



# Our Home, Our World

Responsible Business Report  
2020/21



**At Kingfisher, we are committed to doing everything we can to make a positive impact for society so that all our homes – including our communities, our forests and our planet – can flourish.**

Our Responsible Business Report provides highlights of our progress from across our retail banners and key data for 1 February 2020–31 January 2021. It summarises performance against some of our targets, highlights key actions during the year and explains our response to the challenging circumstances created by the Covid-19 pandemic.

We also publish a detailed performance data appendix with further information on our performance and 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 and the Sustainability Accounting Standards Board (SASB). See [performance data appendix 2020/21](#).

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# About Kingfisher

Kingfisher plc is an international home improvement company with over 1,380 stores in eight countries across Europe. We employ 80,000 people. At Kingfisher, our purpose is to make better homes accessible for everyone.

We have ten distinct retail banners which address diverse customer needs. They are powered by Kingfisher which provides key benefits such as group sourcing, own exclusive brands, technology and partnerships.

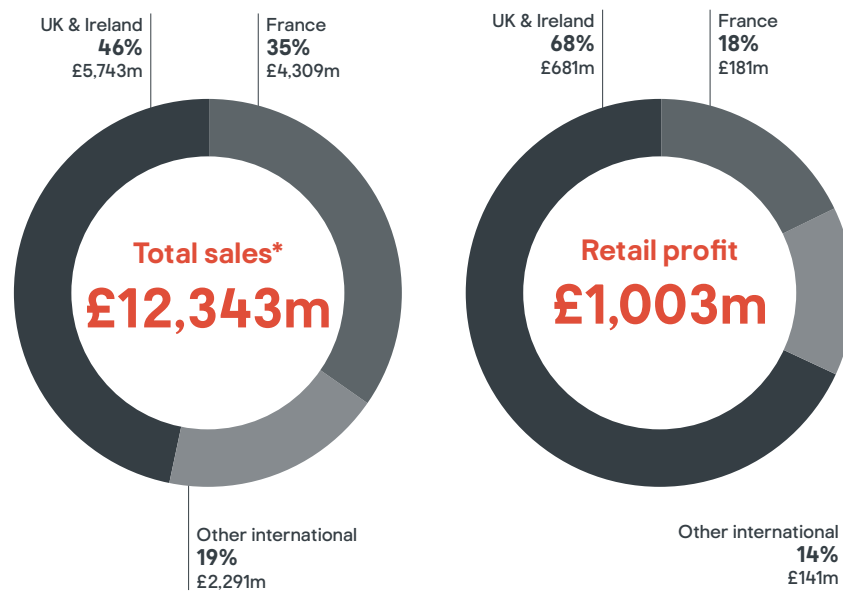
**80,000**<sup>†\*</sup>  
colleagues

**1,386**<sup>‡\*</sup>  
stores

**2,990**  
suppliers from  
over 80 countries

## Our markets and our stores

(at 31 January 2021)



1 B&Q UK & Ireland 301, Screwfix UK & Ireland 722.

2 Castorama 93, Brico Dépôt 121.

\* Turkey joint venture not consolidated.

† Total, not full-time equivalent.

‡ The sale of our business in Russia was completed on 30 September 2020.



# From our Chief Executive Officer

## 2020/21 was an unprecedented year, one in which almost every aspect of our personal and professional lives was disrupted.

I would like to express my thanks to all colleagues for their extraordinary achievements during this time. They have kept our businesses running efficiently, approaching the many challenges with grit, determination, sensitivity and commitment. As a result of their efforts, we made substantial strategic, operational and financial progress, and we're coming out of the Covid crisis a stronger business. It is both humbling and inspiring to be part of this team.

## Responsible Business – a strategic priority

It is sobering to consider that despite the enormity of the Covid crisis, it is just one among many social, economic and environmental challenges.

Issues such as climate change, inequality, mental health and housing standards – to name a few – all require urgent action. We are committed to playing our part, and at the heart of our strategic plan. Powered by Kingfisher, there is a commitment to lead the industry in Responsible Business practices. This is prioritised at the highest levels of our business, with our Board-level Responsible Business Committee and our Group Executive Committee (GE) overseeing our efforts.

Despite the upheaval of last year, we have made strong progress across our Responsible

Business priorities, applying our experience, the strength of our teams, and our scale to achieve a positive impact.

## Becoming a more inclusive company

Our ambition is to create an inclusive and diverse environment across Kingfisher. We truly believe that being diverse and having differences, enriches our company and makes us better. We know how important this is to colleagues and to our stakeholders.

We have more to do to become truly representative of the communities in which we operate, and to help us get there, our Board approved our 'Inclusion and Diversity' strategy in 2020. Each of our retail banners has now developed an inclusivity action plan, setting out the steps we'll take.

## Helping tackle climate change

The urgency of the environmental crisis continues to intensify. We have already cut operational carbon emissions by 27% since 2016/17. As a result, we've reviewed our science-based carbon reduction target, and have committed to make the investments needed to align it with the 1.5°C scenario set out in the Paris Climate Agreement.

We've been committed to responsible sourcing of wood and paper for 30 years. Now, we are going further, aiming to be 'Forest Positive' by 2025. Through our new partnership with

the Rainforest Alliance we will be investing in projects to protect, restore and enable the responsible management of tropical forests in some of the countries at most risk of deforestation.

## Making greener, healthier homes affordable

When customers shop in one of our stores, we want them to have certainty that they are getting great products at competitive prices which have been responsibly sourced and have a low or positive environmental impact. So I'm pleased to report that 42% of our sales this year came from products that help create a more sustainable home – from LED lighting and chemical-free gardening products, to water-efficient taps and energy-efficient power tools.

## Fixing unfit housing in our communities

Our recent research report, 'If Walls Could Talk', shows that millions of people across Europe are living in unfit housing, and this has been made worse by the pandemic. To fulfil our purpose to make better homes accessible for everyone, we need to help change this.

We are committed to make better homes accessible for everyone. Since 2016/17, we have supported 791,000 people whose housing needs are greatest, to help them have a home that they can feel proud of. Our charity partnerships and the launch of our network of charitable foundations will help us further accelerate our

progress. We expect to exceed our target to reach one million people by 2025, and have now increased our ambition to two million.

During 2021/22, we expect to make further progress on our Responsible Business priorities and I look forward to updating you on the results of our efforts next year.

**Thierry Garnier**  
Chief Executive Officer



Thierry Garnier,  
Chief Executive Officer,  
Kingfisher plc



# Responding to the Covid-19 pandemic

**During the pandemic, we have been focused on serving our customers' essential needs as effectively as possible, while protecting the safety of our customers, colleagues and suppliers, and supporting communities and governments.**

## Operating safely for colleagues and customers

When the pandemic struck, we voluntarily closed our stores in the UK and France for several weeks to protect colleagues and customers and limit the spread of the virus. This was despite our businesses in these markets holding 'essential retailer' status.

As we reopened our stores and logistics centres, we implemented stringent safety measures including: use of PPE for colleagues, limiting customer numbers, increased hygiene and measures to enable social distancing.

