in line with the requirements of the Science Based Target initiative's (SBTi) Corporate Net-Zero Standard.

Reaching net-zero is no easy task and during 2022 we're developing the detailed plans we need to guide our progress across our stores, distribution centres and fleet, focusing on five key steps.

To support the delivery of our target, we will develop a Climate Transition Plan in line with the UK Government's new Sustainability Disclosure Requirements. We will be reviewing the UK Government's standard for transition plans when it is published to ensure our approach is fully aligned.

We're also working on a net-zero target for the rest of our value chain (scope 3 emissions) – including our supply base and the products we sell. This is complex and requires close collaboration with suppliers and others. Our first step is to improve our data to better understand our scope 3 footprint.

When our scope 3 target is ready, we'll be submitting both net-zero targets to the SBTi for verification.

A phased approach

We are taking a phased approach to our plan as we don't yet have all the answers for how we'll reach net-zero. We'll be conducting pilot projects and engaging closely with suppliers and peer companies to help us tackle challenges such as decarbonising heating in our larger stores. Fully decarbonising our fleet is not yet possible due to the lack of commercially viable electric heavy goods vehicles available and the required infrastructure to support the transition. However, technology in this area is developing rapidly and we'll be working closely with our fleet providers.

What does neutralising emissions mean?

We will be working to reduce our emissions to a level consistent with that required by climate science, but there will be residual emissions that can't be avoided¹. In line with the SBTi's Net-Zero Standard, once we have reached our 90% reduction target, we will 'neutralise' the remaining emissions by investing in measures that remove an equivalent amount of carbon from the atmosphere and permanently store it. There are different ways to do this and we will be developing our approach as part of our Climate Transition Plan.

¹ For example, there may be residual emissions from diesel used in some heavy goods vehicles if the transport sector does not decarbonise by 2040.

5 key steps to net-zero

1. Improving energy efficiency

- Improving design and fit-out to reduce the electricity and gas we need to run our buildings
- Improving fuel efficiency across our fleet

2. Securing zero carbon electricity

- Maintaining long-term access to zero carbon electricity through suitable contractual mechanisms

3. Electrifying in-store heating

- Replacing gas and fossil fuel based heating systems with electric alternatives

4. Decarbonising our vehicles

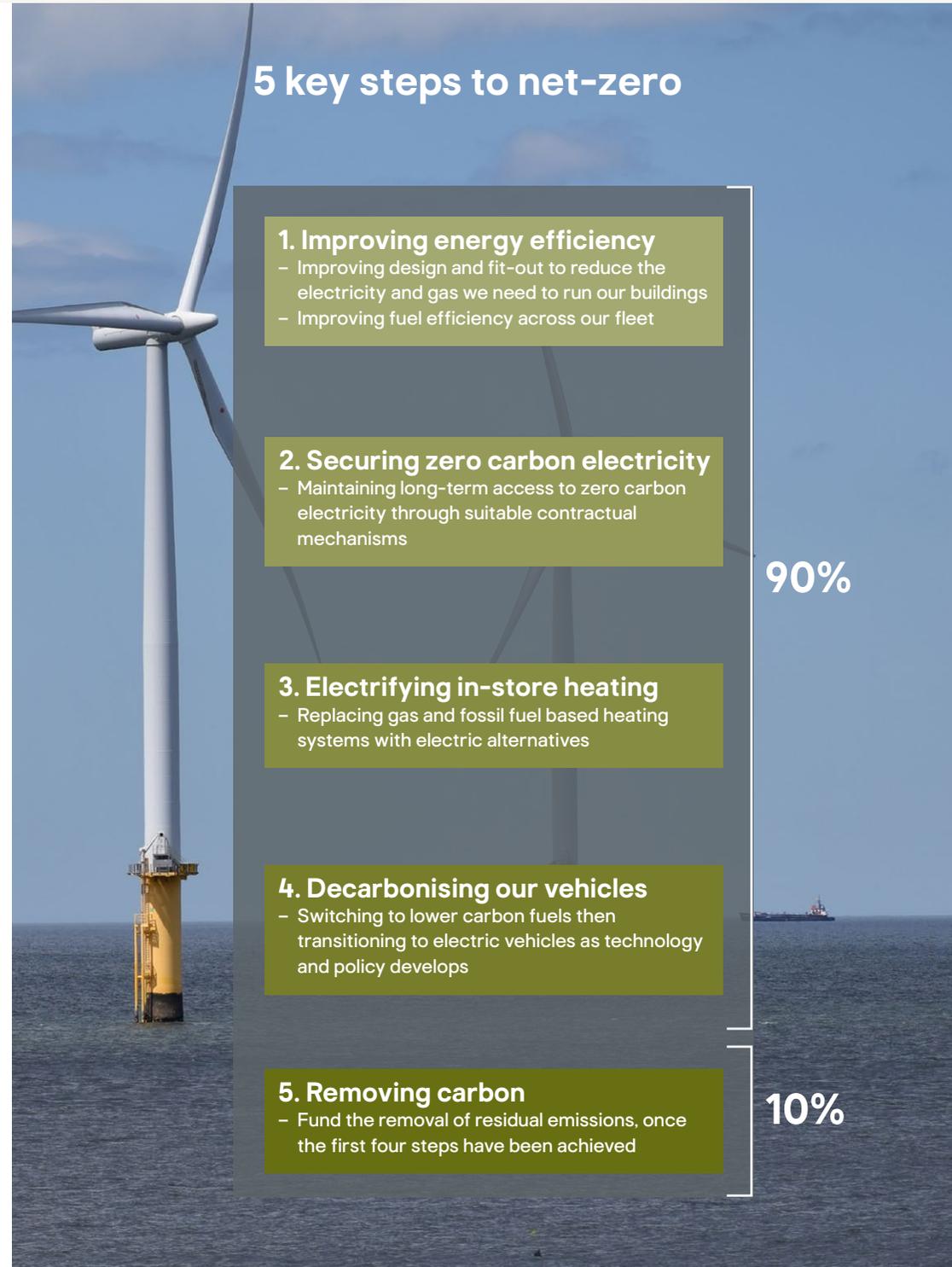
- Switching to lower carbon fuels then transitioning to electric vehicles as technology and policy develops

5. Removing carbon

- Fund the removal of residual emissions, once the first four steps have been achieved

90%

10%



We're on the path to net-zero emissions in our operations

Scope 1 and 2

100%
(base year emissions)

2016–2021

Stage 0

- Baseline year set
- Developed 2°C science-based targets approved by the SBTi
- New 1.5°C science-based target approved by SBTi
- Became founding member of the UN's Race to Zero Breakthroughs – Retail

2022–2025

Stage 1

- Identify further energy efficiency measures
- Continue to electrify heating for small store formats
- Secure long-term zero carbon electricity supplies
- Continue the transition to alternative vehicle fuels
- Achieve our near-term (2025/26) science-based target

24.5%
achieved

2026–2030

Stage 2

- Maintain focus on energy efficiency
- Electrification of heating for larger stores
- Trial battery electric delivery vehicles
- Initial installation of vehicle charging infrastructure

2031–2035

Stage 3

- Complete store heating electrification
- Complete electrification of our home delivery fleet
- Continued installation of vehicle charging infrastructure

2035–2040

Stage 4

- Majority of fleet transitioned to low and no carbon vehicles
- Maintenance of zero carbon electricity contracts in markets where the grid is not fully decarbonised
- Neutralise our residual emissions to reach net-zero, once we have reduced our base year emissions by 90%

2040

Stage 5

- Maintain net-zero emissions

Base year emissions

(*000 tonnes of CO₂e, 2016)

- 86.2 Use of fossil fuels within our buildings
- 57.2 Fuel for dedicated 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%

Aligned to climate science

The first step towards net-zero is delivering our science-based targets for 2025. In 2021, our targets were approved by the Science Based Targets initiative confirming that they align with the goal of the Paris Climate Agreement to keep warming to 1.5°C.

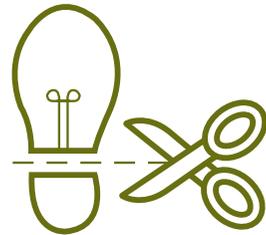
We have agreed investment plans to enable us to deliver our 2025 targets and to manage the risks associated with the transition to a low carbon global economy.

24.5% reduction achieved so far

We have reduced our absolute greenhouse gas emissions from our direct operations by 24.5% since 2016/17, against our target of 38%. This means we are on track to target.

We have reduced the intensity of our scope 3 emissions from the supply chain and customer use of products by 19.7%, meaning we are on track to our overall scope 3 target of a 40% emissions intensity reduction by 2025.

Emissions increased year on year. This is due to lower than usual emissions in 2020/21 as a result of store closures and business disruption during the pandemic and national lockdowns.



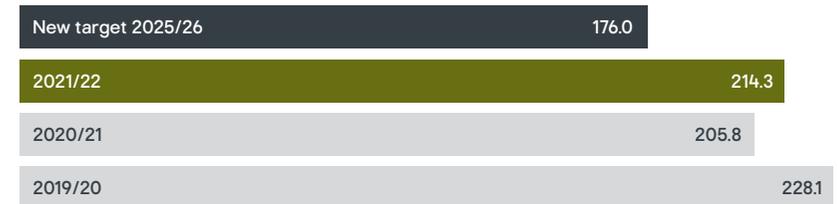
24.5%

Cut in our direct CO₂e emissions from 2016/17

“We have already reduced emissions from our direct operations by almost a quarter since 2016/17, on track to our independently validated science-based target. Now, we’re announcing our new goal to reach net-zero emissions in our operations by 2040.”

Thierry Garnier,
Chief Executive Officer

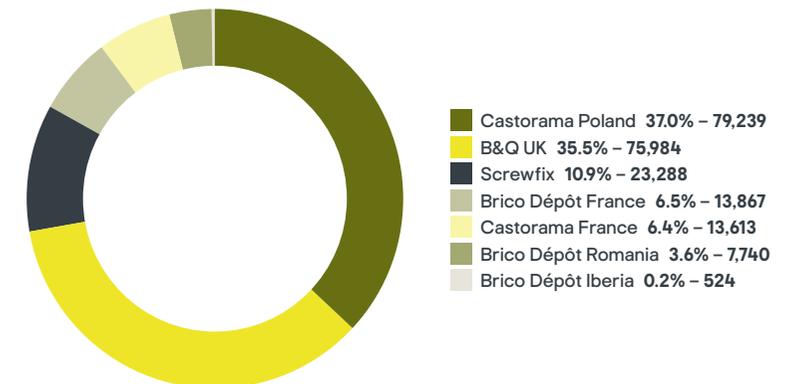
Our carbon emissions (scope 1 and 2 market-based) thousand tonnes CO₂e from property and transport



Our property energy consumption GWh



Carbon footprint by retail banner (scope 1 and 2 market-based) 2021/22 tonnes CO₂e



£19.6 million energy efficiency investment in 2021/22

During 2021/22, we invested £19.6 million in energy efficiency projects including the installation of LED lighting, building energy management systems and insulation and heating improvements. This will reduce consumption by 41 GWh a year, saving 3,800 tonnes of carbon a year and £4.1 million.

We have a three-year energy reduction plan for each banner and are making good progress. Key actions include roll-outs of LED lighting and building energy management systems across our estate, energy efficient design blueprints for new stores, and improving building insulation.

These have reduced our energy intensity by 6.4% since 2016/17. Total energy consumption is 4.2% lower than in 2016/17.

Our property energy intensity kWh/m² floor space

2021/22	123
2020/21	116
2019/20	124

Switching to zero carbon power

We buy electricity from zero carbon sources, supported by Guarantee of Origin certificates. This now covers our operations in the UK, Iberia, Poland, Romania and France – 100% of purchased electricity. We are exploring options to guarantee renewable electricity supplies over the long term such as corporate Power Purchase Agreements.

We are also investing in on-site renewable generation. We've installed solar PV panels on 29 stores, offices and distribution centres, and have biomass boilers supplying two distribution centres and one head office building. We trialed a PV installation in Poland for the first time in 2021/22 and hope to complete further installations during 2022. Our investments in renewable energy are generating 9.5 million kWh per year and delivering over £1.3 million in financial benefit per year.

All electric stores

Our long-term goal is to switch to all electric heating for our stores. This will be key to decarbonising our stores and estate as we switch to 100% renewable power. We have installed all electric heating using air source heat pumps at 102 locations this year. All electric heating using air source heat pumps is now standard specification for new Screwfix stores. See [case study](#). Decarbonising heating in larger stores is more challenging and we are exploring potential solutions to address this.



Driving down emissions across our fleet

We are reducing emissions from our dedicated delivery fleets by switching to more efficient and lower carbon vehicles, training drivers, improving route planning and maximising fill rates. This is essential as transport miles are increasing due to the rise in ecommerce and more click & collect and home deliveries.

B&Q now has 70 HGVs using Liquefied Natural Gas (LNG), which can reduce CO₂ emissions by 20% compared to diesel. It has invested in a telematics system to monitor driver performance and live route planning that is reducing mileage. In 2022, it will be trialling EV home delivery vehicles and biogas powered trucks with double decker trailers.

Screwfix uses iSave, an automated driving system that can improve fuel efficiency by 10%. It has also reduced mileage by redistributing stock between its distribution centres.

Cutting carbon from energy-using products

Around 40% of our scope 3 emissions come from customer use of our products, such as light bulbs and energy-using appliances. By improving energy efficiency, we can reduce emissions and help customers save on their energy bills.

Since 2017/18, we have reduced emissions associated with our lighting range by over 50% by switching to LED products and from

appliances and cooling products by over 20%, by selling more induction hobs and more efficient air conditioning and extraction devices.

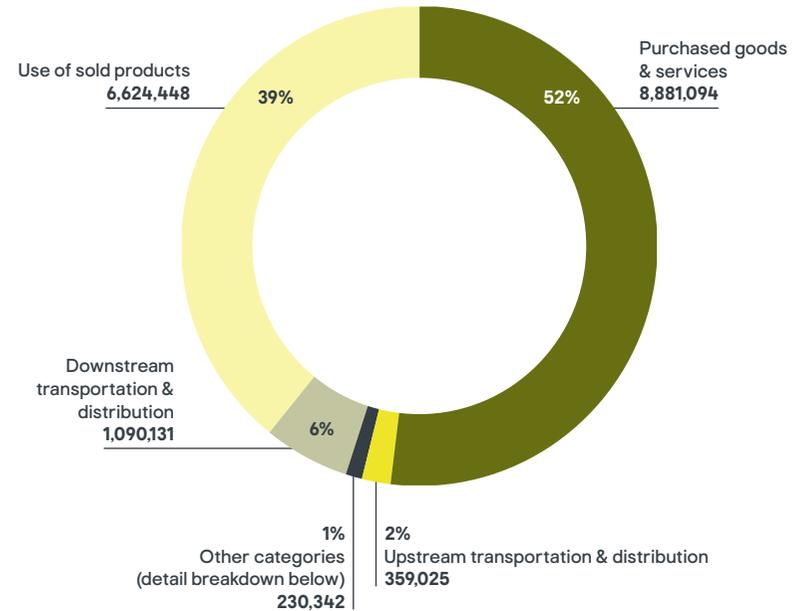
In total, we have reduced emissions from energy-using products by 1.4 million tonnes of CO₂e since 2017/18. This takes account of a product's estimated lifetime carbon emissions from energy use. This has reduced the intensity of our emissions from the supply chain and customer use of products by 19.7%, meaning we are on track to meet our target of 40% by 2025.

