



RESPONSIBLE BUSINESS

Our Home, Our World
June 2021



Welcome & agenda

Responsible Business update

1. Introduction

- About Kingfisher
- Responsible Business heritage
- Response to COVID-19

2. Responsible Business strategy and governance

3. Responsible Business performance

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

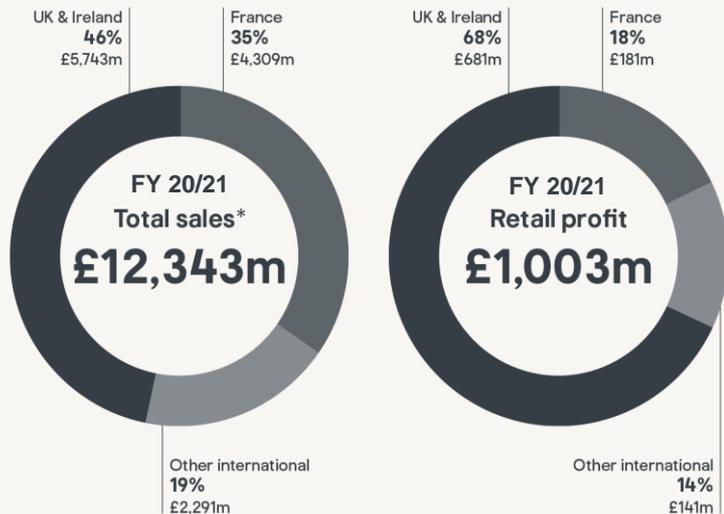
4. Appendix



About Kingfisher

Kingfisher plc is an international home improvement company. Our retail banners include B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş.

We offer home improvement products and services to consumers and trade professionals who shop in our stores and via our e-commerce channels. At Kingfisher, our purpose is to help make better homes accessible for everyone.



1 B&Q UK & Ireland 301, Screwfix UK & Ireland 722.
2 Castorama 93, Brico Dépôt 121.

* Turkey joint venture not included.
† Total, not full-time equivalent.
‡ The sale of our business in Russia was completed on 30 September 2020.

Our stores

(at 31 January 2021)

80,000^{†*}

Colleagues

1,386^{‡*}

Stores

2,990

Suppliers from
over 80 countries



Our Responsible Business highlights

We've made great progress on our Responsible Business priorities

Colleagues

- New Board-approved 'Inclusivity and Diversity' strategy to create a fully inclusive and diverse environment across our retail banners.
- Launched our first ever all-colleague share plan.

Planet

- New 1.5°C carbon reduction target, approved by the Science Based Targets initiative.
- New partnership with the Rainforest Alliance aimed at protecting and restoring tropical forests, as part of our commitment to become 'Forest Positive' by 2025.

Customers

- Over £5bn of sales (42% of Group sales) from products that help customers create more sustainable homes.

Communities

- Doubled community target, committing to help 2 million people who live in unfit housing, by 2025. Made community investments totalling over £8.2m in FY 2020/21 (including donations from colleagues and customers).

Governance

- Responsible Business plan overseen by a Board-level committee.
- Linked a portion of colleague bonus programme to performance against our Responsible Business priorities, to further incentivise action.

Financing

- Entered into a £550m revolving credit facility (RCF) agreement with relationship banks that is linked to Kingfisher's ambitious Responsible Business targets.



Our strategic direction and key strengths



Our strategic direction



Kingfisher banners are not the same. This is a strength



A clear vision to build customer propositions



We will 'power' these banners as a Group



Simpler and leaner



Positioned for growth



Access to attractive markets, with favourable drivers



Top 2 position in all key markets (#1 in UK, Poland, Turkey)



c.80,000 skilled and engaged colleagues



Collective buying scale & successful own exclusive brands (44% of total sales*)



Diverse banners covering general home improvement, trade and discounting



c.1,390 stores



Industry-leading Responsible Business practices



Strong e-commerce sales growth and penetration of 18%*

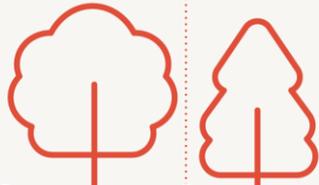
* For financial year ended 31 January 2021



We have a strong heritage in Responsible Business

1993

B&Q was a founding partner of the Forest Stewardship Council® (FSC®) to help us source responsibly managed wood.