We engaged with governments throughout the pandemic, including sharing best practice examples of our health and safety measures in our stores. Our approach was recognised by the UK Government, with B&Q used as a case study on the Coronavirus Business Support blog [www.gov.uk](http://www.gov.uk).

We also engaged with suppliers to encourage the adoption of Covid-secure working practices by the factories in our supply chain. This included carrying out online checks in some locations to make sure their workers' health was being protected.

## Supporting our communities

Personal protective equipment (PPE) is critical for frontline healthcare workers but during the Covid-19 crisis supplies often did not meet the unprecedented levels of demand. In 2020, we ringfenced our stock of PPE for several weeks, worth over £2.5 million, reserving it for donation to frontline healthcare organisations across our markets.

We also supported local charities who work with communities affected by the pandemic through donations worth over £1 million. An additional £1.5 million was raised by our colleagues and customers.

## Supporting colleague wellbeing

During the pandemic we have also taken action to help colleagues look after their wellbeing and mental health, whether they were working from home or from one of our stores or distribution centres. This has included: providing a range of resources and information with partners such as the Retail Trust in the UK and Alterhego in France; delivering mental health training; and our Wellness Wednesdays which encouraged colleagues to dedicate time to their wellbeing.





We introduced guidance for colleagues working from home to help them look after their health and wellbeing as well as ensuring they had the right equipment to be able to work effectively.

We also introduced new and more frequent communication, to keep everyone engaged and informed. This included regular Chief Executive Officer (CEO) and Group Executive vlogs, weekly leader messages and e-newsletters, meetings of the Kingfisher Colleague Forum (see page 16) and our annual engagement survey which focused on our response to the pandemic and whether colleagues felt well supported.

### Operating responsibly

We adjusted our approach to remuneration where necessary during the pandemic to support colleagues and safeguard the business.

We reduced senior management pay for the Group Executive for three months, and for the CEO and CFO for four months, during the early stages of the pandemic to reflect the challenging business environment. In addition, there was no bonus paid for 2019/20 performance for the CEO and CFO. Fees for non-executive directors were also reduced for six months.

During the year, we continued to pay the salaries of colleagues who were shielding and unable to work. We also paid a bonus to our frontline store colleagues across all our banners to recognise their hard work during the pandemic.

We have also repaid furlough payments (£25 million) and business rates relief in the UK and Republic of Ireland (foregoing £105 million), the Bank of England's Covid Corporate Financing Facility (CCFF) (£600 million) and the Pret garanti par l'Etat in France (€600 million).

**“Throughout this challenging time, we have remained committed to making the right decisions for colleagues, customers and communities, focusing on keeping people safe, donating personal protective equipment and supporting those most in need.”**

**Thierry Garnier,**  
Chief Executive Officer of Kingfisher plc



# Celebrating 30 years of 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 started to support 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 science-based 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 targets approved by the Science Based Target initiative.



# Our Responsible Business strategy

**We have been working on Responsible Business issues for nearly three decades, helping to pioneer new approaches, from the responsible sourcing of wood and paper, to innovative charitable partnerships and creating more sustainable products for our customers.**

We are committed to playing our part in the big challenges facing us today, such as Covid-19, climate change and inequality. We want to play our part in helping tackle these challenges – enabling our customers and communities to have better, more sustainable homes and helping to protect our forests and our planet for the future.

## Four key priorities

Our Responsible Business strategy focuses on the four priorities where we can best use our experience, scale and influence to bring about positive change in our business, communities, supply chain and beyond:

- **Colleagues:** becoming a more inclusive company.
- **Planet:** helping to tackle climate change and create more forests than we use.
- **Customers:** helping to make greener, healthier homes affordable.
- **Communities:** fighting to fix bad housing.

Our priorities have been informed by research with our customers, our materiality assessment (see [page 61](#)) and external frameworks such as the UN Sustainable Development Goals. They reflect our most significant impacts and the areas where we have the opportunity to make a significant positive difference.

We have set ambitious targets for each priority and established key performance indicators (KPIs) to help drive progress.

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

Details on scope and calculations are included in our [data collection methodology](#).

## Our Responsible Business Fundamentals

Our priorities are underpinned by our commitment to our Responsible Business Fundamentals – 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, from health and safety to responsible sourcing, cyber security and data protection, and ethical conduct, to ensure we take a consistent best practice approach across our banners.

## Responsible Business governance

Underpinning our strategy, we have strong Responsible Business governance processes, informed by stakeholder engagement and our materiality process.

Our Responsible Business Committee (RBC) which met for the first time in 2020, leads and oversees delivery of our Responsible Business strategy. The RBC is a Committee of the Board and is chaired by non-executive director Sophie Gasperment. Its members are our CEO, a second non-executive director, our Chief Offer & Sourcing Officer, our Chief People Officer and a banner CEO. The Committee's role is integral to setting the ambition, facilitating and monitoring Kingfisher's Responsible Business strategy. The Committee met twice during the year to review progress on our key priorities and Environmental, Social and Governance (ESG) risks and plans to meet three times in 2021.

We have a three-year Responsible Business plan for the Group and have worked with our Group functions and banners to integrate Responsible Business actions into their three-year plans. We have a central Responsible Business team, led by our Group Director of Corporate Affairs with subject experts in our Group functions and a Responsible Business lead in each banner.

To encourage focus on our Responsible Business priorities, in FY 20/21, for the first time, we linked a portion of our colleague bonus programme to our performance against our key Responsible Business priorities, and will continue to do so in FY 21/22.

More detail about our approach to governance and our Responsible Business policies is included on [page 57](#).

## 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), and Task Force on Climate-Related Financial Disclosure (TCFD).

From this year, we are further aligning our reporting with the Sustainability Accounting Standards Board (SASB) standards for Multiline and Speciality Retailers and Distributors. We now publish a SASB Index with our Responsible Business Report showing where relevant data and disclosures can be found. We publish a GRI index on our website.



## Four key priorities



### Colleagues

#### We will be a more inclusive company

##### Our commitment

We will become a more inclusive company and break down barriers to employment, making sure every one of our colleagues feels at home with us, shares in our success and builds skills for life.

##### Our targets

- Develop an inclusivity action plan for each of our businesses in 2020/21.
- Improve gender balance in management in 2020/21.
- Provide five million hours of skills for life learning by 2025.



### Planet

#### We will be Forest Positive and help tackle climate change

##### Our commitment

We will help tackle climate change by reducing carbon emissions from our business, products and supply chains; and by creating more forests than we use. We will become Forest Positive by 2025 by investing in reforestation from 2021.

##### Our targets

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



### Customers

#### We will help make greener, healthier homes affordable

##### Our commitment

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

- 50% of sales to be from our Sustainable Home Products by the end of 2020/21.



### Communities

#### We will fight to fix bad housing

##### Our commitment

We will fight to fix bad housing – donating our products, expertise and time to help more than one million people whose housing needs are greatest in the communities we serve.

##### Our targets

- Help more than one million people whose housing needs are greatest by 2025.
- Provide over 20,000 colleague volunteering hours to support housing and home improvement projects in 2020/21.