Cutting carbon in our supply chain

52% of our carbon footprint comes from the sourcing and manufacture of our products. We're working with suppliers to reduce this through the sustainable sourcing of raw materials and by encouraging improvements in manufacturing. We are particularly focused on OEB including higher impact products such as peat and plastics and we have plans to significantly reduce carbon from these products over the next three years. We are also carrying out further mapping of product supply chain emissions to identify other carbon hotspots. We will then develop programmes to reduce these impacts.

Through our buying office in Shanghai, we are engaging with our top 100 suppliers in China on carbon reduction via a partnership with the NGO Environmental Defense Fund. This includes a review of their carbon data and policies on energy efficiency and climate change, and encourages suppliers to sign up to a local carbon reduction programme.

Our scope 3 emissions 2021/22 tonnes CO₂e (%)



Other categories detail breakdown

- Employee commuting **0.41% – 70,326**
- Fuel- and energy-related activities (not included in scope 1 or 2) **0.30% – 52,371**
- Capital goods **0.23% – 39,128**
- End-of-life treatment of sold products **0.18% – 30,706**
- Upstream leased assets **0.08% – 13,186**
- Waste generated in operations **0.07% – 12,492**
- Investments **0.04% – 6,830**
- Business travel **0.02% – 3,826**
- Downstream leased assets **0.01% – 1,477**

We calculated our full scope 3 carbon footprint in 2021/22; the split between the categories is shown above. The chart includes reporting on all scope 3 emissions categories (see our data appendix and methodology for detail).
% figures displayed above have been rounded.

“This is our best opportunity to reduce carbon across the expanding Screwfix estate. I’ve been involved in opening new trade counters for 10 years, and this is one of the most important projects, if not the most important project, I’ve been involved in. It’s the responsible approach for our business and will make a real difference towards our future.”



Gary Worthington,
National Property Development
Manager at Screwfix



Spotlight on

A climate-friendly revolution within store heating at Screwfix

“By 2025, we’ll have low-carbon technology warming the vast majority of Screwfix stores, saving about 7,500 tonnes of carbon every year.”

Gary Worthington, National Property Development Manager at Screwfix, is leading the team delivering Screwfix’s commitment to climate-friendly heating.

The business has installed air source heat pumps (ASHP) in over 150 locations so far and investment has been agreed in principle to ramp this up to significantly more stores over the next four years. ASHPs are now the standard specification for all new store openings.

An ASHP works like a fridge but in reverse – extracting heat from outside to warm the air inside. The systems are all electric and in many stores replace gas or oil heating systems. Since Screwfix buys its electricity from renewable sources, this means a big reduction in the business’s carbon footprint.

High-quality compost without the peat

Peatlands store more carbon than forests and are a unique and important habitat. Removing peat from our garden ranges is one of the most important actions we can take to help tackle climate change.

Our GoodHome high-quality 100% peat-free compost is now on sale in the UK, France, Poland and Romania, at the same price as our previous peat-based ranges. It uses coir and other ingredients to replace peat.

We work closely with our suppliers and growers to develop, test and refine our peat-free products. This process has taken many years due to the challenges of finding suitable replacement ingredients that are widely available and ensuring that peat-free products are affordable. We've also needed to address scepticism among some users and parts of the industry about the performance of peat-free products.

How close are we getting to peat-free?

In 2021/22 for the UK, Ireland, France, Poland and Romania, 63.8% of bagged growing media used alternative non-peat materials, compared with 52.2% in 2020/21¹.

We significantly expanded our range of peat-free compost products in 2021 to include, for example, grow bags, rose compost and herb compost products. We are working on developing a peat-free ericaceous compost.

Most compost and other growing media are sold by B&Q (around 77% of our total), who have committed to be 100% peat-free across bagged growing media in 2023. In 2021, they reached 71.5%. Our banners in France and Poland are also working towards being 100% peat-free.

Replacing peat reduces our scope 3 carbon emissions, see '[Cutting carbon in our supply chain](#)'.

Working with plant suppliers

We're working with our plant suppliers to phase out peat from pot and pack bedding and hardy plants. The majority of our bedding plant ranges are now peat-free but other categories, for example house plants, are more challenging and further innovation is needed to identify high-quality and widely available alternatives to peat.

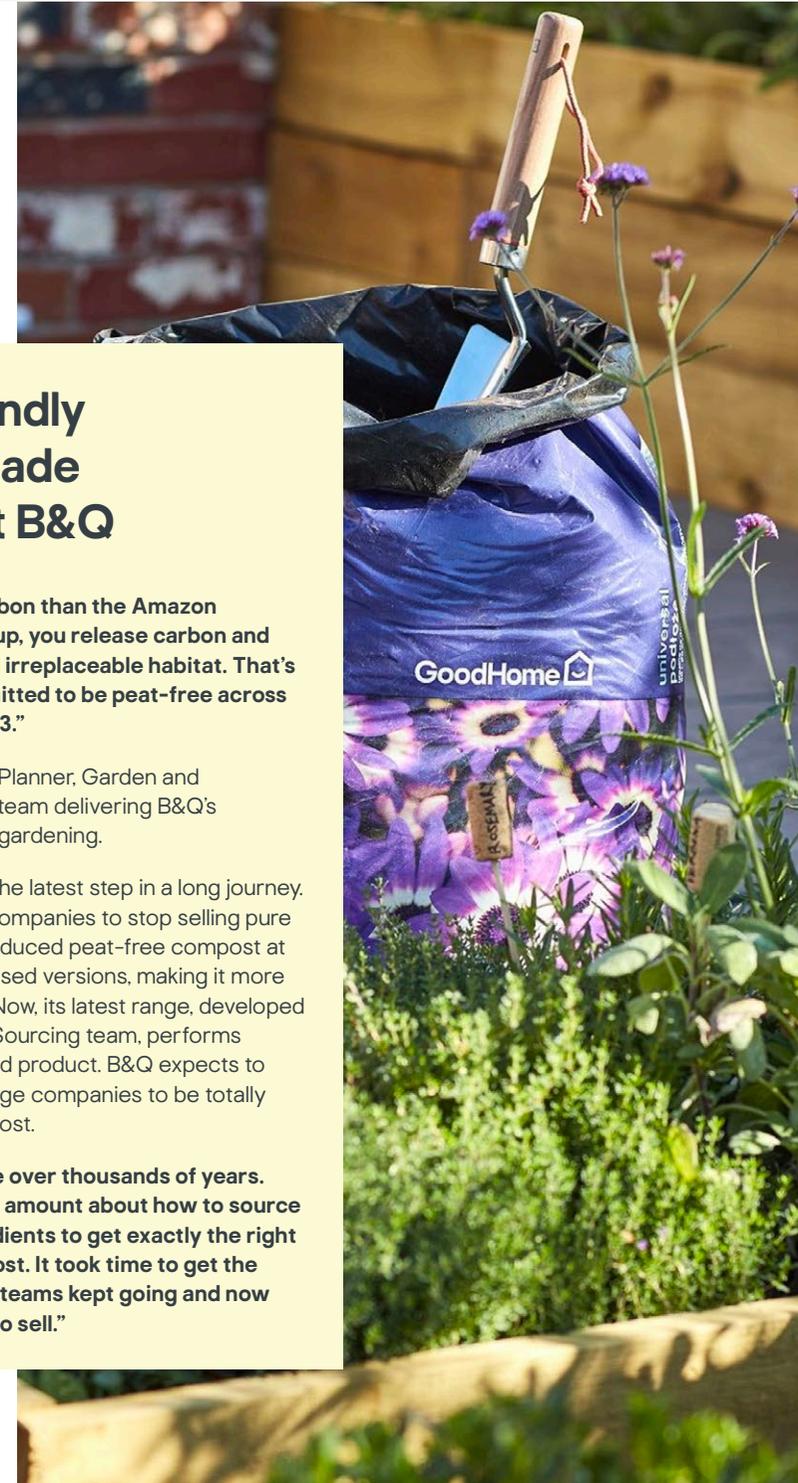
Climate-friendly gardening made affordable at B&Q

"Peatlands hold more carbon than the Amazon rainforest. If you dig that up, you release carbon and you lose an important and irreplaceable habitat. That's why, at B&Q, we've committed to be peat-free across our compost range in 2023."

Ian Underwood, Category Planner, Garden and Horticulture, is part of the team delivering B&Q's commitment to peat-free gardening.

Its recent commitment is the latest step in a long journey. B&Q was one of the first companies to stop selling pure peat products. It then introduced peat-free compost at the same price as peat-based versions, making it more accessible to customers. Now, its latest range, developed by our Kingfisher Offer & Sourcing team, performs as strongly as a peat-based product. B&Q expects to soon be one of the first large companies to be totally peat-free in bagged compost.

"Peat is created by nature over thousands of years. We've had to learn a huge amount about how to source and mix alternative ingredients to get exactly the right balance for a great compost. It took time to get the right formulation, but the teams kept going and now we have a great product to sell."



¹ Romania was not included in the reporting scope in 2020/21.

Partnering on climate change

We are working with others in our sector on tackling climate change.

This includes:

- A founding member of the UN's Race to Zero Breakthroughs – Retail Campaign. This partnership aims to inspire more retailers to take action on climate change and commit to a 1.5°C science-based carbon reduction target.
- Part of the Business Ambition for 1.5°C – a campaign led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and the We Mean Business coalition.
- Member of the British Retail Consortium's Climate Action Roadmap, a decarbonisation plan that will accelerate progress to a Net Zero UK, ahead of the Government's 2050 target.

During 2021, we participated in a session at COP26 on net-zero for the retail sector and our Chief Executive spoke at the European DIY Retail Association (EDRA) Net Zero Roundtable discussion.

Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

We have been working to improve our understanding of the financial impacts of climate-related risks and opportunities, in line with the recommendations of the TCFD.

We believe the growing market for our Sustainable Home Products¹ and services is the most material climate change opportunity for our business. Climate risks include the impact of rising energy costs, the potential for operational and supply chain disruption from physical hazards, and the potential reputational damage from not meeting our climate commitments.

Read more in our [Annual Report and Accounts](#), and in our [Performance Data Appendix](#).

How are we rated?

We participate in CDP Climate Change. In 2021/22 we maintained our score of A-, exceeding our sector average of B-. See www.kingfisher.com/CDPclimatechange for our full CDP Climate Change response.

¹ Our Sustainable Home Products (SHPs) can help to lower the environmental impacts of our products by including features that are sustainable and/or deliver sustainable benefits to customers. SHPs support our ambition to address climate change through reducing carbon emissions embodied in our products and emitted when our customers use and dispose of our products.



Customers

We will help make greener, healthier homes affordable

As a home improvement company our purpose is to make homes better for everyone – and that means more sustainable too.

We stock thousands of products that help our customers repair, renovate and restore, improving their home so it's more comfortable, more stylish and more efficient. For decades we've been building sustainability into our product ranges – so that when customers shop with us, they get affordable, high-quality, functional products that are better for the planet.

We want sustainability to become the norm – an everyday feature that customers can expect from every and any product they buy from us. Already, 44.1% of our sales are generated by sustainable products. Our new target is to get to 60% by 2025, building on our previous target of 50% by 2020.

This year, we made sustainability improvements across many of our product ranges and we updated our Sustainable Home Product Guidelines to help our teams meet our target.

Our target

60% of Group sales to be from our Sustainable Home Products (SHP) by 2025, including 70% of sales for own exclusive brand products (OEB).

Our progress

- SHP have a lower environmental impact or help customers to live more sustainably. They include everything from insulation, water efficient taps and chemical-free gardening ranges, to products made from responsibly sourced wood and recycled plastic.
- In 2021/22, 44.1% of our total Group sales of £13,183m came from SHP – helping more customers create greener, healthier homes. For our OEB ranges, the figure is 54.7%.

Why do we need affordable, greener, healthier homes?

We think everyone deserves a greener, healthier home – one that's comfortable to live in but uses fewer resources and costs less to run. A home made from more sustainable materials and without harmful chemicals.

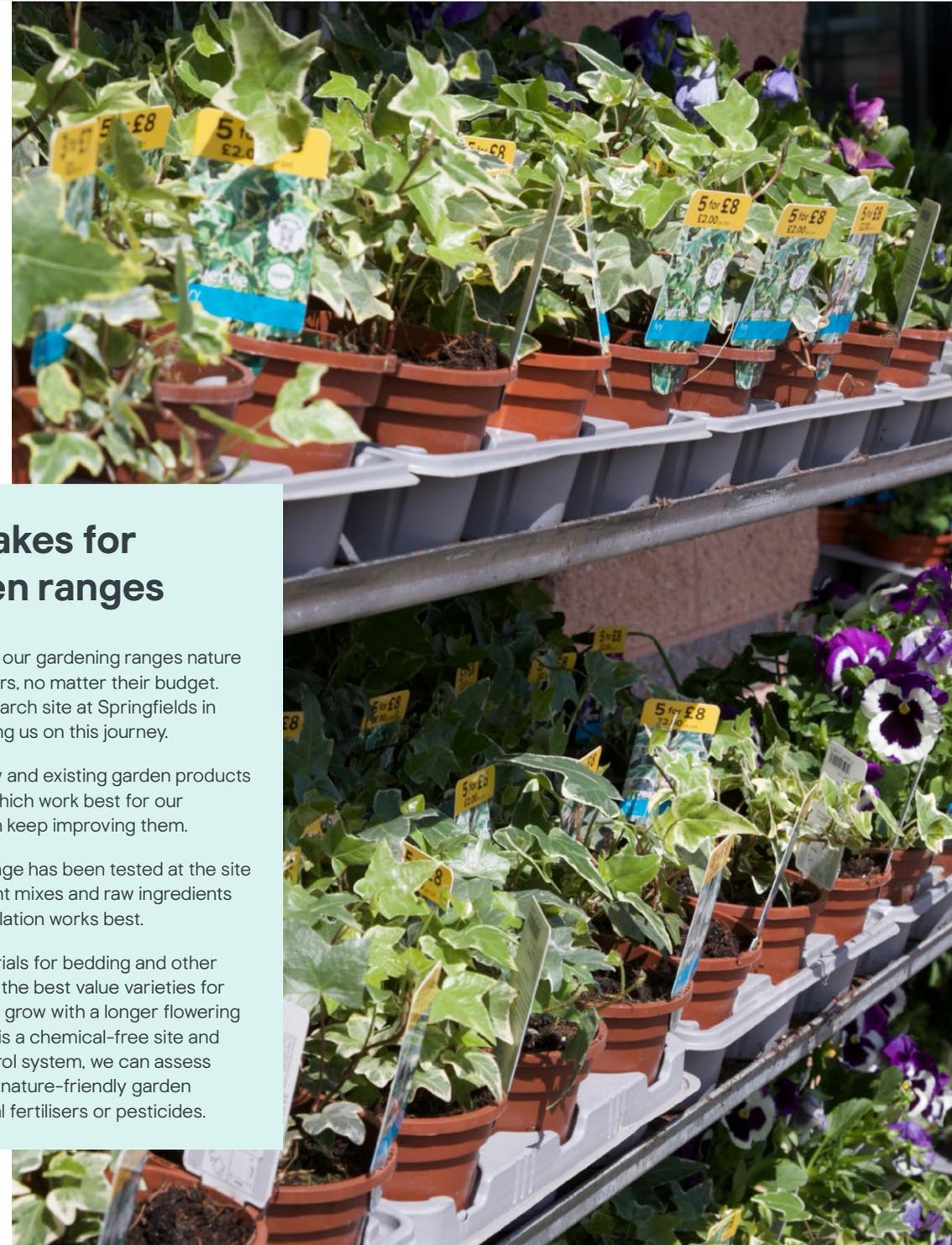
Greener, healthier homes are better for the people that live in them and for the planet. Reducing energy and resource use in our homes is essential to help meet global climate change targets.