2009

Brico Dépôt France began partnership Fondation Abbé Pierre, the French housing NGO.



2010 & 2011

B&Q awarded the "Best Green Companies" by Sunday Times.



2017

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

Shelter

2020

Launched charitable foundations in the UK, Romania and France.



2021

1.5°C climate change target approved by the Science Based Target initiative.



1991

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



1998

First UK retailer to label and cut VOCs in paint.



2011

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



2012

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



2018

First net zero energy Screwfix outlet opened in Peterborough, total of 10 net zero stores in the Group in 2020.



2019

Set 2°C science-based target as approved by the Science Based Target initiative.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our response to COVID-19

Supporting our communities, colleagues and customers

Playing our role in providing essential products in our key markets.

Voluntarily closed stores in the UK and France for several weeks in March/April 2020 to protect colleagues and limit the spread of the virus.

Supported local communities with donations and PPE worth over £5m, including over £1.5m raised by colleagues and customers.

Bonuses paid to frontline store colleagues and supported office-based colleagues working from home.

Foregone c.£150m of furlough and business rates relief in the UK and ROI; repaid government-supported debt in UK (£600m) France (€600m).

Maintained our policy to pay all suppliers in full and according to contractual terms.



Responsible Business strategy and governance



Industry-leading reporting

We use best practice standards to inform reporting and perform strongly in external benchmarks

Frameworks and standards



External benchmarks

- CDP Climate Change received a rating of A-
- Workforce Disclosure Initiative received a score of 66%, above the sector average of 60%
- MSCI-ESG rating of AAA for our ability to manage ESG issues
- Sustainalytics rank 1st out of 40 home improvement retailers and scored 9.7 (negligible risk)
- Listed in FTSE4Good Index with a rating of 4.4 out of 5
- ISS ESG corporate rating of B- (good)



Governance of Responsible Business

Responsible Business Committee

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

Company bonus ESG measures

- In 2020 and 2021, we have included Responsible Business targets as part of the annual bonus scheme.
- These include metrics on diversity and inclusion and sourcing sustainable wood and paper.

Risk management

- Significant risks are included in our sustainability risk register.
- Policies are reviewed and approved annually by our Group Executive.
- Publish key policies on our website.



Revolving credit facility linked to Responsible Business targets

- In June 2021, Kingfisher entered into a £550m three-year revolving credit facility (RCF) agreement with a group of relationship banks.
- The RCF has a duration of three years with the possibility of two one-year extensions.
- The facility is linked to ambitious Responsible Business targets.
- Kingfisher will benefit from a lower interest rate if it delivers specific targets which are aligned with the Group's Responsible Business plan.
- The new credit facility replaces two existing facilities (£225m expiring in March 2022 and £550m, most of which expires in August 2023).

“This revolving credit facility shows our commitment to integrate our Responsible Business principles into all aspects of our business. Our Responsible Business plan is an integral part of our Powered by Kingfisher strategy and this facility links our ambitious sustainability and community targets with our financing activities. We are making great progress with our climate change and community programmes, and I look forward to working with all our stakeholders on realising our commitments.”

Bernard Bot, Kingfisher's Chief Financial Officer

Our four Responsible Business priorities



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

Underpinned by our Responsible Business Fundamentals

Employee safety

Responsible sourcing

Waste & recycling

Ethical conduct

Cyber security & data protection

Tax governance & risk management

Public policy

Pensions

Governance Responsible Business Committee, stakeholder engagement and materiality

Responsible Business performance



We are becoming a more inclusive company

Colleagues



Targets

- Inclusivity action plan for each of our businesses in 2020/21.
- Improve gender balance in management in 2020/21.
- Provide five million hours of learning by 2025 through our 'skills for life' programme.
- New targets agreed for 2025 to increase women in senior leadership to 35% and management to 40%.