## Responsible Business Fundamentals\*

Employee safety	Responsible sourcing	Waste & recycling	Ethical conduct	Cyber security & data protection	Tax governance & risk management	Public policy	Pensions
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## 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.

# Colleagues

## We will be a more inclusive company

**We will become a more inclusive company and one that better reflects the customers and communities we serve. Our colleagues will feel empowered to be themselves, will feel at home with us, building skills, progressing their careers and sharing in our success.**

We recognise that we have more to do to become truly representative of the communities in which we operate and to meet the expectations of our colleagues and customers. Our ambition is to create an inclusive and diverse environment across Kingfisher. We believe this adds business value and helps create positive outcomes for colleagues, customers and communities.

Inclusion is not just about valuing diversity – it encompasses all the things we do to create a culture and workplace where everyone feels valued and respected, can be themselves and reach their potential.

Following the launch of our Powered by Kingfisher strategy, we have developed a new People and Culture plan (see page 10) including a Group-wide Inclusion and Diversity strategy and action plan.

### Our targets

- Develop an inclusivity action plan for each of our banners and Group functions in 2020/21.
- Improve gender balance in management in 2020/21.
- Provide five million hours of skills for life learning by 2025.

### Our progress

Developed a Group-wide Inclusion and Diversity strategy and action plan, with each banner building its own inclusion and diversity plan.

Gender balance improved at Board level from 38% to 44% with a slight improvement in all managers from 35% to 36%. We have set new targets for 2025, see [page 11](#).

Colleagues completed 3.27 million hours of training during 2020/21. From 2021, we will increase focus on youth employability and social mobility.





# Our People and Culture plan

Our focus on inclusion is part of our People and Culture plan, developed with input from hundreds of our colleagues. The plan has four key priorities:

## 1. Creating a balanced operating model.

We are maximising the benefits of our distinct retail banners with the scale, strength and expertise of the Kingfisher Group. This includes establishing clear roles and accountabilities for the banners and Kingfisher central functions.

## 2. Developing capabilities to fuel growth.

We are focused on investing in the core capabilities that will be required to realise our growth aspirations, with a particular focus on our commercial and technology functions.

**3. Creating an agile, inclusive culture led by trust.** We have focused on a 'done is better than perfect' approach at Kingfisher so that we can respond dynamically to the increasing pace of change. Covid-19 required us to react quickly to changing events and simplify our ways of working.

**4. Developing diverse leaders who inspire performance and pride.** Our leaders are adopting new ways of working, becoming more visible and available to their teams while maintaining a constant focus on supporting and inspiring colleagues.



# Launching our Inclusion and Diversity strategy

**Our Group-wide Inclusion and Diversity strategy and action plan is focused on four themes (see graphic). It was developed by our People and Culture taskforce, a cross-section of representatives from around the business and included input from colleagues via 'listening sessions'.**

These provided a forum for colleagues to share their experiences, including the impact of stereotypes and bias in the workplace. Our CEO, Chief People Officer and Group Executive were actively involved in this process.

Drawing on our Group strategy, each banner has built its own inclusion and diversity plan specific to its market and demographic. At B&Q this process has involved a culture review carried out by a consultancy, Green Park, which included interviews and focus groups involving colleagues from across the business.

We have targets across the Kingfisher group on gender balance and localised targets on other

areas of representation to reflect where we are today and the varying societal and legislative environments in which we operate.

Our new targets to improve gender balance in 2025 are:

- Increase women in senior leadership to 35%.
- Increase women in management roles to 40%.

See [page 13](#) for our performance on gender balance during 2020/21.

We have tied the results to leadership incentives. We will also establish an Inclusion Advisory Board sponsored by a member of our Group Executive. This will encourage the adoption

of good practices on all aspects of inclusion and diversity across our banners and provide opportunities to share information and lessons learned.

During 2021/22, we'll focus on further listening sessions to understand colleagues' lived experiences at work, increased internal and customer communications on diversity, embedding inclusion in recruitment practices including use of balanced shortlists, removing bias in people processes, and training for managers and leaders.

## 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.



## Learning for Life

Our impact on society is amplified through investing in skills and work experience

Targeted initiatives focused on addressing disadvantaged youth unemployment.



### Creating a platform to power and support locally targeted Banner Plans

#### In practice/for example:

Several Group Executive members are sponsoring our LGBTQ+, Race and Culture, and Gender affinity networks (see [page 12](#)).

#### In practice/for example:

Our Kingfisher Colleague Forum will be discussing plans and progress on our Inclusion and Diversity strategy (see [page 16](#)).

#### In practice/for example:

B&Q has introduced sunflower lanyards in its stores (see [page 12](#)).

#### In practice/for example:

Castorama and Brico Dépôt France are partnering with 'Nos Quartiers ont du Talent' to support disadvantaged young people (see [page 14](#)).



## Celebrating inclusivity

As part of our commitment to inclusivity and providing a welcoming environment, we're supporting colleagues to form LGBTQ+, Race and Culture, and Gender affinity groups. These networks provide a support forum for colleagues to share experiences and ideas with each other and our leadership, and organise events and activities to promote understanding of diversity. We are also launching networks at banner level, including six affinity groups at B&Q during 2021/22. In addition, our Women in Tech network has been running since 2015. We were shortlisted for the LGBTQI Network of the year DIVA award in 2020.

We celebrate diversity through communications campaigns and events. In 2020/21, this included broadening our Black History month programme with speakers from diverse backgrounds to stimulate conversation and discussion. All colleagues in the UK were invited to attend a talk by John Amaechi, the psychologist, on how to be an anti-racist organisation. Charlie Martin, the first transgender racing driver, shared her experiences at a session during LGBTQ History Month in early 2021.

## 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 BRC's new Better Jobs Diversity and Inclusion Charter, making six pledges that will help improve diversity and inclusion in the retail sector.

Three of our senior leaders are ambassadors for the Retail Week Be Inspired programme, which promotes gender balance at all levels across the UK retail sector. We have joined MISSION Include – a cross-company international mentoring programme with over 190 organisations involved – which focuses on broader inclusion, beyond gender.

### Promoting inclusivity at Brico Dépôt France

Brico Dépôt is taking action to increase workplace diversity and create an inclusive working environment. This includes tools and training for stores managers, HR teams and regional directors, focusing on preventing bias or discrimination in the recruitment process. A digital version will be launched in 2021, so the training can be completed by more colleagues.