What is a Sustainable Home Product?

A Sustainable Home Product is one that helps customers reduce their environmental impact. Sustainable Home Products aren't niche products. They don't cost more or require customers to compromise on performance. They are everyday great products with sustainability built in.

We have two types:

- 1. Products made for sustainability** – products that are responsibly sourced, made from renewable or recycled materials, or manufactured in a more environmentally friendly way.
- 2. Products for sustainable living** – products that help our customers live a more sustainable lifestyle, for example by saving energy or water.



Research makes for better garden ranges

We're on a mission to make our gardening ranges nature friendly for all our customers, no matter their budget. Our dedicated garden research site at Springfields in Chelmsford, Essex, is helping us on this journey.

At Springfields, we test new and existing garden products and plants to understand which work best for our customers and how we can keep improving them.

Our peat-free compost range has been tested at the site – enabling us to try different mixes and raw ingredients to understand which formulation works best.

We also conduct growing trials for bedding and other plants. This helps us to find the best value varieties for customers that are easy to grow with a longer flowering season. Since Springfields is a chemical-free site and uses a biological pest control system, we can assess which plants grow best in a nature-friendly garden without the use of chemical fertilisers or pesticides.

Creating greener, healthier homes

How do we decide if a product is sustainable?

We use our Sustainable Home Product Guidelines to assess each product to see if it will help customers reduce their environmental impact.

If a product has one or more sustainability attributes – a feature that reduces its environmental impact in production or use – it can be classified as a Sustainable Home Product (SHP).

OUR TARGET

60%

of Group sales to be from our SHPs by 2025, including 70% of sales for our own exclusive brand products (OEB).

OUR PROGRESS

44.1%

of total Group sales, representing £5.8 billion of sales, came from SHPs – this has doubled since 2011/12.

Sustainable Home Product Guidelines

Products made for sustainability

Where the product is sustainable because of what it is made from or how it is made (features).



Lower carbon manufacture
Encouraging factories to be energy efficient, addressing carbon in the supply chain



Recycled materials
Using recycled materials including plastics, paper and textiles in our products



Alternative materials
Switching to materials that have a lower environmental impact, like peat-free compost



Responsibly sourced materials
Sourcing from certified environmental schemes like wood from sustainably managed forests

Products made for sustainable living

Where the product helps our customers to live more sustainably (benefits).



Building biodiversity
Helping nature to thrive, like planting sunflowers that bees love



Protecting health
Making homes safer environments, like reducing airborne pollutants from paint



Saving water
Water efficient taps and toilets, preventing flooding and using rainwater



Saving energy
Helping to make our homes more efficient to heat, light and power



Saving resources
Closing the loop on waste by renting, reusing, repairing and recycling

What about products on our 'Watch List'?

Some products aren't sustainable because their impact on the environment is too significant and can't be reduced. We call these 'Watch List' products and we aim to remove them from our ranges over time by identifying more sustainable alternatives.

Peat-based compost is one example.

Sharing our SHP Guidelines

We published our updated Guidelines in 2021/22, to make sure they reflect the latest sustainability knowledge and to make them easier to use.

Our sustainability team works with our product development and design teams, and brand and category managers at Group and banner level, to assess products against the Guidelines and to identify opportunities to improve sustainability performance. We are integrating sustainability performance into the brand strategy for each of our OEB categories.

We also share the Guidelines with our suppliers to help them meet our criteria. Customers and anyone else can read the Guidelines on our website too.

<p>Sustainable A</p>	<p>Products that meet the highest levels in the Sustainable Home Product Guidelines.</p> <p>These have two or more Sustainable Attributes.</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Water butt that is made from 90% post-consumer waste recycled plastic. - Window made from FSC® certified timber with full chain of custody that meets thermal efficiency criteria.
<p>Sustainable B</p>	<p>Products that meet the Sustainable Home Product Guidelines.</p> <p>These have one or more Sustainable Attributes.</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Fence panel made from FSC® certified timber with full chain of custody. - Water-based paint.
<p>Above the Green Line</p>		
<p>Potential C</p>	<p>Products that do not yet meet the Sustainable Home Product Guidelines.</p> <p>If these products are improved to include Sustainable Attributes they may move to Sustainable B or A.</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Conduit made from virgin plastic. - Door hinge made of steel.
<p>Below the Red Line</p>		
<p>Watch List D</p>	<p>Products that cannot be considered to be sustainable so cannot be assessed.</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Coal. - Peat-based compost. - Paint that has medium or C levels of VOCs or higher.



GoodHome Cavally Shower fitted with an aerator. Sustainable A



Erbauer Connex storage set made with 60% recycled plastic. Sustainable B

Our industry-leading guidelines

How do we judge if a product is sustainable? We use our Sustainable Home Product Guidelines that have been developed with sustainability experts, Bioregional.

We assess each product against the Guidelines to see if it will help customers reduce their environmental impact. The Guidelines include detailed criteria for different types of product category and different sustainability attributes.

If a product has one or more sustainability attributes – a feature that reduces its environmental impact in production or use – it can be classified as a Sustainable Home Product (SHP).

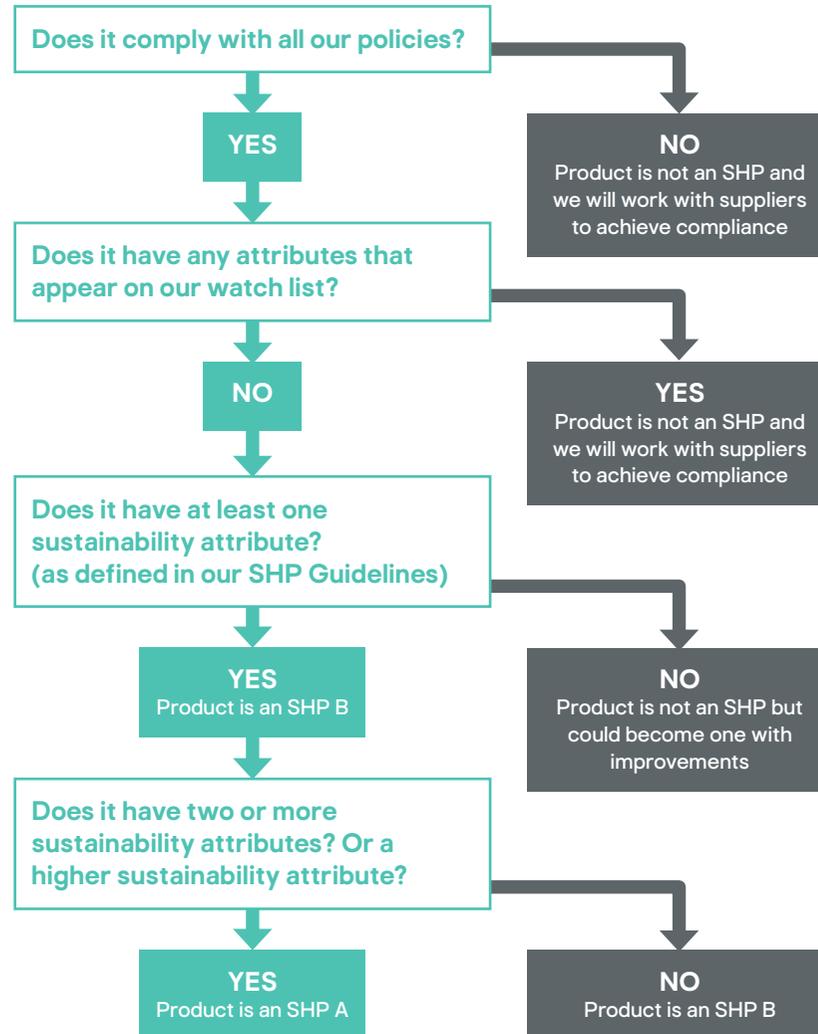
SHP A-rated products have more than one sustainability attribute. This means they offer a greater environmental benefit.

Sustainability standards are continually improving. We keep our Guidelines regularly updated so they always reflect best practice.

Identifying our Sustainable Home Products

We check every product against our Guidelines to see if it can be classified as a Sustainable Home Product.

Our assessment findings are verified by Bioregional. If a product doesn't meet our criteria, we work with our suppliers to improve performance or to identify a more sustainable alternative.



Highlighting our sustainable products

We want all our customers to know about the great sustainability features in our product ranges. So in 2021, Castorama France introduced its 'Bon + Bon' product selection and a communication campaign to tell customers about our work on sustainability.

Bon + Bon (good for your home, good for everyone) helps customers find Sustainable Home Products in our catalogues and online. We also included information on how to save energy and water at home in our latest brochures and catalogues.

Other banners are also working hard to highlight environmental product features to customers. B&Q, for example, ran a feature on Instagram on the benefits of low VOC paint for health and the environment.

44.1% of total sales from Sustainable Home Products in 2021/22

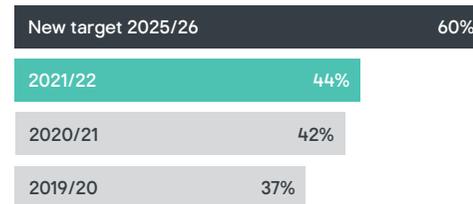
In 2021/22, 44.1% of our total Group sales came from products that help create greener, healthier homes. That's an increase of 1.9% on the previous year. The 2020/21 figure was 42.2%. For our OEB products the figure was 54.7% for 2021/22.

Altogether, sales of our Sustainable Home Products generated £5.8 billion for the business, an increase of 88% over the last five years.

We've made great progress on integrating sustainability in many product categories – including improving water efficiency for our taps, responsible sourcing of wood and paper products, switching to LED lighting, removing harmful chemicals from key ranges and switching to water-based paints. Some of our next challenges include developing our approach to responsible sourcing for metals and minerals, aligning with external standards such as those from the Aluminium Stewardship Initiative, Responsible Steel Mark, Copper Mark and Responsible Minerals Initiative.

We're also looking to introduce new sustainability services. For example, at B&Q we will be testing an end-to-end energy efficiency service during 2022. This will help customers identify and install energy efficiency measures in their homes.

Sustainable Home Products % of retail sales



Repair services reduce waste and save money

Damaged or faulty products are bad for customers, and a cost to our business. If products can't be repaired they are also a waste of resources. We're introducing more repair services to keep products in use for longer and offering spare parts for some products.

Castorama France is launching a garden tools maintenance service to enable customers to get an annual service for their garden power tools. It is also offering a rental service for large tools customers may need for one-off jobs such as tiling.

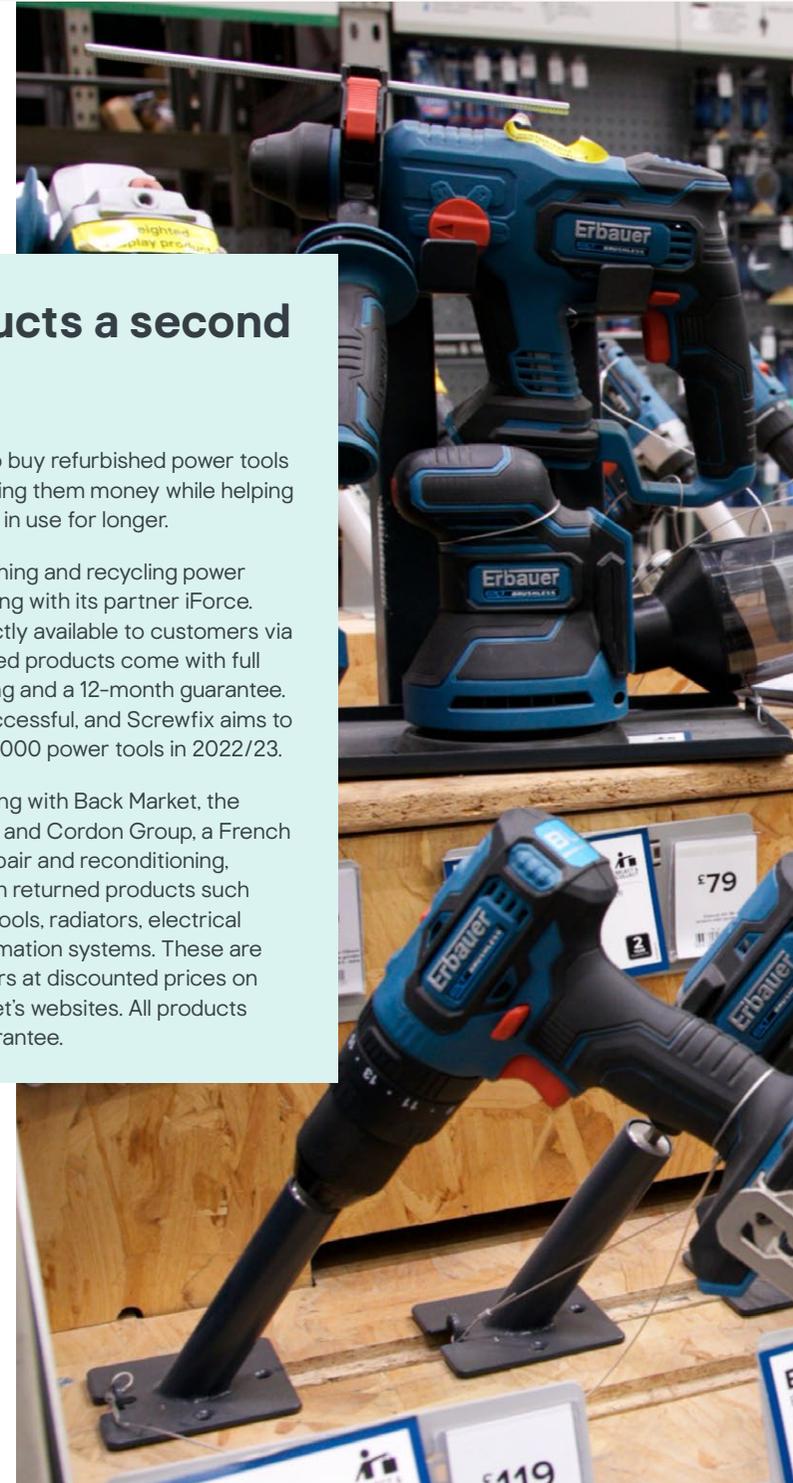
Brico Dépôt Romania also has a tool repair service which repaired around 7,000 power tools during 2021/22.