Performance

- Created 4,800 new jobs in our stores in the UK, France and Poland.
- Local and Group diversity and inclusion plans.
- Improved gender balance at plc Board, and 23% of senior management is female.
- Launched Group-wide share ownership plan.
- Colleague engagement score 81 versus retail benchmark 66 (2 points increase vs prior year).

Prioritising mental health during the pandemic

Colleagues – *in action*

- During the pandemic we took action to help colleagues look after their wellbeing and mental health whether they were working from home, stores or distribution centres.
- This has included providing resources with partners such as the Retail Trust in the UK and Alterhego in France.
- Delivering mental health training, webinars and live events for colleagues on topics such as how to cope with home-schooling and improving emotional resilience.



We will be Forest Positive and help tackle climate change

Planet



Targets

- Source 100% sustainable wood and paper for our products and catalogues by 2020/21.
- Become Forest Positive by 2025 through reforestation programmes from 2021.
- Achieve our approved science-based carbon reduction target by 2025.

Performance

- 81%* of wood and paper in products is responsibly sourced and 100% of catalogue paper.
- Launched new partnership with the Rainforest Alliance to help us become Forest Positive.
- 27% reduction in scope 1 and 2 emissions (market-based) since 2016/17.
- Committed to new 1.5°C SBT approved by the SBTi.

* In 2020/21, we expanded our data collection to include all our banners. Improvements to our data collection process have highlighted challenges relating to the availability of compliant wood and paper in some markets. See your [Performance Data appendix](#) for more details.

Partnering with the Rainforest Alliance

Creating more forests than we use – *in action*

- Founding member of ‘Forest Allies’, a new initiative with the Rainforest Alliance.
- We’ll be investing in projects that protect, restore and enable responsible management of tropical forests in key regions at most risk of deforestation, partnering with local communities to build strong local forest-based economies.
- Our partnership with the Rainforest Alliance is part of our plan to become Forest Positive by 2025.



'Greening' our buildings

Tackling climate change – *in action*

- Making progress on reducing energy consumption in stores and distribution centres.
- We have now installed LED lighting in 91% of our stores.
- Invested in on-site renewables, including solar PV panels, biomass boilers and air source heat pumps.
- Each year, this investment in renewables is generating 7.5 million kWh and delivering £1.3 million in financial benefit.
- B&Q, Screwfix and Brico Dépôt Iberia purchase 100% renewable electricity.



We will help make greener, healthier homes affordable

Customers



Targets

- 50% of sales to be from products that make customers' homes greener and healthier by the end of 2020/21.
- Target under review for 2025.

Performance

- 42% of total Group sales help make our customers' homes greener and healthier, this generated £5.1 billion for the business.
- Focus on 'sustainable home' own exclusive brand (OEB*) product development.
- Supporting government initiatives around greener homes.

* OEB represented 44% of Group sales in FY 20/21

Our Sustainable Home Product principles

Customers – *in action*

- Finding a sustainable product shouldn't be difficult or cost more.
- Our industry-leading Sustainable Home Product principles help us improve the performance of our ranges.
- Today, more of our lighting is LED, more of our paint is water based and more of our taps are water efficient. We have removed ortho phthalates from new vinyl flooring products, and discontinued metaldehyde slug pellets and products containing glyphosate.



Connect to nature

Helping wildlife in our gardens and beyond; interacting with the natural world; eating produce that we've grown ourselves.



Health & wellbeing

Making our homes safer and healthier; enjoying our homes whatever our age; being active; addressing toxins; adapting to climate change.



Live smarter

Reduce, reuse, recycle; smarter uses of resources; better product quality; tackling waste; pay-to-use propositions.