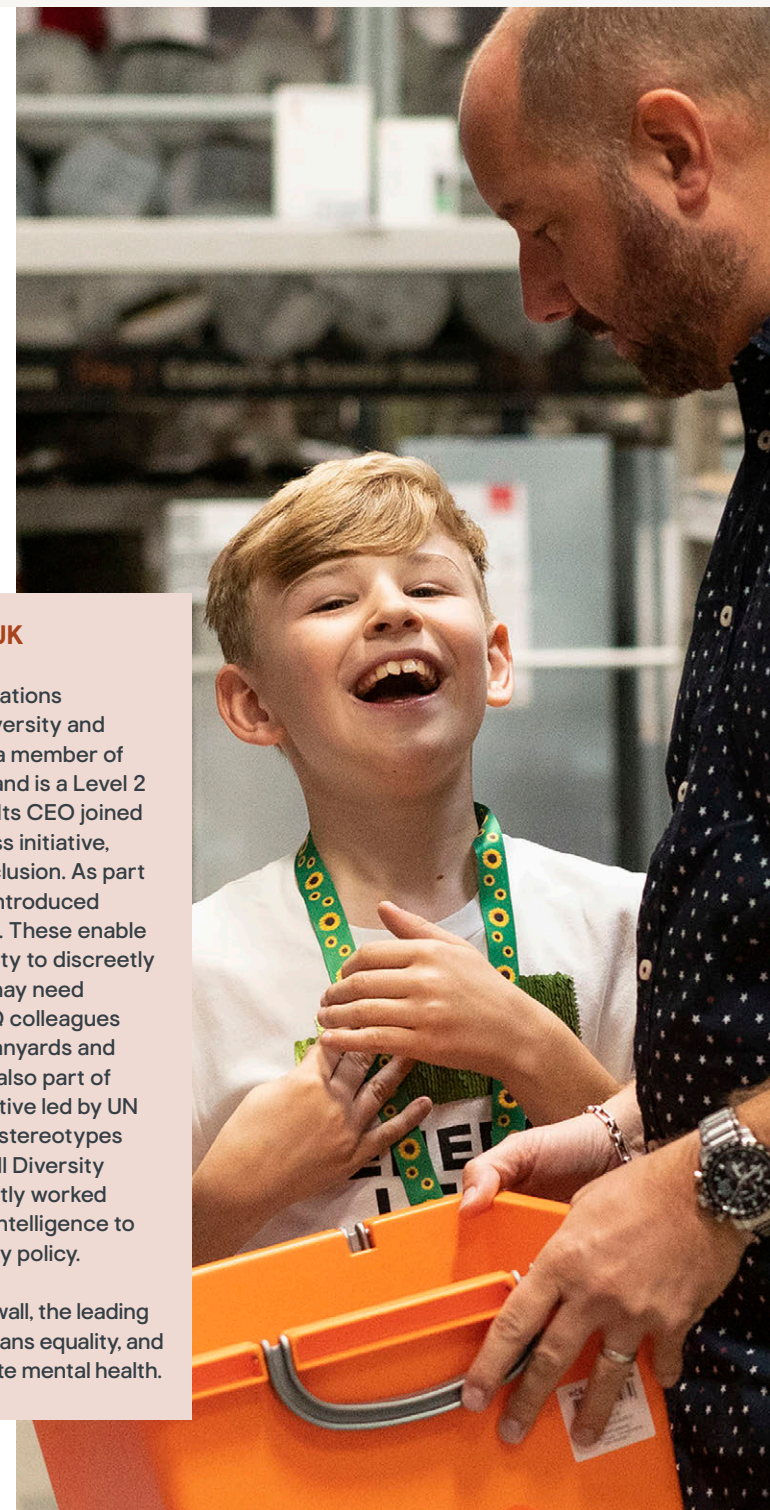
It has agreed diversity targets with colleague trade unions to increase representation of women in management and sales roles over the next two years.

It supports people with disabilities to become Brico Dépôt colleagues and customers, works with specialist disability organisations, and ran an awareness campaign during European Disability Week.

### Diversity partners in the UK

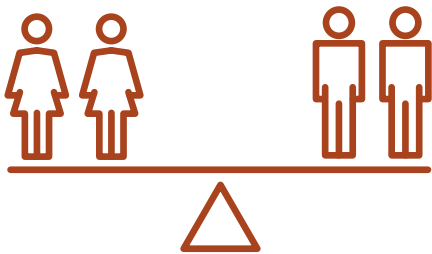
Our banners work with organisations promoting best practice for diversity and inclusion. B&Q, for example, is a member of the Business Disability Forum and is a Level 2 Disability Confident Employer. Its CEO joined Valuable 500 in 2020, a business initiative, aiming to advance disability inclusion. As part of this commitment, B&Q has introduced sunflower lanyards in its stores. These enable anyone with an invisible disability to discreetly let store staff know that they may need extra help when shopping. B&Q colleagues have received training on the lanyards and supporting customers. B&Q is also part of Unstereotype Alliance, an initiative led by UN Women to fight gender-based stereotypes in advertising and is a Stonewall Diversity Champion. B&Q has also recently worked with Stonewall and Gendered Intelligence to refresh its Transgender Equality policy.

Screwfix is working with Stonewall, the leading charity for lesbian, gay, bi and trans equality, and partnering with MIND to promote mental health.





Castorama Poland has been a signatory to the Responsible Business Forum's Diversity Charter since 2013, committing to equal rights and respect for all colleagues. During 2020/21, it has been working with the Forum to develop best practice standards for protecting the wellbeing of LGBTQ+ people in the workplace. It will also be participating in the national Diversity In Check benchmark, enabling it to compare its progress on diversity and inclusion with other companies. Castorama Poland already offers equal benefits to partners in same-sex relationships as well as running diversity training for colleagues and having a non-discrimination policy that covers recruitment, promotion, development and training processes.



Gender balance:  
women in management  
**36%**

How are we doing on diversity and inclusion?

Our data shows that our workforce is largely gender balanced overall but that women are under-represented at senior levels of executive leadership.

We have one board member from an ethnic minority. We do not currently collect data on ethnic diversity in our workforce. This is due to regulatory restrictions in some of our markets. In 2021/22, we will be improving our data on ethnic diversity in the UK to enable us to set a target and report progress from 2022/23.

We will include questions on the inclusiveness of our culture in our annual colleague survey, shared with the Board, so we can monitor colleagues' feedback on how they experience our progress and enable us to derive a baseline from which we can set an improvement target.

Gender balance  
% of female colleagues based on headcount

	2018/19	2019/20	2020/21
Total workforce	42%	42%	43%
All management	36%	35%	36%
Senior management*	23%	24%	23%
Group Executive	18%	17%	17%
Board of Directors	55%	38%	44%

Senior management includes Group Executive members, banner board directors and heads of department. Executive directors are members of our Group Executive.

Our latest gender pay report (2020) shows a median pay gap of 2.0% (2019: 1.1%) and mean pay gap of 10.1% (2018/19: 10.6%) for all UK Group and retail banner employees. It shows a bonus pay gap of 50.0% median (2019: 14.6%) and 46.5% mean (2019: 39.9%). These gaps reflect the higher pay for our senior management, many of whom are male. Read the report on our website. In 2022, we plan to publish our ethnicity pay gap in the UK.

\* Senior management covers Board, directors and heads of department



## Learning and development

Our commitment to learning and development helps to build skills for life for all colleagues. We offer a range of opportunities for colleagues to learn new skills and keep improving and growing – building skills for life. Powered by our Learning and Development teams across the Group, we have extended our virtual learning opportunities during 2020/21 to enable training to continue during the pandemic. Colleagues completed over 3.27 million hours of training during 2020/21.

In the UK, we launched our MYLO (My Learning Online) learning management system, giving colleagues access to a wealth of online learning resources available 24/7, allowing them to learn at a time and place that suits them. In addition, our focus on mental health and wellbeing has seen over 10,000 colleagues complete an online mental health awareness course as well as having access to other resources to promote wellbeing during the Covid crisis.