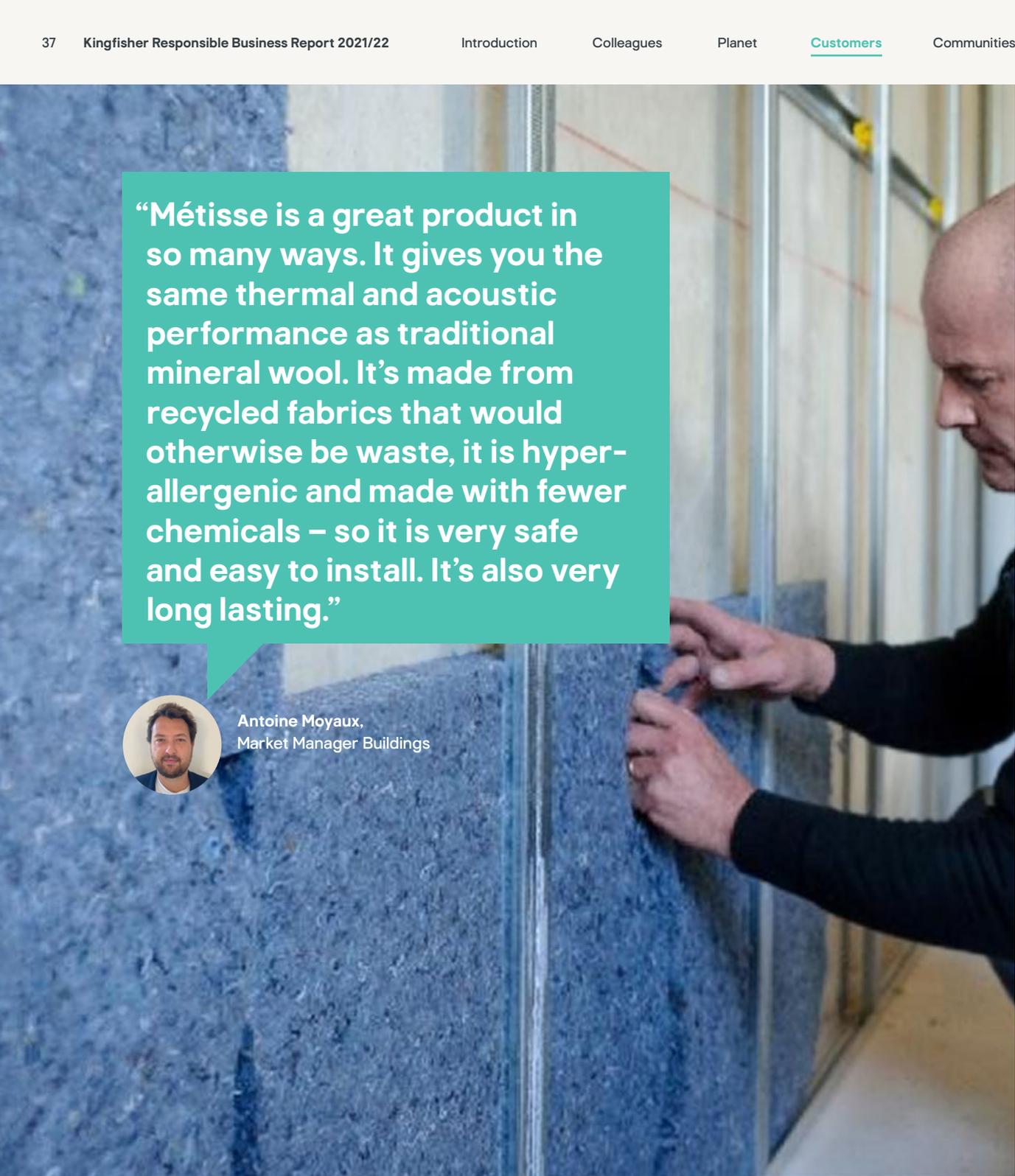
Giving products a second lease of life

We're helping customers to buy refurbished power tools at a discounted price – saving them money while helping to keep valuable resources in use for longer.

Screwfix has been refurbishing and recycling power tools for many years, working with its partner iForce. Now it is making them directly available to customers via Screwfix.com. All refurbished products come with full PAT and functionality testing and a 12-month guarantee. The initial trial was very successful, and Screwfix aims to refurbish and sell up to 100,000 power tools in 2022/23.

Castorama France is working with Back Market, the second-hand marketplace, and Cordon Group, a French company specialising in repair and reconditioning, to recondition and refurbish returned products such as power tools, gardening tools, radiators, electrical appliances and home automation systems. These are made available to customers at discounted prices on Castorama and Back Market's websites. All products come with a 12-month guarantee.





“Métisse is a great product in so many ways. It gives you the same thermal and acoustic performance as traditional mineral wool. It’s made from recycled fabrics that would otherwise be waste, it is hypo-allergenic and made with fewer chemicals – so it is very safe and easy to install. It’s also very long lasting.”



Antoine Moyaux,
Market Manager Buildings

Spotlight on

Old jeans keep homes warm in France

Since 2013, Castorama France has been selling ‘Métisse’ insulation – an ordinary looking product, with a big sustainability story. Made from unwanted old jeans and other clothing, it is not only great for the planet but also very popular with customers.

Métisse is manufactured by Le Relais, a social enterprise helping disadvantaged people into work. Our customers even help to make the insulation by donating their old clothing at Le Relais clothes banks found in many Castorama car parks.

We ran a communication campaign to tell more of our customers about Métisse and encourage them to donate their old jeans to insulate homes. We saw donations increase across many of our stores.

Métisse generated over €1.5 million in sales revenue during 2021/22.

More sustainable packaging for our products

As we build sustainability into each product range, we want to make sure that the packaging we use lives up to our sustainability standards.

We're switching to recycled and recyclable materials and redesigning packaging to use resources more efficiently. The challenge is to improve our overall approach to sustainability while making sure our packaging still does a great job at protecting products from factory to customer.

Targeting fewer and better packaging materials

We've set ambitious targets for our OEB packaging¹. These commit us to:

- At least 30% recycled content in plastic packaging by the end of 2023.
- Phase out non-recyclable plastic packaging such as PVC and expanded polystyrene by the end of 2023.
- Reduce plastic packaging by 25% (by weight) by the end of 2025.
- All paper and board used in packaging to be verified sustainably sourced by the end of 2025.

Improving our packaging is good for the environment, and can also make products more efficient to transport, reduce increasing exposure to environmental taxes and reduce waste disposal costs.

How are we doing so far?

We've made good progress on many aspects of our packaging, with action plans in place to drive continuous improvement towards our targets. However, we still have a lot to do. Currently around 28% of paper and board used in our packaging and around 13% of the plastics used in our packaging meet our responsible sourcing standards. 92% of plastic used in our packaging is recyclable. With improvement initiatives already in place, we expect to significantly improve performance in 2022 and beyond.

Setting packaging action plans

Since setting the OEB Sustainable Packaging Policy and ambition, our Kingfisher OEB Packaging team conducted a deep dive exercise in 2021 to improve our packaging data and now have a better understanding of materials used and the sustainability credentials of our packaging.

We have and will continue to use the findings to drive changes by designing and embedding sustainable criteria into packaging specifications for all ongoing OEB range change activities, as well as identifying and putting improvement plans in place for the ranges and categories that won't be addressed through ongoing range change activity.

These actions focus on packaging that doesn't yet comply with our sustainability standards or where too much packaging or the wrong types of materials are used. This will enable us

to realise our ambition and ensure that all OEB packaging adheres to our OEB [Sustainable Packaging Policy](#) criteria.

Sustainably sourced and recyclable packaging at Screwfix

The Kingfisher OEB Packaging team have worked on transforming the packaging for the Kingfisher LAP electrical ranges – totally redesigning it to eliminate plastic and replace it with verified sustainably sourced and recycled cardboard. In 2021, the Test & Detection products were switched to the new packaging, following on from the electrical switches and sockets the previous year.

Polystyrene – a packaging challenge

Some types of non-recyclable packaging – such as expanded polystyrene (EPS) – are particularly challenging to replace. Being light but strong, EPS is very useful for protecting products in transit but very hard to recycle and bulky to dispose of.

We've successfully switched to fibre-based alternatives for many products that previously used EPS. Our GoodHome Carraway kitchen cabinets, for example, were previously packed with EPS blocks inside to prevent the cabinet panels moving during transit. This has now been replaced with blocks made from 100% recycled and recyclable fibreboard.

EPS is still used in some transit packaging as we haven't yet found a suitable alternative for transporting large and heavy products such as washing machines. This is work in progress and we will keep introducing new solutions as these are identified.

¹ We extended our targets for recycled plastic content and phase-out of non-recyclable plastic to the end of 2023 (previously 2022) as we need more time to meet these goals.



More recycled plastic in our paint pots

Around 80% of the OEB paint we sell comes in plastic pots but until 2021 most of these did not contain any form of recycled plastic. In line with our ambitions and policy, from 2022, the majority of our OEB plastic paint pots will contain at least 30% recycled plastic. This will prevent the use of over 160 tonnes of virgin polypropylene material a year.

Removing harmful chemicals

We want to make sure our products don't contain chemicals that could be harmful to people or the environment. We aim to identify and phase out chemicals of concern ahead of regulation to protect customers, workers in our supply chain and the environment.

To do this, we're working with suppliers and partners focusing on three areas:

- Achieving transparency. Understanding which chemicals are used in which supply chains with a particular focus on textiles, plastics and chemical products (e.g. glues, paints, cleaning products).
- Phasing out hazardous and high-risk chemicals of concern.
- Switching to more sustainable chemicals.

Setting standards for chemicals use

We engage with suppliers to increase transparency and communicate our standards for chemicals use.

For high-risk product categories, we specify which chemicals should not be used or can only be used in quantities below a set threshold. We have detailed Restricted Substances Lists (RSL) and guidance for categories such as textiles, footwear and accessories. We communicate these to suppliers via tender processes.

Phasing out phthalates, PFCs (PFAS) and some flame retardants

We're removing phthalates, PFCs and some flame retardants from our OEB ranges. For example, we've removed phthalate plasticisers from power cords in our Erbauer power tools and Christmas trees and PFCs from shower curtains.

We've prioritised these chemicals because they're used in our priority supply chains, are potentially harmful to people or the environment, and we know there are safer, more sustainable alternatives available.

Unlocking the potential of sustainable chemistry

We're working with others in our industry and suppliers to identify commercially viable sustainable chemicals for use in our own label products. See [case studies](#).

We are active members of the US-based Green Chemistry & Commerce Council (GC3) and part of their GC3 Retailer Leadership Council. We have co-founded GC3 Europe and we are a member of NGO ChemSec's business working group.



We're removing phthalate chemicals from the plastic cords in our Erbauer power tool range.

Developing a better glue for particle board

We use particle and composite boards to make our kitchens and other product ranges. These boards typically contain glues that are carbon intensive to produce and have the potential to be replaced with safer and more sustainable alternatives.

During 2021, we've been working with a supplier to evaluate a different type of glue made from natural substances and more sustainable chemicals.

A safer approach to chrome plating

Chrome plating is used in the manufacture of many products – from taps to door handles. Some chrome plating processes use harmful chemicals and we are asking our suppliers to switch to safer methods with a lower environmental impact. We've been working with experienced third-party experts to develop a set of standards for chrome plating factories and we're training our colleagues and factory auditors to work with suppliers to apply these.

A more transparent supply chain

Identifying chemicals use in our supply chain is a complex and ongoing process since even similar products may contain different chemicals according to the materials, suppliers, sub-contractors or manufacturing sites used. We rely on suppliers to provide us with accurate information but they don't always have the data we need. With thousands of suppliers and products, reviewing chemicals data can be complicated and time consuming.

We've been piloting a new chemicals management software system at Screwfix. This automates some aspects of data capture. Results suggest it makes it easier to review chemicals data, improving transparency.

Training colleagues and suppliers

We train our colleagues and suppliers on best practice in chemicals management.

In 2021 this included online training for quality managers at 15 textiles factories in India. This covered chemical management systems (CMS) and procedures from safety, cleaning and hygiene to the prevention of cross-contamination, as well as our roadmap and RSLs. We will be following up to confirm suppliers have implemented our requirements.

We're also looking at supporting suppliers by providing access to specialist chemicals consultancy services.

Surveillance testing

We use surveillance testing to confirm that products meet our requirements and to monitor progress on phasing out our priority substances. We test a sample of products and calculate a representative compliance rate for each product category.

Products sometimes contain 'unintentional' chemicals, due to contamination during the manufacturing process. Surveillance testing enables us to check for this and we have a process to find and fix the root cause of contaminations when they occur.

Updating our chemicals roadmap

Chemical regulations are changing and we want to make sure we're prepared. We are working with a specialist consultancy to update our chemicals roadmap, taking into account new and emerging trends in sustainable chemistry and expected regulatory changes such as those associated with the EU Chemicals Strategy for Sustainability.

“Identifying and replacing chemicals with more sustainable alternatives is a complex process. We are working with world-class experts and our suppliers to find effective and sustainable chemicals for our OEB ranges.”

Dr. Spencer Salek, Chemicals Regulatory & Sustainability Manager

Communities

Fixing bad housing



We will fight to fix bad housing. A safe, secure and comfortable home is something we should all be able to take for granted. Yet millions of people across Europe live in unfit housing – affecting their health, wellbeing and life chances.

We want to play our part in tackling bad housing – donating our products, home improvement expertise, money and time to improve homes and community spaces wherever we operate.

The projects we support range from small community initiatives to major multi-year partnerships. We invest via our network of in-country charitable foundations, and we get our people and customers involved too.

This year we've reached over 800,000 people across Europe through projects to improve homes and community spaces for those that most need our help.

We've also supported those affected by the war in Ukraine, giving funds and other support to help people who have had to leave their homes, see page 7.

Our target

Help more than two million people whose housing needs are greatest by 2025.

Our progress

- Our community projects support people to feel safe and secure in their homes and communities – from bringing DIY skills to disadvantaged communities to renovating refuges, orphanages and care homes.
- In 2021/22, our community investment was worth £4.0 million. Our projects have reached over 1.5 million people since 2016/17.

1.5 million people and counting

Our community projects have helped over 1.5 million people since 2016/17, with 804,112 benefiting this year alone.

Our target is to get to two million by 2025 and we're confident we'll achieve it.

Seven foundations improving homes across Europe

We now have a charitable foundation in every banner – supporting local organisations working to improve housing and community spaces. Each foundation in our network receives an annual donation from Kingfisher as well as money raised and donated by colleagues and customers and through sales of our reusable bags and other initiatives.

Our charitable foundations are already making an impact.