Save energy

Keeping household energy bills down; addressing carbon emissions; using renewable energy.



Save water

Stopping water from being wasted; using rainwater, preserving premium drinking water.



Sustainable materials

Responsible sourcing; choosing materials with a positive impact; tackling materials that have a damaging impact.

Energy efficiency – Kingfisher has an important role to play

Customers – *in action*

- In the UK and France (Kingfisher's two largest markets), two-thirds of homes were built before 1980 and almost 75% of the building stock is deemed energy inefficient.
- Both countries have net zero commitments. This creates considerable potential for Kingfisher as the green agenda accelerates.
- Government policy is beginning to require self-funding of moderate energy efficiency upgrades in the privately rented sector.
- In the UK alone, this could lead to an additional >£3bn per annum of demand for energy efficiency measures.
- In FY 2020/21, Kingfisher derived c.£1.1bn (c.9% of Group sales) from energy and water saving products. We're well placed in energy efficiency categories such as loft insulation, LED lighting, underfloor heating and electric radiators, and are exploring other solutions.



We will fight to fix bad housing

Communities



Targets

- Help more than one million people whose housing needs are greatest by 2025.
- Target updated to reflect strong performance, now to help more than two million people by 2025.

Performance

- Over 791,000 people have benefited from our donations since 2016/17.
- Made community investments totalling over £8.2m in FY 2020/21 (including over £2.7m raised by colleagues and customers).
- New charitable foundations successfully launched in France, Poland and Romania.
- Published “If Walls Could Talk” international housing report.

Working with strategic partners

Communities – *in action*

- We are working in partnership with leading national and local housing charities to fight to fix bad housing, including Shelter in the UK, Casa Iona in Romania and Fondation Abbé Pierre in France.
- Charitable foundations from our banners now covers the UK, France, Poland and Romania, supporting charities working to improve housing and community spaces. Brico Dépôt France and Spain will launch in 2021.



2,600 people benefited from Good Homes Change Lives, the first financing campaign of Fundația BricoDépôt (the Brico Dépôt Romania Foundation), which allowed running water to access family homes through a mobile solar shower unit.

Our Responsible Business Fundamentals (1/2)

The areas we must address to ensure we are a Responsible Business

Fundamentals

Performance

Safety at work



Responsible sourcing



- We have Group health and safety management standards to ensure we take a consistent approach to occupational health and safety management across our locations.
- Employee accident rate (number of all work-related accidents per 100,000 FTE) was 9,484 (2019/20:11,183). Reduction due to impact of store closures during national lockdowns.
- No work-related fatalities.
- 73% of high-risk production sites had an ethical audit over the last two years.
- To help strengthen our approach to modern slavery we have partnered with Slave Free Alliance.
- During 2020 they undertook a gap analysis of our policies and implementation procedures and made recommendations for improvements, which we are currently working to implement.

Our Responsible Business Fundamentals (2/2)

The areas we must address to ensure we are a Responsible Business

Fundamentals	Performance
<p data-bbox="131 372 200 519">Waste and recycling</p> 	<ul data-bbox="587 339 1769 456" style="list-style-type: none">▪ Our recycling rate was 69% and we diverted 85% of waste from landfill.▪ We are also helping customers to reduce, reuse and recycle by introducing take-back and recycling schemes in some stores.
<p data-bbox="131 634 162 858">Ethical conduct</p> 	<ul data-bbox="587 626 1789 869" style="list-style-type: none">▪ Our Code of Conduct helps to promote a culture where transparency, honesty and fairness are the norm.▪ By April 2021, 74,000 colleagues had completed our Code of Conduct refresher module.▪ Our colleagues can report any concerns via our independent Speak Up channel and a dedicated email address.

Cyber security and data protection

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

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

Cyber security

- Our policies, standards and associated framework are aligned to international standards such as ISO 27001 and the NIST Framework and our practices ensure our technology is compliant with relevant regulation.
- Our security policies, standards, IT processes and governance frameworks are regularly reviewed.