At Screwfix, our Learning for Life programme is helping colleagues build skills that support them in their day-to-day lives. It includes training modules focusing on good financial management, maths and English skills, digital awareness and career development. In partnership with Google Digital Garage, Screwfix has also held a series of business and career skills webinars.

In Castorama Poland, our team has developed a new programme for aspiring section leaders which has seen over 300 colleagues benefit from 1-2-1 coaching sessions.

At B&Q we have created a comprehensive suite of online learning, 'Grow in B&Q', which includes sessions on useful business behaviours and skills, and has expanded to help colleagues who have found themselves working remotely and virtually. This includes webinars and resources on working in a virtual world, stress busting, ways to deal with angry children and coping as a parent working from home. Essential management skills for first line managers are brought to life in a programme delivered to around 300 people.

Our product training offer includes physical and digital learning experiences to enable store colleagues to learn about our ranges and gain insights into customer needs and key home improvement projects. In 2020/21, we delivered virtual sessions to support the launch of the new kitchen range in France and Poland. Across the Group, over 14,500 colleagues have accessed our digital product training modules.

## Support for youth employment

From 2021, we will focus on initiatives that support youth employability and social mobility. We aim to report on our progress in this area from next year.

Existing programmes include our apprenticeship schemes that help colleagues to gain new qualifications and can support youth employment and promote social mobility. We offered over 2,300 apprenticeships across Kingfisher in 2020/21.

Screwfix, already an employer provider of apprenticeships, is now developing its own Retail Level 3 and 4 apprenticeship programmes with 381 enrolled so far. To date, over 85% of their apprentices have been successfully promoted since completing the programme.

Over 850 colleagues are completing apprenticeships at B&Q covering 28 subjects from retail management to digital marketing. It has also transferred £300,000 in Apprenticeship Levy Funds to The Solent Apprenticeship Hub, Transfer to Transform scheme, to support 12 trade apprentices at local small and medium businesses in the Solent area.

In Romania, Brico Dépôt has begun a new partnership with a vocational school, enabling students on vocational courses relevant to the retail sector to complete internships at our stores.

**“Being on the apprenticeship programme has helped me gain confidence as a woman in the home improvement world. I have developed from a sales advisor to a section manager in 3 years.”**

Melanie Gill, 21 years old, Section Manager in Vandoeuvre, Castorama France

## Supporting young people in France

At Castorama and Brico Dépôt France we partner with universities and business schools to recruit apprentices for store-based undergraduate and master's degree placements. During the year, Brico Dépôt France doubled the number of apprentices it employed from 274 to 549, recognising the disproportionate impact the pandemic was having on young people. This included developing some bespoke training sessions for apprentices in partnership with a national training centre. Castorama France has 534 apprentices.

Our French banners are also partnering with Nos Quartiers ont des Talents (NQT), an association that supports young graduates living in disadvantaged urban areas to find employment. Some of our senior colleagues are working with the young people as mentors, helping them to gain confidence and providing networking opportunities as well as careers advice.



## Supporting wellbeing

A focus on wellbeing and engagement helps us create the conditions for colleagues to be successful at Kingfisher. This has never been more important than in the past year as we have learnt to navigate life during a global pandemic.

We aim to support colleagues to look after their mental, physical, social and financial health. In early 2021, we launched surveys across our global teams to understand how the periods of remote working have affected them. We plan to build on the results of the surveys over the coming year, taking learnings from the experiences we have all had, to identify how we can further support our colleagues' wellbeing moving forward.

We have trained and continue to train our leaders on our approach to wellness and how to support this in their teams. We have three levels of leadership training and each includes an element of wellness, exploring topics including purpose and values, growth mindsets, improving physical health, and adopting micro-habits – taking small steps towards a wellness goal.

All colleagues in the UK can use our online portal with training and advice on many aspects of wellness provided by the Retail Trust, our UK Employee Assistance Programme (EAP) provider. This includes access to counselling support when needed.

We have a similar EAP programme in France, Romania and Iberia and, since early 2021, are working with Welln' Work, an EAP provider in Turkey.

Other wellbeing programmes vary by location and include: promoting healthy lifestyle choices; EAP 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.

## Prioritising mental health during the pandemic

During the pandemic we have taken action to help colleagues look after their wellbeing and mental health whether they were working from home or from one of our stores or distribution centres.

This has included: providing a range of resources and information with partners such as the Retail Trust in the UK and Alterhego in France; delivering mental health training; and Wellness Wednesdays which encouraged colleagues to dedicate time to their wellbeing. Our banners and HR teams ran a variety of webinars and live events for colleagues on topics such as how to cope with home-schooling and improving emotional resilience.

There is no question that the impacts of the pandemic on mental health have been significant. We understand the vital role our line managers play in supporting their teams' wellbeing and the challenges this last year may have brought. To support them, we rolled out training to all UK line managers to help them to identify colleagues experiencing mental health issues and assist them to access the right support.

Our Covid-19 safety measures are outlined on page 46.





## Talking with our colleagues

Our colleague forums help us to engage, inform and communicate with colleagues around the Group, and give colleagues the opportunity to share their ideas and influence decision-making. In 2020/21, dialogue with our colleague forum representatives and union members from the different banners has been crucial in developing our banners' response to Covid-19.

Our Kingfisher Colleague Forum (KCF), for elected colleague representatives from each market and global functions, met four times during the year and is hosted by the Group CEO and a non-executive director. The first meeting was dedicated to the Covid-19 response. Other meetings focused on a range of subjects including communication, employee reward, employee benefits and organisational change. Ideas and issues raised at Forum meetings are reviewed by leadership in our markets, and with our Board of Directors.

We also have colleague forums in our banners and, more recently, for Group functions.

## How engaged are our colleagues?

79% of colleagues responded to our 2020 colleague engagement survey which included questions on our response to Covid-19 and the support provided to colleagues.

We continue to have high engagement across the Group, with our overall engagement score increasing from 79 to 81 (vs the retail average of 66, as defined by our external engagement survey partner).

## Sharing in our collective future

With our new strategic plan, we want to give all our colleagues the opportunity to be part of our collective future. We launched an all-colleague share plan: the '1+1 Sharing in Our Future' plan which gives every one of our 80,000 colleagues the opportunity to become shareholders in the company.

We are delighted that over 9,300 (c.12%) of our colleagues signed up from stores, head offices, sourcing offices and call centres, with every market represented. Around 75% of those participating work in our stores. The new plan will mean every share bought by a colleague will be matched by Kingfisher on a one-for-one basis after a six-month contribution and 12-month holding period. The current plan will be in place until July 2022.

## About our workforce

We created 4,800 new jobs in our stores in the UK, France and Poland in 2020/21, bringing our total workforce to 80,000 colleagues. Our employee turnover rate was 25% (2019/20: 32%). This includes voluntary and involuntary leavers.