1.5 million

people have directly benefited from our community contributions since 2016/17

Screwfix Foundation allotment session





£4.0 million donated in 2021/22

Our community investment was worth £4.0 million in 2021/22 (2020/21: £5.5m) and directly supported 830 organisations. That includes cash donations, employee time and in-kind contributions such as product donations¹. Our giving was equivalent to 0.4% of underlying pre-tax profits (2020/21: 0.7%).

Our giving shows a reduction when compared to 2020/21. This reflects the above average donations we made in 2020/21 to support people affected by the pandemic.

What's more, our customers and colleagues raised a further £2.8 million through in-store collections, payroll giving, fundraising events and by using our contact centres to take pledges from the public during charity fundraising appeals (2020/21: £2.8 million).

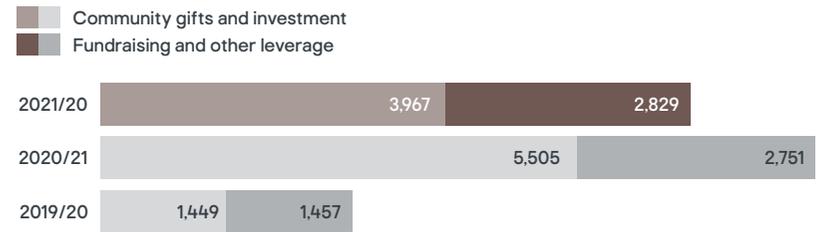


£4.0 million
community investment
in 2021/22

¹ Product donations are valued at cost-price.

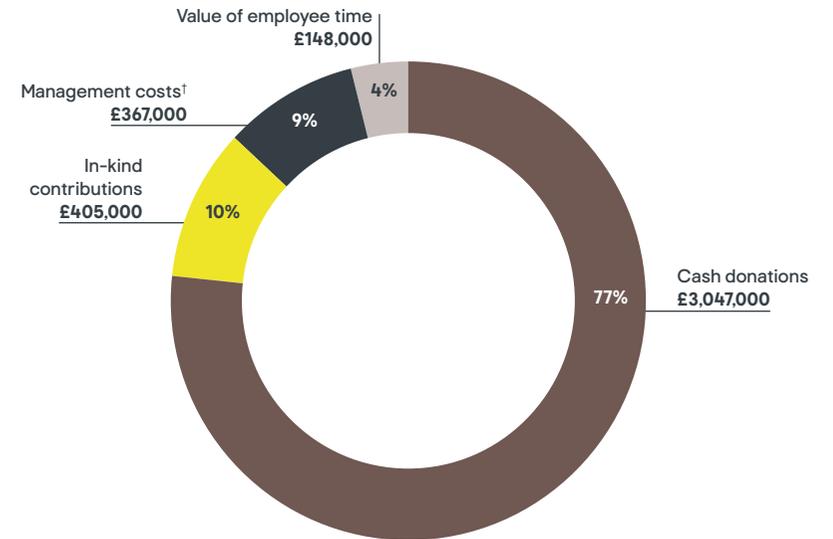
Community investment

£ thousands



Community investment: details of company giving 2021/22*

£



* We follow the B4SI Framework for measuring community investment. See <https://b4si.net>
[†] Management costs are incurred when making a community investment. These include the salaries, benefits and other overheads of community affairs staff along with research and communications spend if used to help the community engage with the company.

Our key community projects across Europe



B&Q Foundation

The B&Q Foundation has supported 283 charities in the UK to create better, safer places for the people in our communities who need them most.



We believe everyone has the right to a safe home. It's why B&Q partners with Shelter to fund a team of DIY Skills Advisers, teaching 588 people how to improve their homes.



The Screwfix Foundation

The Screwfix Foundation (UK) has supported over 2,000 charities and not-for-profit organisations with home and community facility improvement projects. The Foundation also partners with Macmillan Cancer Support, donating over £500,000 to their home improvement grant programme.



Poland

Castorama Poland supports many NGOs by improving shelters, community spaces and homes for disadvantaged and vulnerable groups of people.

The Repurposing Empty Spaces project with Habitat for Humanity created homes in previously empty buildings using Castorama kitchens.



Romania

In Romania, Brico Dépôt helps fund NGO projects such as repairing and rehabilitating the homes of families, to improve the standard of living and quality of life for disadvantaged communities.



Kingfisher Group

In partnership with the Red Cross, we respond to humanitarian issues across the world, from providing aid in Afghanistan and after the wildfires in Turkey to emergency COVID-19 response in India.



We also work with The Childhood Trust's Decorate a Child's Life project, giving children living in poverty in London the bedroom of their dreams.



Iberia

Brico Dépôt Iberia partners with local charities to support those at risk of social exclusion through accommodation, community facilities and skills training.

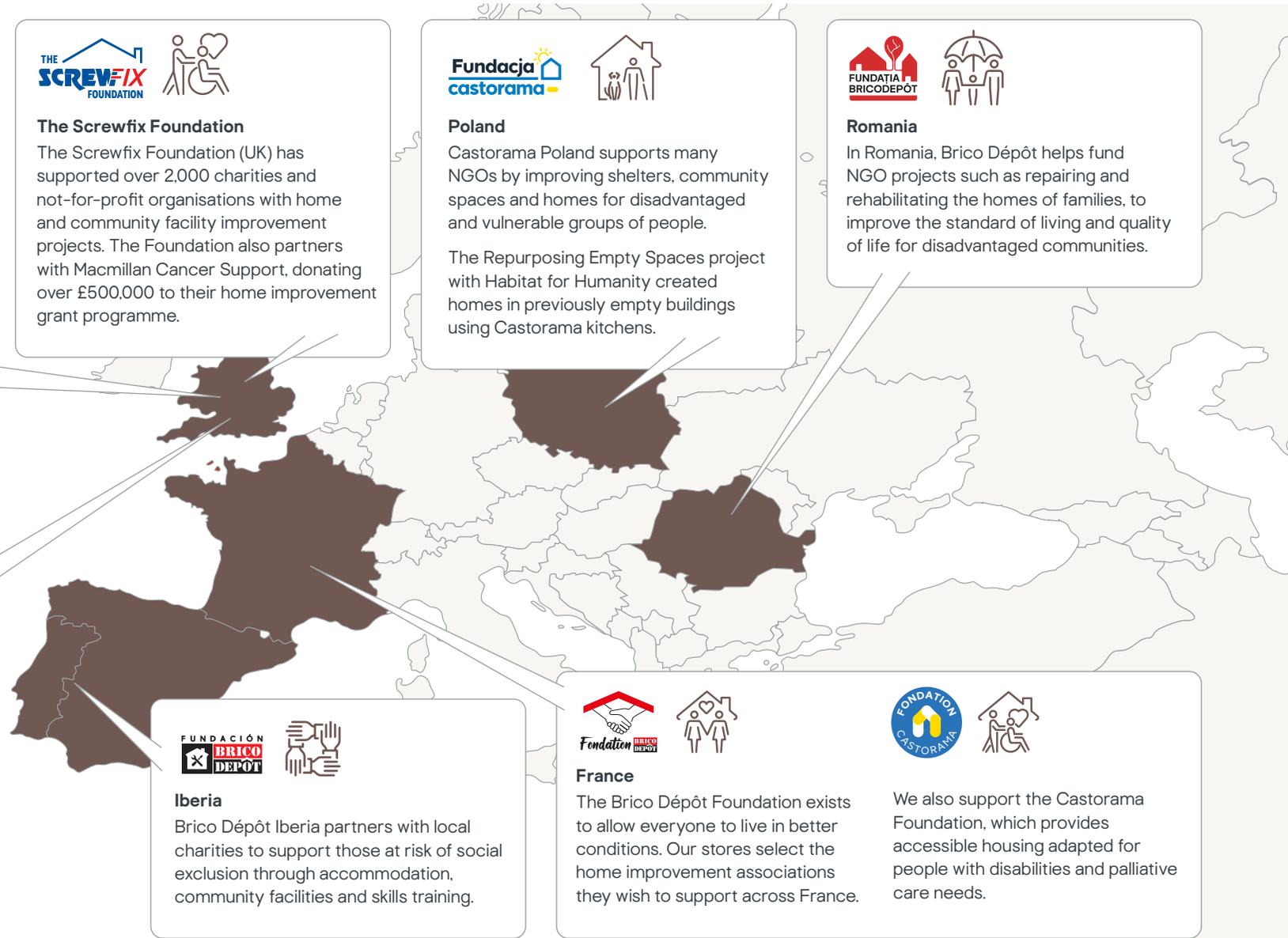


France

The Brico Dépôt Foundation exists to allow everyone to live in better conditions. Our stores select the home improvement associations they wish to support across France.



We also support the Castorama Foundation, which provides accessible housing adapted for people with disabilities and palliative care needs.



Partnering for the long term

Our strategic partnerships enable us to maximise the impact of our giving, supporting projects over several years.

Highlights from 2021/22 include:

- **Shelter:** B&Q funds a team of nine specialist DIY Skills Advisers who provide practical help to people who've experienced or are at risk of homelessness. 1,000 people have benefited since 2017. In 2021/22, B&Q and Shelter teamed up on a campaign to 'Break the mould' highlighting the dangers of mould and sharing tips on how to treat and prevent it, with more than 127,900 people watching Shelter's advice video.
- **The Childhood Trust:** We've supported the Decorate a Child's Life (DACL) programme to help alleviate some of the worst impacts of poor housing on children living in poverty in London, benefiting 2,600 children in 2021/22.
- **Habitat for Humanity (HfH):** In Romania, we've supported HfH's We Rebuild Lives project, helping low-income families to improve their housing conditions, benefiting 150 people by improving homes across three regions. In Poland, we've supported HfH's Repurposing Empty Spaces project, providing kitchens to help turn unused buildings into homes.
- **Macmillan Cancer Support:** Screwfix has been supporting Macmillan since 2013, funding home improvement grants to help people living with cancer. 592 households received grants to make minor home

improvements in 2021/22, from adapting showers and bathrooms, to new flooring, decoration and installing stairlifts.

- **Fondation Abbé Pierre:** Our banners in France have worked with the Abbé Pierre Foundation for 12 years, helping it to support the poorest in society to access decent housing. In 2021/22, Castorama France supported Boutiques Solidarité, a day care facility, benefiting almost 33,000 homeless people.

“Thanks to B&Q we can now provide clients with a wide variety of DIY support which means they can look after and improve their properties themselves. Working together with Steve {DIY skills advisor} they can turn what is often a shell of a property into a loving home. This is an incredibly powerful process for many of our clients who have often never had a safe place of their own to call home.”

Vicky Hines, Birmingham Hub Manager



Helping young care leavers create their new home

The transition to independent living can be a difficult time for young adults who have grown up in foster care. In Poland, we're supporting the Metapomoc Foundation which trains and mentors young people through this important transition and helps them find their first home.

Castorama Poland is supporting this work, donating and assembling household and kitchen furniture to help the young people as they move into their first home.

“A few days ago I received my dream delivery from Castorama, kitchen furniture to my apartment. There are no words to describe how happy and grateful I am because apart from the kitchen, Castorama gave me a lot of support and patience.”

Dagmara, a young client of the Metapomoc Foundation



Responding to disasters

We make cash and in-kind donations to support charities responding to disasters and emergencies. In 2021/22, this included support for the Red Cross and UNHCR in response to events in Afghanistan, the tsunami in Tonga and the earthquake in Haiti. We are also supporting organisations working with refugees from Ukraine, see page 7.

Employees get involved

Many colleagues get involved in supporting our charity partners – from hands-on volunteering, to raising funds. This can be rewarding for colleagues as well as benefiting our partners.

During the pandemic, it has been harder to organise volunteering events due to social distancing requirements and national lockdowns. However, colleagues have still found opportunities to get involved. In Poland, for example, we've introduced a new online booking system making it easier for colleagues to take time off for volunteering and over 1,000 hours have been registered so far.

1,000 colleagues support the Screwfix-a-thon

When the London Marathon went virtual in 2021, Screwfix colleagues got involved to give their support. While three colleagues were officially entered into the Virtual London Marathon, a further 1,000 formed teams to collectively walk, jog or run the 26.2 miles.

Together they travelled 3,000 miles and raised £45,000. This was match funded by Screwfix, bringing the total to £90,000.





“By travelling to isolated people, helping them with practical DIY solutions and bringing them together with others, the Bricobus makes a real difference. We’re proud that with our support, there will be another 31 Bricobuses travelling across France supporting people that other initiatives can’t reach.”



Fanny Rochart,
Head of Engagement and
Solidarity, Castorama France

Spotlight on

Bricobus – Improving homes, tackling social isolation

Learning new skills can be empowering especially when you use them to improve your home. The Castorama France Foundation is supporting Bricobus, a mobile DIY unit, that visits people in disadvantaged communities. The Bricobus team help with small jobs, lend DIY tools and provide practical support and advice to help people repair and improve their homes.

With Castorama’s help Bricobus reached 2,000 people during 2021. Over the next two years, funding from the Foundation will enable Bricobus to increase its fleet from 19 to 50 extending its reach across France.

Bricobus is an initiative of Compagnons Bâisseurs, that brings together professionals and members of the community to improve housing and develop local support networks.

Our Responsible Business Fundamentals

Our priorities are underpinned by our commitment to our ‘Responsible Business Fundamentals’. These are the many issues and impacts we need to measure and manage, to ensure we continue to operate responsibly across our business.

We have clear policies in each of these areas, including health and safety, responsible sourcing, cyber security and data protection, and ethical conduct, to ensure we take a consistent best practice approach across our banners.

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Safety at work

The health and safety of our colleagues and customers is always our top priority. We have clear policies and systems in place to reduce the risk of accidents and keep everyone safe.

Clear standards and safety systems

Our Group Safety and Compliance Risk Officer oversees our approach to health and safety, implementing policies and procedures to make sure we're meeting high standards across the business.

Key aspects of our safety management system include:

- A Senior Management Safety Committee in each retail banner is supported by a network of safety professionals.
- Group minimum health and safety standards to ensure a consistent approach to occupational health and safety management across our locations.
- Our accident, incident and near miss reporting system which helps us to track accidents, identify the root causes and reduce safety risks.
- Regular audits of our stores against our health and safety standards.
- A health and safety action plan specific to each retail banner to address areas for improvement.

- A comprehensive programme of training in all banners based on job role and location.

Health and Safety dashboards, summarising performance at each retail banner, are regularly reviewed by banner management, the Group Executive and the Board. We also have health and safety management systems and training for our office buildings.

How did we perform in 2020/21?

Our total employee accident rate (number of all work-related accidents per 100,000 full-time equivalent employees) was 11,276 (2020/21: 9,484). More stores were allowed to remain open during periods of lockdown across all markets compared to 2020/21, and we believe this increased activity has had an impact on safety performance.

We were deeply saddened by the death of a colleague at one of our Brico Dépôt stores in France, following an accident involving a forklift truck. Internal procedures, training and awareness surrounding forklift safety were immediately reviewed across all our banners.

There were no health and safety related prosecutions or fines during the year.