Data protection

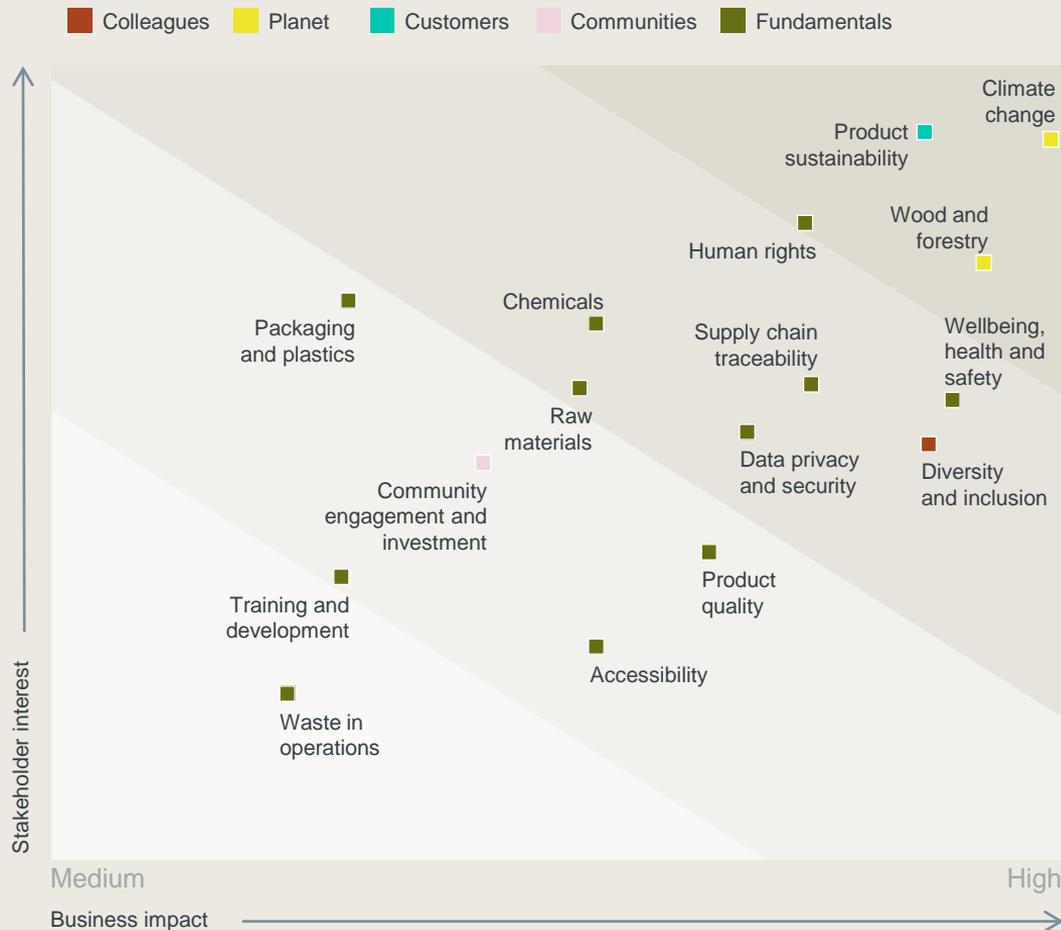
- We hold customer, colleague and supplier data and have a responsibility to collect, use and store it responsibly in line with national regulation and the GDPR.
- Key policies include our Data Protection Policy and Record Keeping Policy, supported by a suite of more detailed standards.

Appendix



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.



Read more

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

Annual Report and Accounts
www.kingfisher.com/annualreport

Our Responsible Business Report
www.kingfisher.com/responsible-business-report

Our performance data appendix
www.kingfisher.com/dataappendix

Our data collection methodology
www.kingfisher.com/datamethodology

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

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