# Planet

## We will be Forest Positive and help tackle climate change

**Forests are vital for the health of our planet, our communities and our homes. Yet today deforestation and forest degradation are continuing at alarming rates.**

We are one of the largest buyers of wood products in Europe, with wood and paper present in around a quarter of all the products we sell, from kitchen cabinets and sheds to paint brush handles and sandpaper.

For almost 30 years, we've been committed to sourcing wood and paper responsibly, starting with the first responsible timber policy published at B&Q in 1991 and becoming a founding member of the Forest Stewardship Council (FSC) in 1993. Now, we are stepping up our efforts to go even further, aiming to become Forest Positive by 2025.

Climate change is one of the biggest challenges of our time and we are committed to supporting global efforts to reach net zero emissions by 2050. We have already made significant reductions in emissions from our operations and have committed to strengthen our science-based carbon reduction target covering our business, products and supply chains.

### Our targets

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

### Our progress

81% of wood and paper in our products is responsibly sourced and 100% of catalogue paper.

We're partnering with the Rainforest Alliance as a founding member of its Forest Allies initiative to support reforestation projects from 2021.

We have reduced absolute scope 1 and 2 greenhouse gas emissions by 27%, meeting our original science-based carbon reduction target ahead of schedule.





# Becoming Forest Positive

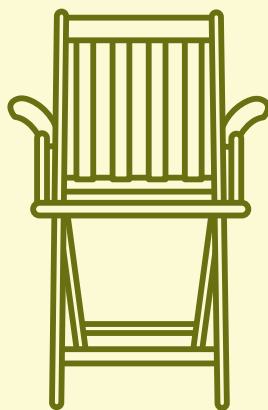
Wood and paper are the largest natural resources used across Kingfisher. We've been working on responsible wood and paper sourcing since the early 1990s but now we're going further, aiming to become Forest Positive.

Our approach to creating more forest than we use has three elements:

- 1. 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. This is our main focus area as wood and paper are found in around a quarter of our products. We're currently at 81% for wood and paper in products. For paper in our catalogues, we're at 100% responsibly sourced.
- 2. No deforestation through the other materials we use.** We use smaller amounts of other materials that can contribute to deforestation. We are currently focusing on deforestation risks relating to leather supply chains, which is used in some products such as gardening gloves and workwear boots.
- 3. Protecting and restoring forests.** We're partnering with Rainforest Alliance as a founding member of its Forest Allies initiative. In FY 21/22 we will start investing in projects to protect, restore and enable the responsible management of tropical forests in key regions at most risk of deforestation.



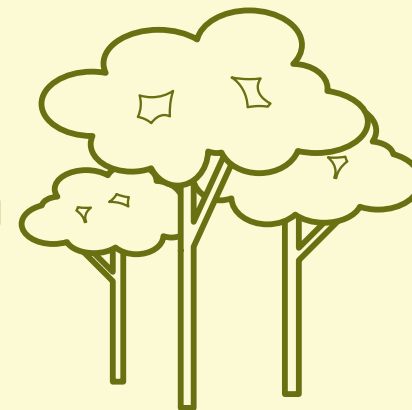
©Marek Stefunko



100% responsibly sourced wood and paper across our business



No deforestation through the other materials we use



Protecting and restoring tropical forests



## Forest Positive

## Partnering with the Rainforest Alliance

Forest communities and indigenous people play a vital role in protecting forests around the world. If we are to restore forests, halt deforestation and forest degradation, we need to work in partnership with local people to create long-lasting change.

Forest Allies is a new and innovative approach by Rainforest Alliance which aims to do just that. It aims to support forest communities to build strong local economies, while also protecting the natural resources they depend upon.

We're a founding member of the Forest Allies initiative. Over the next three years, 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.

We will measure our progress, assessing whether:

- the natural and cultural value of the forest is protected or restored;
- local communities are supported at scale as ecosystem stewards;
- responsible forest management is enhanced and monitored;
- communities are supported in adapting to and mitigating climate change; and
- livelihoods from forest product value chains are strengthened.

**“When customers shop in one of our stores, we want them to have certainty that not only is the wood they buy responsibly sourced, but they’re buying it from someone committed to protecting and helping to restore the planet’s forests. This partnership will help us to achieve that.”**

**Thierry Garnier,**  
Chief Executive Officer of Kingfisher plc

**“Forest Allies emphasizes the importance of forest communities as guardians of the forest. We are pleased to welcome Kingfisher as a founding member of Forest Allies, and look forward to working together to forge new solutions to ensure that people and nature thrive in harmony.”**

**Daniel Katz,**  
Founder and Board Chair, Rainforest Alliance



©Rainforest Alliance, Mohsin Kazmi

## Committed to the sustainable sourcing of wood and paper

We've spent decades working to improve the sourcing of wood and paper for our products, ensuring it comes from well-managed forests that continue to grow and thrive.

Our Wood and Paper policy covers both our products and operations. It commits us to buy wood and paper that is sourced from well-managed forests that have been certified to credible certification standards or recycled sources.

We require suppliers to provide proof of Chain of Custody certification, demonstrating that the wood and paper is sourced from certified well-managed forests. We train colleagues and suppliers on our approach, and monitor compliance via spot checks and product testing. Our approach is overseen by our Forest Positive working group and steering group.

We work with others on sustainable timber sourcing, including as members of FSC® and PEFC, board members of PEFC International and UK, and Chair of the British Retail Consortium's Timber Working Group.

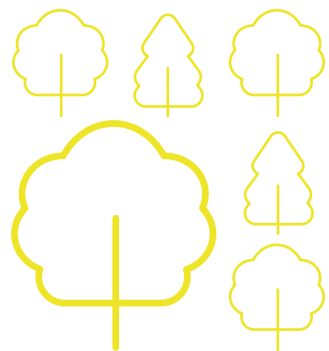
Calculating the environmental benefits of certification can be complex. In 2021/22, we will participate in a pilot with Gold Standard, ISEAL and FSC to develop a methodology for calculating the carbon reductions associated with use of FSC certified wood. We will report progress in our next Responsible Business Report.



## 85% responsibly sourced wood and paper

In 2020/21, we expanded our data collection to include our banners in Poland, Romania and Spain and Screwfix. Our data shows that around 81% of the wood and paper used in products sourced (per number SKUs purchased) during the year met our responsible purchasing criteria. This equates to 85% of the value of our goods for resale (GFR) wood products purchased in the financial year.

Last year, our data covered three banners: B&Q, Castorama France and Brico Dépôt France. In 2020/21, these three banners reached 91% responsibly sourced wood and paper compared with 94% the previous year.



**85%**  
of wood and paper in our products  
is from proven, well-managed  
forests or recycled sources\*

\* 85% of the value of our goods for resale (GFR) wood products purchased in the financial year meets our responsible purchasing criteria.

100% of catalogue paper in all retail banners met our responsible purchasing criteria in 2020/21 (2019/20: 100%).

Improvements to our data collection process have highlighted a number of challenges relating to the availability of compliant wood and paper in some markets, as well as a need for more training and communication with local buying teams. We will continue working with our banners to address these challenges in 2021/22.