Employee accident rate

Number of 'all work-related' accidents per 100,000 full-time equivalent employees

2021/22	11,276
2020/21	9,484
2019/20	11,183

What are our priorities for 2022/23?

We will be focusing on behavioural safety – ensuring that all colleagues understand and are supported to implement our safety policies in their everyday work. We will also be reviewing our approach to safety during manual handling of stock in store.

Operating safely during the pandemic

During the pandemic we've added extra safety measures to keep colleagues and customers safe. In stores, these have included personal protective equipment for colleagues, increased cleaning, installation of sanitiser stations and measures to enable social distancing. We regularly monitor internal air quality to ensure ventilation systems are working at full capacity. Support is also provided to ensure colleagues who have Covid are able to self-isolate.

We have also supported our colleagues to work safely at home with working from home ergonomic assessments, and additional IT and ergonomic equipment where needed.

Human rights and ethical sourcing

At Kingfisher, we respect human rights and do not tolerate any form of modern slavery in our business or supply chains.

We aim to understand and address human rights risks in our business and we work with suppliers across the world to bring our customers great products at great prices, without compromising on our ethical standards.

We train our sourcing teams and some suppliers to help us implement our ethical sourcing standards. Read more in our [Modern Slavery Act Transparency Statement](#).

Our human rights policies

We have clear policies and standards on human rights and modern slavery. All policies have been approved by members of our Group Executive and are regularly updated. They include our Code of Conduct (see page 53).

Our [Human Rights Policy](#) sets out our commitment to respect human rights, in line with international agreements and guidelines including: the United Nations Guiding Principles on Business and Human Rights; the International Bill of Human Rights (which includes the Universal Declaration of Human Rights); the UN Global Compact; the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; the Children's Rights and Business Principles; and UN conventions on the elimination of discrimination.

Our [Supply Chain Workplace Standards](#) set out minimum standards on labour practices and environment that our suppliers must abide by. These reflect the requirements of the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) fundamental Conventions on worker rights.

Mapping our production sites

As a first step in our ethical sourcing programme, we aim for OEB and non-OEB suppliers to disclose all production sites supplying us with finished goods. Through our approach we prioritise OEB suppliers and in 2021/22, 80% of those suppliers disclosed their production sites to us. For non-OEB suppliers, the figure was 48% and we are working with our banners to develop action plans to increase disclosure, working in collaboration with our supplier partners.

Ethical audits

We aim to drive up ethical standards in our supply chain through our supplier engagement and ethical audits for high-risk production sites of finished goods. We aim for sites to undergo an ethical audit at least once every two years or more frequently depending on the audit grade they receive.

During 2021, 961 production sites¹ (294 OEB and 667 non-OEB production sites) were identified as 'high risk' (this equates to 50% of production sites disclosed to us via Sedex or other platforms). Of these, 804 production sites¹ had completed an ethical audit within the past two

years. This equates to 84% of the 'high risk' sites disclosed to us (92% of sites supplying OEB products and 80% for non-OEB products).

When a business-critical issue is identified, we require suppliers to act swiftly to ensure the welfare of workers. We start from a principle that we should work with our suppliers to help them address issues and improve performance. Factories agree to the implementation of a remediation action plan and we agree enough time for them to develop their knowledge and implement changes. As a last resort, we cease to trade with factories if they don't work with us to address business-critical issues.

Detailed data is published in our [Modern Slavery Act Transparency Statement](#) and [Performance Data Appendix](#).

Ethical sourcing – goods not for resale

We source services and goods not for resale (GNFR) which support our business, such as IT equipment for our colleagues and offices, cleaning services and logistics. We work with EcoVadis, a sustainability ratings platform, to help us assess and manage ethical risk in our GNFR supply chain – focusing on our key suppliers where our annual spend is over £75,000. The EcoVadis assessment covers four themes – labour and human rights, environment, ethics and sustainable procurement.

In 2021/22, we met our target to assess 85% of our GNFR spend (with suppliers with whom we spend over £75,000). The average supplier score was 59 out of 100, a Silver rating².

Our salient human rights issues

We have identified 10 salient human rights issues across our business and supply chains, as defined by the UN Guiding Principles Reporting Framework.

These are:

- Modern slavery.
- Child/underage labour.
- Freedom of association/collective bargaining.
- Health and safety.
- Wages/working hours.
- Land rights.
- Depletion of natural resources.
- Air, water and land pollution.
- Impacts of climate change.
- Discrimination.

We have carried out a detailed risk and gap assessment to ensure we understand where salient risks are most likely to appear in our supply chain and business. This confirmed that the most significant human rights risks for our business are found in our GFR supply chain including at the raw material extraction and product manufacturing stages.

Read more in our [Modern Slavery Act Transparency Statement](#).

¹ Production sites of our 24 major international brand suppliers are not included.

² The EcoVadis overall score (0-100) reflects the quality of the company's CSR management system at the time of the assessment. The EcoVadis CSR recognition levels are based upon the percentile ranking of the company's EcoVadis score. Silver represents the top 25% of companies.

Waste and recycling

We want to eliminate waste from our business, aiming for zero waste to landfill, and 90% recycling.

Scrutinising waste management

We work closely with our suppliers and colleagues to reduce waste volumes and improve segregation of waste types to allow more recycling.

In the UK and France, our waste reduction and recycling commitments are embedded in the contracts with waste management providers. We meet with them regularly to review progress, and in France, we issue monthly waste scorecards for stores to encourage improvements. In Iberia, we've formed a cross-functional working group to identify waste reduction opportunities.

Reducing waste by reusing resources

Our banners are identifying new ways to reuse resources and reduce waste. At B&Q, for example, wood waste from its distribution centres is now recycled to make chipboard. B&Q pallets are returned to the supply chain for reuse wherever possible, while waste timber from stores that is in good condition is made available to customers in return for a donation to the B&Q Foundation.

In France, our banners are exploring opportunities to donate unwanted stock to support local community projects.

68% waste recycled

Our activities generated 210,000 tonnes of waste in 2021/22 (2020/21: 177,000). This is a 19% increase compared to an increase in like-for-like sales of 8%.

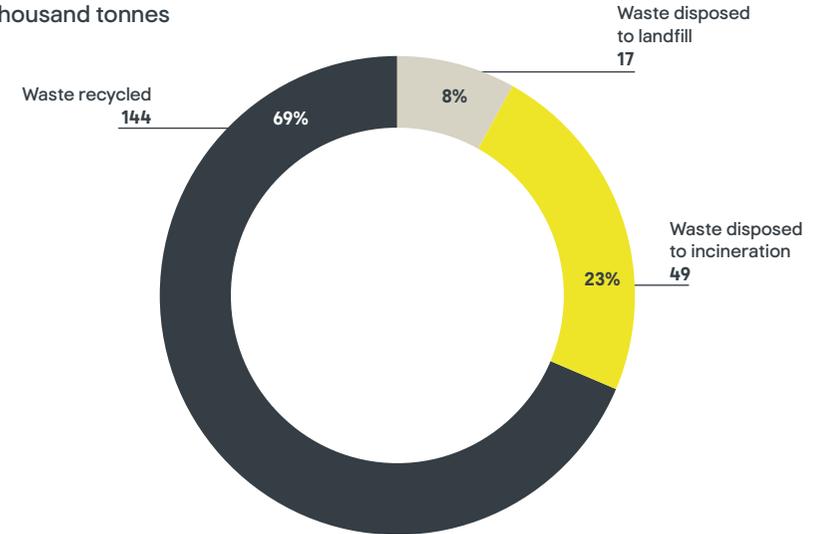
Overall, 68.4% of our waste was recycled (2020/21: 68.8%) and we diverted 91.8% from landfill (2020/21: 85.2%).

Reducing waste at source

Screwfix has significantly reduced paper use and waste by no longer sending its catalogue to customers four times a year. The catalogue is still available to pick up in store for those who want it, and customers can get all the information about Screwfix products via its website. This change has saved approximately 2,800 tonnes of paper a year. Screwfix has also stopped laminating its in-store catalogues to enable the paper to be recycled and avoid unnecessary use of plastic.

Read about refurbishing and recycling faulty and damaged products on page [36](#).

Waste recycling and disposal 2021/22 thousand tonnes



Helping customers recycle more

Many stores are helping customers to recycle old or unwanted products, returning resources for recycling.

Castorama Poland, for example, encourages customers to return waste electric and electronic products during a twice-yearly campaign. Customers are notified by in-store information, as well as via radio and newspaper advertising. When they return unwanted products they receive a free pot plant as a thank you. Around 830 tonnes were collected in 2021/22, a huge increase from when the campaign started 15 years ago. In many smaller Polish cities local recycling systems aren't so well developed, so the collection provides a useful service for communities near our stores.

Ethical conduct

We've got clear policies and robust processes to make sure we apply our ethical standards consistently throughout the business.

Setting the tone with our Code of Conduct

Our Code of Conduct is an accessible summary of our approach to doing business and the ethical standards we expect colleagues to meet. It promotes a culture of transparency, honesty and fairness.

The Code includes sections on: sustainability and ethical behaviour; working with third parties; modern slavery; anti-bribery and corruption; gifts and hospitality; and conflicts of interest, amongst others.

It applies to all Kingfisher colleagues and third parties. We have supporting policies on topics such as gifts and hospitality, conflicts of interest and competition law and an online approval and reporting procedure for gifts and hospitality and conflicts of interest.

You can read our [Code of Conduct](#) on our website.

Annual training for colleagues

Everyone in the business is required to complete annual training on our Code of Conduct. This covers the key principles of the Code and how to raise concerns. It includes scenarios to help colleagues understand how to apply our ethical principles and policies in practice. Different modules are available for store and office colleagues, tailored to the specific integrity risks they may encounter.

Over 77,000 colleagues completed the 2021 version of our Code of Conduct elearning, which was launched in Q4 2020 and was available to colleagues during 2021/22.

Colleagues working in sensitive areas of the business or in higher risk roles also completed additional training on fair competition and Market Abuse Regulation.

Oversight from the top

Our Group Ethics and Compliance Committee meets every quarter to review our ethical compliance processes, and to discuss any investigations and sensitive whistleblowing reports.

It is chaired by the Kingfisher Chief Financial Officer and members include our Chief People Officer, Group General Counsel, Internal Audit and Risk Director, and Group Head of Compliance.

We have a Local Ethics and Compliance Committee and local compliance officers in

each banner to embed our standards at the local level, and review compliance trends.

Our internal audit function provides additional assurance on compliance to key aspects of the Code, using a risk-based approach to plan their work. The Audit Committee of the Board of Directors receives regular updates on the outcomes of our whistleblowing channel and sensitive investigations.

Clear whistleblowing procedures

All employees have a duty to report actual or potential breaches of our Code, and our [Whistleblowing Policy](#) and procedures set out that they can do so securely and without fear of discrimination.

Our external and confidential whistleblowing hotline is available to all employees and suppliers. See www.kingfisher.com/en/who-we-are/speakup

All reports to the hotline are reviewed and, where necessary, investigated. The outcome is reported to the relevant Local Ethics and Compliance Committee. More serious or sensitive cases are reviewed by the Group Ethics and Compliance Committee. A summary of outcomes is reported to the Audit Committee of the Board of Directors.

We have trained a network of internal investigators to deal with whistleblowing reports and switched to a new hotline provider to enable us to better track the types of cases being reported and to identify evolving trends.

Engaging suppliers on our Code of Conduct

We embed our Code of Conduct into our procurement processes and supplier contracts. Potential new suppliers are informed during the tender process of our Code of Conduct, policies and ethical requirements so they can take these into account when quoting to provide products or services. We also operate a whistleblowing service for suppliers.

In 2021/22, we carried out additional training for colleagues in our buying offices in the Far East to help them communicate our standards to suppliers, including our Code and our whistleblowing hotline.

We use a due diligence tool for goods not for resale suppliers to integrate and strengthen our due diligence process in areas such as anti-bribery and corruption, sanctions and conflict of interest.

Applying our standards to new partnerships and acquisitions

When we acquire new businesses or enter into new partnerships, we embed our Code of Conduct and Responsible Business policies into partnership agreements. As part of the due diligence process, we review potential ethical risks and put in place measures to mitigate these.

In 2021/22, for example, we agreed a franchise agreement with Al-Futtaim to open stores in the Middle East. Al-Futtaim is a well-established and respected franchise retailer, with a history of successful partnerships with a wide range of international retailers. Before starting any commercial and legal discussions with Al-Futtaim, we conducted due diligence on their policies and practices. As part of the franchise agreement, Al-Futtaim is obliged to adhere to key Kingfisher policies which include our Code of Conduct and IT security, human rights, ethical sourcing, and environmental policies. These requirements are further supported by our detailed Franchise Manual. A transparent working relationship with Al-Futtaim means we reserve the right to monitor and audit key practices to ensure compliance with our policies and that breaches will be acted on and corrected.

We have also carried out training on our diversity and inclusion policies for store managers and other colleagues working in the Al-Futtaim franchise stores.

Encouraging more colleagues to speak up

Employees learn about our whistleblowing hotline when they complete our Code of Conduct training and we wanted to make sure they felt empowered to use it.

During 2021/22, we ran an awareness campaign to encourage more colleagues to report concerns or ask questions via the hotline. The campaign featured videos from members of our Group Executive emphasising the importance of raising concerns and resulted in an increase in reports. In 2021/22, 400 whistleblowing reports were received, compared to 155 in 2020/21. The majority of cases related to human resources matters (255 out of 400).



Tax governance and risk management

The Kingfisher Code of Conduct applies high standards of transparency, honesty and fairness to our employees and suppliers. The Code requires that we carry out our work ethically and in compliance with the law. We have a zero-tolerance approach to tax evasion and the facilitation of tax evasion. These principles underpin our approach to tax.

Our core tax objectives are to pay the right amount of tax at the right time and to comply with all relevant tax legislation in all Group entities. Kingfisher undertakes its activities and pays tax in the countries in which it operates in compliance with the local and worldwide tax rules. These tax objectives are met through the application of the Group Tax Standards and the published Kingfisher Tax Strategy, which are Board approved, as well as other relevant Group policies and standards, which document our approach to tax compliance, tax risk management and tax planning to ensure that consistent minimum standards are observed throughout the Group.

The responsibility for tax policy and management of tax risks lies with the Chief Financial Officer and the Group Tax Director who engage regularly with the Board and the Audit Committee on all tax matters.

Tax risks can arise from changes in law, differences in interpretation of law and the failure to comply with the applicable rules and procedures. The Group seeks to take a balanced approach to tax risk having regard to the interests of all stakeholders including investors, customers, staff and the governments and communities in the countries in which it operates. As a multinational group, operating in an increasingly complex and changing international corporate tax environment, some risk is unavoidable.

Kingfisher manages and controls this risk through local management, the tax specialists that it employs and agile monitoring of changes in law and interpretation of law. The Group may engage with reputable professional firms on areas of significant complexity, uncertainty or materiality, to support it in complying with its tax strategy. Group companies work within a tax controls framework, and compliance with this is monitored by the Internal Audit and Risk team.

The Group seeks to engage with tax authorities with professionalism, honesty and respect. It works with all tax authorities in a timely and constructive manner to resolve disputes where they arise, although it is prepared to litigate where this is not possible.