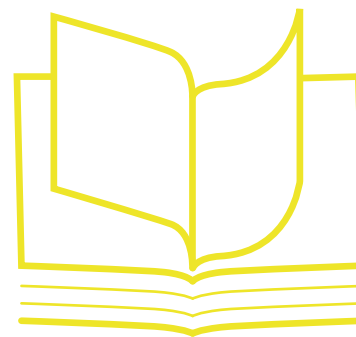
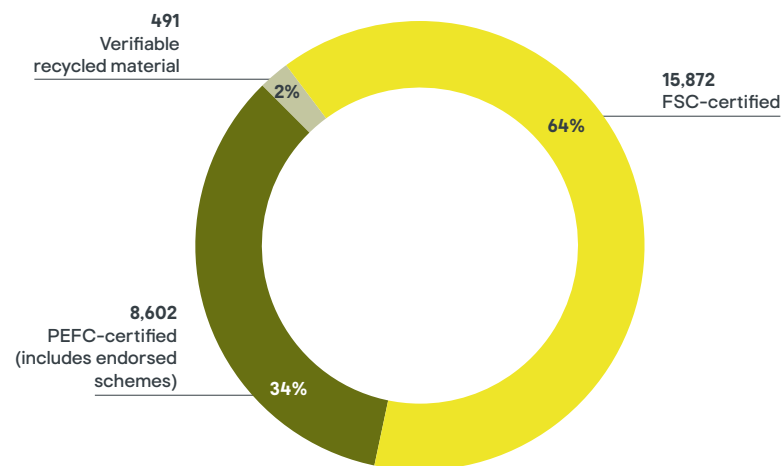
We are working towards all packaging made from paper and board to be certified as sustainably sourced by 2025, as part of our sustainable packaging strategy. See [page 37](#).

We disclosed our performance through CDP Forest and received a rating of B in relation to timber. We were not able to participate in 2019 due to issues with our data collection process. We aim to increase our score over time as we develop our Forest Positive commitment. We scored D in relation to cattle products and expect to see an improvement in this score as we progress our work on leather sourcing. See [page 60](#) for more details on CDP.

See our [performance data appendix](#) for more detailed data.

You can read more about our process for collecting wood and paper data in our [data collection methodology](#).

## Our responsibly sourced wood and paper by category 2020/21 number SKUs (products) purchased



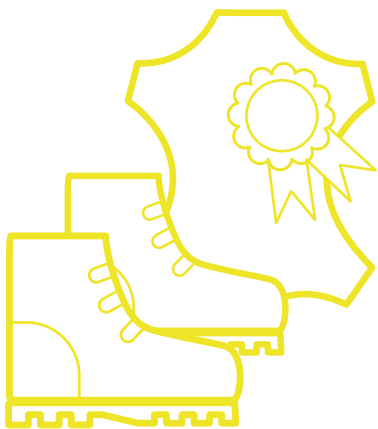
**“We are working  
towards all paper and  
board packaging to be  
certified as sustainably  
sourced by 2025.”**

**100%**  
of catalogue paper meets our  
responsible sourcing criteria

## Engaging suppliers in the leather supply chain

**Leather production can contribute to deforestation when land is deforested to make way for cattle grazing. Parts of the leather industry are also known for poor practices such as the unsafe use of chemicals in the tanning process.**

Although we use relatively small volumes of leather for products such as gloves and footwear (less than 0.2% of sales) we want to ensure it is sourced responsibly.



# 13

**of the tanneries that supply leather for our products have been audited by the LWG and 12 of those have achieved a Gold or Silver rating**

Traceability is a challenge in the leather industry and has meant we have not previously been able to reliably track the hides we purchase back to source.

In 2020/21, we joined the Leather Working Group (LWG), which promotes environmental improvements in the leather supply chain. This has enabled us to identify the tanneries in our supply chain for our own exclusive brand (OEB) products.

During 2021/22, we will be using one of the LWG tools to help us map our leather supply chain in more detail to identify where hides are sourced from and any potential deforestation risks.

13 of the tanneries that supply leather for our products have been audited by the LWG and 12 of those have achieved a Gold or Silver rating.

We are continuing to develop a leather roadmap focusing on:

- Sourcing leather from certified tanneries that meet best practice standards for human rights and worker welfare.
- Requiring tanneries to undergo regular independent audits.
- Compliance with our Restricted Substances List (RSL) for footwear and accessories which includes requirements on the safe use of chemicals.

Our Group team is advising our banners on how to apply our standards to locally sourced leather.

We are also exploring alternatives to leather for some product lines including footwear.



Site Cotton & Leather Rigger Gloves



# Committed to ambitious climate change targets

## Climate change is one of the biggest challenges of our time. We want to support global efforts to reach net zero emissions by 2050 at the latest.

Our original carbon targets were approved by the Science Based Targets initiative in 2019 and we met our operational target ahead of schedule. We have reduced our absolute scope 1 and 2 (market-based) greenhouse gas emissions by 27% compared with the baseline year of FY 16/17 and against our target of 22% by 2025. This is a large movement from the previous year (FY 19/20: 18%), driven in part by the temporary closure of stores due to Covid as well as strong underlying improvements.

We have therefore reviewed our plans and agreed new appropriate capital investment to now commit to a more ambitious reduction target. This has been approved by the Science Based Targets initiative confirming that it aligns with a 1.5°C trajectory. Our target is to:

- reduce our absolute greenhouse gas emissions from our direct operations by 38% by 2025 compared with a 2016/17 baseline (scope 1 and 2); and
- achieve a 40% reduction (per million pounds (£) turnover) from purchased goods and services and use of sold products, by 2025 from a 2017/18 baseline (scope 3).

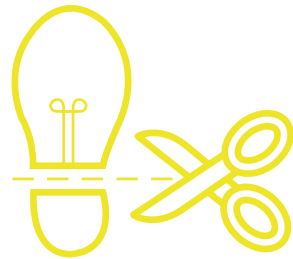
We understand that this puts Kingfisher amongst a handful of retailers worldwide to have approved 1.5°C science-based targets. We have also joined the Business Ambition for 1.5°C

– a campaign led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and the We Mean Business coalition.

We disclose our performance on climate change and participate in various external benchmarks. This includes the CDP Climate Change disclosure initiative for which we received a score of A- in 2020.

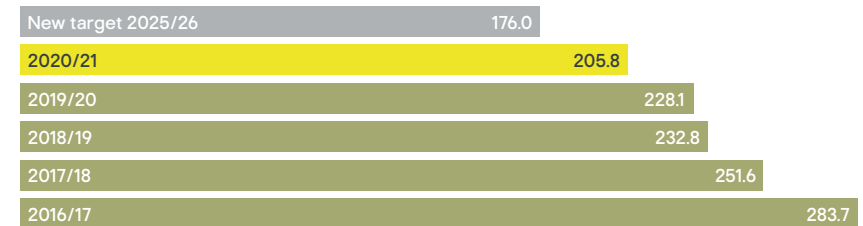
We support the Task Force on Climate-related Financial Disclosures (TCFD) and summarise our approach in our [performance data appendix](#) and Annual Report. Over the next two years, we will be conducting climate risk and opportunity scenario analysis, which will help us further align with its recommendations.