Tax contribution

Kingfisher makes a significant economic contribution to the countries in which it operates. In 2021/22 it contributed £2.4 billion in taxes it both pays and collects for these governments.

The Group pays tax on its profits, its properties, in employing 82,000 people, in environmental levies, in customs duties and levies as well as other local taxes. The most significant taxes it collects for governments are the sales taxes charged to its customers on their purchases (VAT) and employee payroll-related taxes. Taxes paid and collected together represent Kingfisher's total tax contribution which is shown below:

Total taxes paid as a result of Group operations £ millions

	2020/21*	2021/22
Taxes borne	735	844
Taxes collected	1,466	1,552
Total tax contribution	2,201	2,396

* 2020/21 comparatives are presented on a constant currency basis.

Both current and prior year figures exclude the tax contribution of discontinued operations.

Kingfisher participates in the Total Tax Contribution survey that PwC perform for the Hundred Group of Finance Directors. The 2021 survey ranked Kingfisher 23rd (2020: 26th) for its Total Tax Contribution in the UK. In 2021, 95 (2020: 97) companies contributed to the survey.

Tax rate

The Group's adjusted effective tax rate is sensitive to the blend of tax rates and profits in the Group's various jurisdictions. The adjusted effective tax rate, calculated on profit before adjusting items, prior year tax adjustments and the impact of future rate changes, is 22% (2020/21: 23%). The reduction from the prior year is a combination of the sale of the loss-making Russian business and a reduction in the French tax rate.

The statutory effective tax rate includes the impact of adjusting items (including prior year tax items). The impact of these lower the rate from 22% to 16%.

The statutory tax rates applicable to this financial in our main jurisdictions are as follows: UK – 19%, France – 26%, Poland – 19%.

Public policy

We interact with regulators and government officials in our markets and at EU level. We give our views on proposed legislation and inform the development of policies that will impact our business and the retail sector.

We engage on sustainability topics, supporting measures that incentivise sustainable business practice and encourage investment in sustainable innovation; see opposite for examples from 2021/22.

Our approach and standards

Our Group Director of Corporate Affairs manages our public policy activities and reports to a member of our Group Executive. The Board of Directors reviews the key aspects of our public policy activity at least twice a year.

All our public policy work must meet the ethical standards set out in our Code of Conduct and our Group Corporate Affairs Policy and reflect our public sustainability commitments. We are registered on the EU Transparency Register of lobbying activities. In line with EU and UK corporate governance best practice and as stated in our Code of Conduct, it is our policy not to make donations directly to political parties or politicians.

We follow government guidelines in relation to employing former public officials (the 'revolving-door').

Working with lobbying companies

We work with external lobbying companies, which are all members of recognised self-regulatory organisations such as the Association of Professional Political Consultants in the UK and the European Public Affairs Consultancies' Association (EPACA) in the EU, and are governed by their codes of conduct. The lobbying companies we use in the EU are listed on the EU Transparency Register.

Which trade associations do we work with?

Sometimes we engage with policymakers via trade associations and industry groups. This can increase the impact of our policy messages. Relationships with trade associations in the UK, Ireland, France and Brussels are overseen by our Group Director of Corporate Affairs and, in other markets, by the relevant local CEO.

Our memberships include:

- **EU:** EDRA/GHIN (the European DIY Retail Association home and the Global Home Improvement Network) and EuroCommerce.
- **UK:** The British Retail Consortium (BRC), Confederation of British Industry (CBI), and the GC100 – the Association of General Counsel and Company Secretaries working in FTSE 100 Companies.
- **France:** The French Association of Private Businesses (AFEP), and the French Federation of DIY Retailers (FMB).

- **Ireland:** Irish Business and Employers Confederation (IBEC), Retail Excellence Ireland.
- **Poland:** The Polish Confederation of Private Employers and the Polish Organisation of Commerce & Distribution (POHID).
- **Portugal:** Portuguese Association of Retail Companies (APED).
- **Spain:** Association of Distributors of Hardware and DIY (ADFB).
- **Turkey:** Chain Stores Association (KMD), Turkish Industry and Business Association (TÜSIAD).

Which issues did we prioritise in 2021/22?

- **COVID-19** – We worked together with national and regional governments to ensure our stores were as safe as possible for colleagues and customers.
- **Domestic energy efficiency** – We support policy that makes homes more energy efficient. In France, Castorama signposts customers to apply for the MaPrimeRénov' grant to help finance energy renovations. In the UK, through membership of the Energy Efficiency Infrastructure Group, Kingfisher is calling for similar schemes to be introduced following the termination of the Green Homes Grant in 2021.
- **Deforestation** – We are engaging with the EU on the development of its new Regulation on Deforestation-Free Products, which will replace the current EU Timber Regulation.
- **Peat** – We support the UK Government's intention to ban peat from growing media and have shared our experiences of removing peat from our growing media.
- **UK business rates** – We took part in research carried out by WPI Economics to demonstrate the direct impact of current business rates policy on 'Levelling Up'.

Pensions

The Kingfisher Pension Scheme (KPS) manages the pensions of past and present employees. The Scheme is open to all UK employees with the same benefits offered to all employed, irrespective of seniority or length of service. The Scheme is governed by a Trustee Board that is gender diverse and consists of independent, member nominated and employer nominated Trustee Directors.

The KPS integrates responsible investment principles into its work and communicates with stakeholders on its approach to environmental, social and governance (ESG) issues.

The Kingfisher Pension Scheme received the DC Pension Scheme of the Year award at the Pensions Age Awards 2022.

Our responsible investment principles

Investment decisions of the KPS are governed by the Scheme's Statement of Investment Principles (SIP). This sets out the KPS's commitment to act as a responsible investor and states the Trustee Board's belief that all companies should be run in a responsible way.

Investment managers acting on behalf of the KPS are required to take account of environmental, social and governance considerations ("ESG") where these may have

a financial impact on investment performance. They are encouraged to engage with investee companies on these issues, including exercising voting rights where appropriate.

Investment managers must disclose their investment approach to the KPS and share how they integrate ESG factors and considerations.

An increasing focus on ESG investments

The Trustees take into account the potential risks and opportunities associated with climate change and the transition to a low carbon economy.

In 2021, the KPS Trustees switched the Diversified Return Fund of its Money Purchase pension scheme (the main pension scheme for current and new colleagues) to the Legal and General (LGIM) Future World Multi-Asset Fund. This provides enhanced ESG integration, focusing on companies that are actively reducing carbon emissions and adopting strong ESG policies. The Fund is included in LGIM's Climate Impact Pledge, which focuses on targeted engagement to help bring about net-zero carbon emissions by 2050.

The investment strategy for their passive equity holdings also aims to hedge climate change risk by prioritising companies who invest in low carbon innovation and reducing investment in carbon intensive industries.

The Default Strategy, which the vast majority of members are invested in, consists of 50% Diversified Return Fund and 50% Passive

Equity Fund. This means the majority of members and assets are invested in the LGIM Future World Fund range.

The KPS also offers participants in its Money Purchase scheme the opportunity to select an Ethical Fund for their pension. This Fund aims to provide long-term growth by investing in the shares of companies that meet a set of ethical criteria.

The KPS Trustees have explored opportunities to invest in specific funds that support progress on sustainability issues, such as renewable energy. This includes an investment in a global renewable energy fund.

During 2022, the KPS will be reviewing how it manages and mitigates climate-related financial risks and opportunities and will report on its approach in 2023.

Promoting pension literacy

During 2021, our Pensions Awareness Week helped get more colleagues thinking about their pension.

Through a series of online events and webinars, the campaign run in partnership with the organisation Pension Geeks reminded colleagues about the benefits of their pension and shared practical information on how to plan for their retirement.

Colleagues could submit pension questions to the experts and access a library of resources including videos, blogs, animations and other useful content.

Empowering colleagues to be active investors

Recognising that many colleagues feel strongly about sustainability issues, the KPS Trustees have introduced the Tumelo app. This enables members to see how their pension is being invested, and to actively engage with investment managers. Through the app members can see proposed shareholder resolutions for investee companies, and give their views on how investment managers should vote. To date, several hundred colleagues have registered with the app and have shared their views on shareholder resolutions in relation to governance, equality and environmental topics.

Cyber security

Cyber attacks and security incidents have increased in recent years and the retail sector has joined a number of industry sectors as a target due to becoming more data-driven.

We are very mindful of these risks and have designed processes and controls to protect the data entrusted to us and our business operations. All colleagues have a role to play in protecting data and guarding against cyber security threats.

Roles and responsibilities

Cyber security continues to receive Group Executive-level sponsorship and Board focus. It is an integral part of our IT strategy with a three-year plan to continue to develop and evolve our capabilities to meet threats such as Ransomware.

Our Information Security and Risk Director owns, develops and operates the cyber security strategy.

Cyber insurance is purchased to provide financial cover and additional loss management support, should we suffer an event at Group or banner level.

Our approach

Our Information Security and Acceptable Use Policies are approved by our Group Executive and supported by a suite of more detailed security standards. Our policies, standards and associated controls framework are aligned to international standards such as ISO 27001 and NIST. We also ensure our systems comply with the General Data Protection Regulation (GDPR) and other relevant regulations. We update this documentation regularly to reflect changes in technology and new cyber security threats.

New technology developments go through a 'Secure By Design' process to ensure solutions are secure and compliant with regulations when deployed. We perform security assurance on our supply chain where a third party processes our data, with robust security clauses in our contracts.

We regularly review the cyber threats facing Kingfisher. We undertake frequent vulnerability scanning and work with partners and security specialists to identify and deploy additional capabilities to actively protect our data and IT systems.

We have a robust major incident management process to respond to and manage security incidents and data breaches.

Independent assurance

Our systems and processing of card payments in the UK are certified compliant with PCI DSS, the worldwide Payment Card Industry Data Security Standard. This involves an annual external audit of our systems. Our European card payments processes are also designed to meet the requirements of the standard.

Internally we conduct regular assurance and audit activities on our key IT processes. In 2021 we instructed an independent security company to undertake a comprehensive capability maturity assessment against the NIST framework, with a programme of continuous assurance developed to assess performance against targets set, in line with our three-year roadmap.

Audit findings are reported to the Kingfisher Audit Committee.

Active industry involvement

We participate in industry and government forums to ensure we remain aware of the latest regulatory developments and cyber threats and to share best practices.

We are a member of the Payment Card Industry Security Council and belong to the Cyber Security Information Sharing Partnership (CiSP), a joint industry and government initiative set up to exchange cyber threat information in real time.

Enabling greater cyber awareness

We communicate our policies and remind all colleagues to keep security top of mind through our awareness campaigns. Given the importance of this activity we have created a dedicated capability to support ongoing education and awareness. Cyber security is included in our induction programme for all colleagues, and third parties completing IT development work are contractually required to educate their staff on cyber security.

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 EU General Data Protection Regulation (GDPR). Our approach includes strong policies on data management and training for our people.

Clear policies and accountability

Our Group Data Protection Officer oversees our approach and reports to the Group General Counsel. We have a data protection lead in each banner to help implement our Group policies in line with local requirements.

Our [Data Protection Policy](#) helps our colleagues to understand and apply our data protection standards.

Engaging our colleagues on data protection

All our data protection policies and information are easily accessible to colleagues via a dedicated Data Protection intranet page.

Colleagues complete data protection training when they first join, followed by refresher training every year. This explains our key processes and how to recognise and what to do if a data breach happens. Over 77,000 colleagues completed the 2021 version of our

Data Protection elearning which was launched in Q4 2020 and was available to colleagues during 2021/22.

Key data protection processes

Data protection impact assessments help us to understand and mitigate data risks. Colleagues must complete an impact assessment for any new process that may involve handling personal data and might pose risks to data subjects (an individual whose data we hold).

Suppliers that process personal data on behalf of Kingfisher must confirm that they comply with our data protection and information security policies, and this requirement is integrated into our contracts with data processors.

In certain cases, individuals have the right to access, rectify and delete any data we hold on them. We've implemented a process for customers and colleagues to exercise their rights.

Responding to data breaches

Under the GDPR, we're required to report certain types of data breaches to the relevant regulator, such as the Information Commissioner's Office in the UK, and the affected individuals.

Our Data Protection team investigates personal data breaches to mitigate risks and determine if notification to the affected individuals and regulators is required.



Governance and engagement

We've embedded Responsible Business into our governance and management structures to enable progress against our goals and targets.

Executive oversight

Our Responsible Business Committee (RBC) is a sub-committee of Kingfisher's Board. It supports the governance of Responsible Business and monitors performance against our priorities, and met three times during 2021. The RBC is chaired by Sophie Gasperment, a non-executive director (NED) of the Board, and includes a further NED, our Group CEO, and other members of the Group Executive.

The Board receives regular updates on our performance and sustainability risks and reviews our Responsible Business KPIs each quarter as part of its governance duties.

We have a three-year Responsible Business plan for the Group that is reviewed by the Group Executive and the Kingfisher Board of Directors twice a year.

Embedding Responsible Business

Our central Responsible Business team, led by our Group Director of Corporate Affairs, is responsible for developing strategy, targets, governance and reporting and communication on Responsible Business.

We have Responsible Business experts in our Group functions who are responsible for driving and embedding Responsible Business practices. For example, within our Offer & Sourcing function, they embed sustainability into our own exclusive brand product ranges and support banners as a centre of excellence.

Each of our banners has appointed a Responsible Business lead. They are supported by our central team and the sustainability experts within Group functions. Banners are integrating our Responsible Business targets into their three-year plans.

Integrating Responsible Business performance measures

From 2022/23, we are integrating Responsible Business measures into the Kingfisher Performance Share Plan which will be granted to members of our senior leadership group.

In 2021/22 we agreed a £550m three-year revolving credit facility with a group of our relationship banks. The facility is linked to our Responsible Business targets, including the delivery of our 1.5°C targets for scope 1 and 2 emissions. This enables us to benefit from a lower interest rate if we deliver on our Responsible Business targets.

Responsible Business policies

Our policies guide our approach and help us to adopt consistent standards across our markets. For transparency, we publish key policies on our website. See www.kingfisher.com/sustainabilitypolicies.

We aim to review our policies regularly and update them when necessary. Significant updates to our policies are approved by our Group Executive.

We made a number of updates to our policies in 2021/22 to further embed our 'Powered by Kingfisher' strategy and Responsible Business strategy, taking into account feedback from internal and external stakeholders. Key changes included integrating our Ethical Sourcing and Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy into our Human Rights Policy, clarifying the different roles, responsibilities and processes for ethical sourcing between our Group teams and banners. We also published our first Forest Positive Policy, combining content from our previous Wood and Paper and Deforestation policies, added a section on biodiversity to our Environment Policy and made minor updates to our policies on animal welfare, chemicals, community and packaging.

Fines and prosecutions

There were no prosecutions or fines relating to health, safety or the environment during 2021/22.

Risk management

Identification and management of sustainability risks are incorporated in our strategic risk assessment processes.

Our most significant risks are included in our internal Responsible Business risk register (part of our overall Group risk management

process), and are monitored over the short (1-3 years) and medium to long term (over 3 years).

These include risks relating to:

- Climate change.
- New business models (e.g. franchise and online marketplace).
- Supply chain ethical and environmental compliance.
- Wood and paper compliance.
- Discrimination and risks to diversity and inclusion.
- Sustainability regulation and compliance.
- Delivery, reporting and communications of our Responsible Business strategy.

Read more on our approach to risk management in our Annual Report and Accounts.

“The main role of the Responsible Business Committee is to ensure that governance across the Group aligns with our ambitions and is always robust, transparent and accountable.”

Sophie Gasperment, non-executive Director and Chair of the Responsible Business Committee

Engaging our stakeholders

We engage with many stakeholders in developing our approach to Responsible Business issues. This collaboration is essential to address the many systemic and complex sustainability challenges.

Our main stakeholders include our customers, investors, colleagues, suppliers and regulators as well as NGOs, the media and other organisations working on sustainability and business issues.

Customers

We engage with our customers on Responsible Business issues through our research, via our websites and in-store communications and through our charity partnerships and fundraising campaigns. Research into customer views on sustainability topics has informed the development of many of our targets.

Three Responsible Business questions are included in our Brand Health Tracker consumer research. This explores perceptions of our banners and their key competitors in the UK, France, Poland, Romania, Spain, Portugal and Ireland in relation to offering sustainable products, community investment and caring about the environment (along with other areas).

Colleagues

We engage with colleagues informally and formally. The results from our latest colleague survey are summarised on page 17.

Our Responsible Business network brings together colleagues from our Offer & Sourcing, sustainability, procurement, logistics, brand, investor relations, customer and marketing teams and our banners to share ideas and best practices. All colleagues in any role are welcome to join. The network held monthly webinars on key topics during 2021/22. We communicate with colleagues throughout the year on Responsible Business issues.

Investors

Our Responsible Business and Investor Relations (IR) teams collaborate closely to communicate our approach to environmental, social and governance (ESG) risks and performance to investors, including via investor meetings, our Annual Report, Responsible Business Report, Final Results announcement and benchmarks and indices.

Our ESG presentation for investors is published on our website. We engaged with 140 investors and analysts on ESG topics in 2021/22, and participated in several ESG investor events including: Exane Retail Tour, SocGen ESG-SRI Conference, Investec ESG Series – Becoming Forest Positive, and the BAML ESG and Consumer Retail Conference.

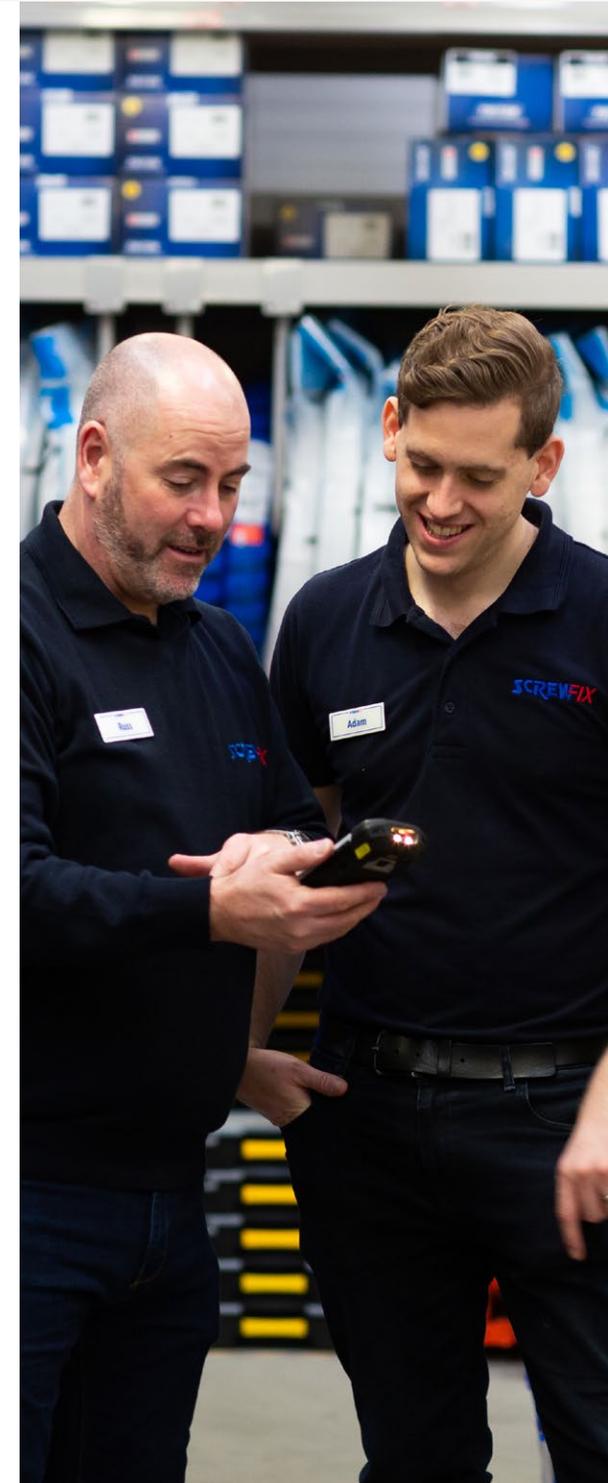
We are aligning our reporting to external standards to support investors to understand

our approach to ESG issues. This includes the Sustainability Accounting Standards Board (SASB) standards for Multiline and Speciality Retailers and Distributors, the Global Reporting Initiative (GRI), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Further information is provided in our 2021/22 Annual Report and Accounts page 24 to 27.

The COP26 Conference

The COP26 Conference brought together governments, businesses and NGOs from across the world. We participated in a panel event during the Conference on net-zero for the retail sector through our founder membership of Race to Zero: Retail Breakthrough and a second session with the Rainforest Alliance's Forest Allies programme. We also signed up to the UK Government's new Get Nature Positive campaign.

During the conference we ran an internal campaign to raise awareness on climate and inspire colleagues with the actions we are taking. This included colleague blogs highlighting climate success stories from our banners.



How are we rated?

We continue to rank highly in external benchmarks and indices, including:

MSCI

We rank as a 'Leader', having received the highest-possible 'AAA' score, which was achieved by only 3% of companies in the Retail – Consumer Discretionary sector.

CDP Climate Change

We continue to achieve a leadership score of 'A-'. We are among 25% of companies in our sector globally that reached 'Leadership' level and we score higher than the average discretionary retail performance of 'B-'.

CDP Forests

The focus of our submission to the CDP Forests questionnaire is on timber. We received a score of 'B' which is above the average discretionary retail performance of 'C'. (2020/21: B).

Workforce Disclosure Initiative

We received a disclosure score of 71%, which is ahead of the average consumer discretionary sector and average disclosure score (all companies) of 68%.

Sustainalytics

We rank 1st out of 39 in home improvement retail and 2nd out of 453 in the wider retailing industry.

ISS ESG Corporate Rating

We achieved a 'C+' rating. This is supported by our 'Prime' status, which is given to companies that are perceived to be sustainability leaders in their industry.

FTSE4Good

We are listed in this index with a rating of 4.6 out of 5 ('Strong' performance).

Forest 500 (Global Canopy Programme)

Identifies and ranks the most influential companies and institutions in the forest risk commodity supply chain. We ranked 8th out of 95 retailers with a score of 45%.



FTSE4Good



Regulators

We engage with the governments and regulators in each of our key markets and with the EU, both directly and through our trade associations. Our approach to public policy engagement is explained on page [56](#).

Suppliers

We collaborate with suppliers on Responsible Business issues including through our product development and engage with them on our approach to ethical sourcing and our Code of Conduct. See pages [51](#) and [53](#).

NGOs and industry partners

We partner with many NGOs, other businesses and specialist organisations to learn from their insights and address Responsible Business challenges. Examples are included on pages [17](#), [30](#) and [46](#).

Organisations we work with include: Aldersgate Group, Bioregional, Business Disability Forum, Centre for European Reform, Fondation Abbé Pierre, FSC®, Green Alliance, Habitat for Humanity, Rainforest Alliance – Forest Allies, Shelter, Slave Free Alliance and Stonewall.

For more information on how we engage our stakeholders, see our [2021/22 Annual Report and Accounts](#).

Material issues

Our materiality assessment helps us to identify our most important Responsible Business issues, risks and opportunities, taking into account business priorities and the views of our stakeholders.

It informs how we focus our resources, and what information we choose to include in our Responsible Business reporting.

Materiality assessment

We updated our assessment during 2019 and early 2020. The priority issues from a business perspective were identified through an internal workshop. This gathered input from a range of internal stakeholders including colleagues from our sustainability teams and key functions. Expert consultants conducted interviews with 20 external stakeholders including investors, peers, supply chain stakeholders, NGOs and trade associations. These two inputs were combined to develop our draft matrix (published in our previous Responsible Business Report).

In 2021 our matrix was reviewed by sustainability experts, in light of the impact of the pandemic and other events during 2020. They made a number of recommendations for adjusting our matrix and their findings were reviewed by a group of internal stakeholders from our Group functions.

The final matrix identifies several high-priority issues including product sustainability, climate change, human rights, and wood and forestry. Issues such as wellbeing, health and safety, data privacy and security, and diversity and inclusion, have increased in priority since last year.

We have strategies in place to manage our most material issues. We will look to do a full review of our Materiality Matrix in the coming year.

Materiality matrix



Assurance statement

Independent Limited Assurance Report to the Directors of Kingfisher plc

Kingfisher plc ("Kingfisher") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in their Responsible Business Report 2021/22 and the Performance Data Appendix 2021/22 (together the "Report") for the reporting year ended 31st January 2022.

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained on page 65.

Our Observations

Our observations and areas for improvement will be raised in a separate report to Kingfisher's Management. Selected observations are provided below. These observations do not affect Our Conclusion set out to the left.

- Kingfisher's Sustainability Reporting Tool was supported by comprehensive internal data collection guidelines. Following our previous recommendation, we noted that data collection processes had been documented internally for some indicators. To ensure consistency each year in data preparation, we recommend that this process is completed for all indicators at Group and banner level.
- Many of the processes used to collect source data for entry into the Reporting Tool continue to rely predominantly on manual processes using spreadsheets. Some further improvements were noted this year, for example supplier ethical audits and wood and paper products. We repeat our recommendation to introduce automated processes and use systems-based solutions for data collection across all performance data areas, as part of the wider Kingfisher business systems review.
- Community investment: material errors were found in the Group reporting data return for 'payroll giving', 'other employee contributions' and 'management costs'. Kingfisher undertook additional checks at other banners and data for Brico Dépôt Romania and Group reporting was subsequently updated.
- Haulage: material errors were found in the Brico Dépôt France data return for 'Dedicated store delivery: distance travelled' and 'Dedicated store delivery: diesel used'. Kingfisher undertook additional checks at a sample level for other banners (Screwfix and Castorama Poland) and no further issues were found. The data for Brico Dépôt France was subsequently updated.
- Responsibly sourced wood and paper products: material errors were found in the Group wood and paper data due to overstatement of compliant products. Kingfisher subsequently updated the non-compliant SKUs purchased as a result of the wood and paper validation process (sample to source checks) prior to publication. We recommend Kingfisher updates its internal processes to ensure the outcomes of its validation process is consistently reflected in the Group data.
- Supplier ethical audits: we noted a proportion of OEB suppliers have not disclosed production sites to Kingfisher and this visibility for non-OEB suppliers was significantly lower. Kingfisher continues to focus on improving visibility of its direct and indirect supply chain, and compliance to its [Supply Chain Workplace Standards](#). We recommend Kingfisher develops action plans to increase disclosure in collaboration with its banners and supply chain partners.

Selected Information

The scope and boundary of our work is restricted to selected 2021/22 performance data included within the Report (the "Selected Information"), as indicated with "∆" in the [Performance Data Appendix 2021/22](#) for the following areas:

Colleagues

Gender diversity (page 18)

Planet: Forest Positive

Responsibly sourced wood and paper products (page 20)

Planet: Climate change

Carbon footprint – scope 1, 2 and selected scope 3 emissions (pages 22 to 24)
Haulage – dedicated fleet vehicles (page 25)
Energy use (page 26)

Customers

Sustainable Home Products sales (page 27)

Communities

Community investment (page 30)

Fundamentals: Human rights and ethical sourcing

Supplier ethical audits (page 33)

Sustainability Targets

Progress towards Sustainability Targets* (page 7)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Kingfisher's Sustainability Data Collection Methodology 2021/22 (the "Criteria"), which can be found [here](#). We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Kingfisher's website for the current reporting period or for previous periods.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised – Assurance Engagements other than Audits and

* As they relate to the Selected Information included in the scope of our independent assurance.

Reviews of Historical Financial Information¹, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for Our Conclusion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of Our Conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting remote interviews with Kingfisher management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Remote meetings with teams from two retail banners, B&Q and Brico Dépôt France, to review processes and systems for preparing retail banner level data consolidated at Group level. For community investment, remote meetings were conducted with Brico Dépôt

France and the Group team responsible for Group reporting. We were free to select retail banners and they were chosen on the basis of materiality and frequency of audit visit over the past three years;

- Remote meetings with head office personnel to review processes and systems for preparing and consolidating Group level data;
- Additional testing was undertaken on the following due to material errors found in our initial sample testing:
 - Community investment: Kingfisher undertook additional checks at banners and data for one banner and Group reporting was updated;
 - Haulage: Kingfisher corrected the data at banner level and subsequent checks at two other banners identified no further issues;
 - Supplier ethical audits: Kingfisher updated the data at Group level and subsequent checks on a sample basis found no further issues;
 - Carbon footprint: Kingfisher undertook additional checks at two banners following a material finding which was subsequently resolved, no further issues were found;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing whether Kingfisher followed its stated process in the Criteria to determine progress towards its Sustainability Targets;
- Assessing the appropriateness of the Criteria for the Selected Information;
- Reviewing that the evidence, measurements and their scope provided to us by Kingfisher for the Selected Information is prepared in line with the Criteria; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. DNV conducts a review of its Modern Slavery Statement, which does not conflict with the scope of this work. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by Kingfisher have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Responsibilities of the Directors of Kingfisher and DNV

The Directors of Kingfisher have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Kingfisher in the form of an Independent Limited Assurance Conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance Services UK Limited
London, UK
5 July 2022



DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.co.uk/BetterAssurance

Read more

Our Responsible Business website
www.kingfisher.com/responsible-business

Annual Report and Accounts
www.kingfisher.com/annualreport

Our Performance Data Appendix
www.kingfisher.com/dataappendix

Our Responsible Business Data
Collection Methodology
www.kingfisher.com/datamethodology

Our Sustainable Home Product guidelines
www.kingfisher.com/shpguidelines

Our Modern Slavery Act Statement
www.kingfisher.com/Modern-Slavery

Contacts

What do you think about our performance?

We'd love to hear your views on
Responsible Business at Kingfisher at
responsiblebusiness@kingfisher.com

Kingfisher



castorama



SCREWFIX