We are a member of the British Retail Consortium's Climate Action Roadmap, a ground-breaking decarbonisation plan that will guide the industry on the steps necessary to accelerate progress to a Net Zero UK, ahead of the Government's 2050 target.



**We've already cut our direct CO<sub>2</sub>e emissions by 27% from 2016/17**

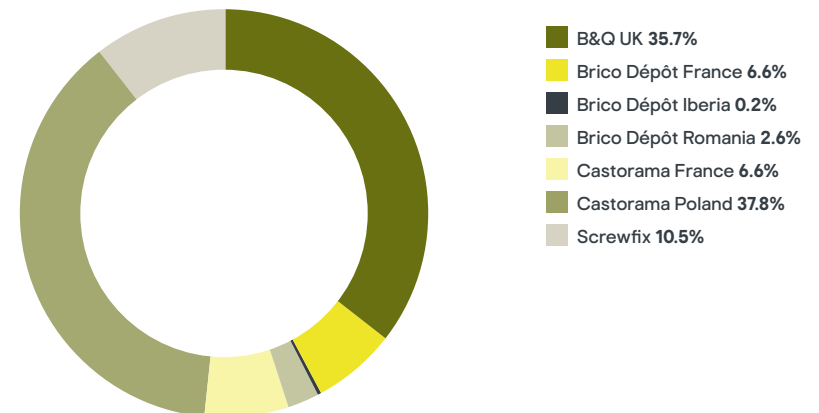
## Our carbon emissions (scope 1 and 2 market-based) thousand tonnes CO<sub>2</sub>e from property and transport



## Our property energy consumption GWh



## Carbon footprint by retail banner (scope 1 and 2 market-based) 2020/21 tonnes CO<sub>2</sub>e





Joining the Race to Zero

We're a founder member of the UN's Race to Zero Breakthroughs – Retail, a partnership aiming to inspire the world's largest retailers to take action on climate change and commit to a 1.5°C science-based carbon reduction target.

As part of our commitment, we have met with the board of our key international trade association, EDRA/GHIN (the European DIY Retail Association home and the Global Home Improvement Network representing 214 companies), to discuss climate change. We are supporting them to conduct research as a step towards adopting a climate roadmap and engaging their member companies.

Race to Zero is an initiative of the United Nations Framework Convention on Climate Change (UNFCCC), supported by the World Business Council for Sustainable Development (WBCSD).

Efficient, low carbon buildings

We're cutting energy use in our stores and distribution centres and have a three-year energy reduction plan for each of our banners. Our energy blueprint ensures that energy efficiency is prioritised in the design and fit-out of new stores. We have now installed LED lighting in 91% of our stores (2019/20: 85%), including all stores in France and Poland, and are introducing building management systems to better manage energy demand in the UK, Poland and France.

We also retrofit improvements where we can see opportunities to reduce energy use. This includes redesigning the heating systems in two large UK distribution centres to provide warmth to colleagues on the packing benches more efficiently.

On-site renewables are helping us to make further reductions in our footprint. We've installed solar PV panels on 24 stores, offices and distribution centres, have biomass boilers supplying two distribution centres and one head office building, and air source heat pump systems at 130 locations. This investment in renewables is generating 7.5 million kWh per year and delivering over £1.3 million pa in financial benefit including energy cost reductions each year.

We also source 48% of our purchased electricity from renewable sources through contracts in the UK, Iberia, France, Poland and Romania.

Together, these measures have helped us to reduce our property energy intensity by 17% since our 2016/17 baseline, and by 6% year on year. Property carbon intensity has reduced by 35% over the same period. We saw a larger than expected decrease in emissions during 2020/21 in part due to the impact of store closures during national lockdowns.

Our property energy intensity kWh/m² floor space

2020/21	116
2019/20	124
2018/19	135
2017/18	134
2016/17	140



Screwfix Mold store

## Lower impact transport

We're working to improve efficiency and adopt new technologies so we can reduce emissions from our transport and travel, even as our business grows.

Fully electric heavy goods vehicles are not yet sufficiently developed to meet our operational needs; however, Liquefied Natural Gas (LNG) is an alternative to diesel fuel which can reduce CO<sub>2</sub> emissions by around 20%. At B&Q, we now have 50 trucks in our store delivery fleet running on LNG from our Swindon distribution centre. We plan to expand our UK LNG fleet, adding a further 50 vehicles. This was delayed due to the pandemic and will now happen in 2021/22. We'll also be installing another LNG fuel facility at a second distribution centre.

At Screwfix, we've reduced road miles by almost 200,000 by increasing the number of products transported in each load and increasing the number of products stocked at some of our distribution centres. You can read more in our [performance data appendix](#).

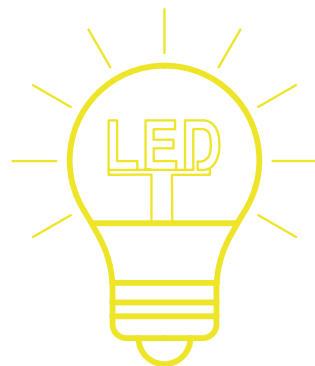
## Reducing emissions from the use of our products

Customer use of our products, such as light bulbs and energy-using appliances, makes up 38% of our scope 3 emissions. By improving energy efficiency, we can reduce product-related emissions and help customers save on their energy bills.

We have reduced emissions associated with our lighting range by 60% by switching to LED products and from our kitchen ranges by introducing more induction hobs.

We have reduced emissions from energy-using products, such as appliances, by 1.7 million tonnes of CO<sub>2</sub>e since 2017/18. This takes account of a product's estimated lifetime carbon emissions from energy use.

This improvement in energy efficiency has reduced our scope 3 footprint by 18% compared with 2017/18 against our target of a 40% reduction per £million turnover by 2025.



# 60%

**reduced CO<sub>2</sub>e emissions associated with our lighting range by switching to LED products and offering more induction hobs**





### Tackling carbon in the supply chain

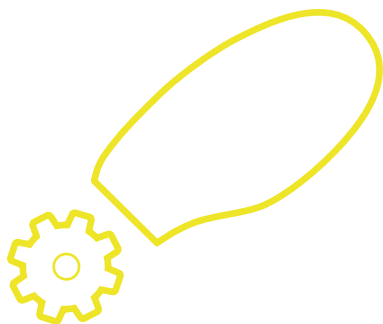
Almost 50% of our carbon footprint comes from the sourcing and manufacture of our products. We're working with suppliers to reduce this through the sustainable sourcing of raw materials and by encouraging improvements in their manufacturing. This includes a focus on the highest carbon-producing products such as peat, cement, ceramics and plastics.

Integrating more recycled material is one way we can cut carbon emissions and we are exploring ways to do this for the plastic we use, as well as for textile and for the board used in kitchen and flooring products.

Cement is a particularly carbon intensive product and we are engaging with suppliers on how we can reduce the footprint of the bagged cement products we sell. We are focusing on reducing the clinker-to-cement ratio (clinker is a binding component in cement, produced through a chemical reaction which leads to significant carbon emissions) and improving energy efficiency in the manufacturing process.

Read about our work on plastics on [page 36](#) and peat-free compost on [page 26](#).

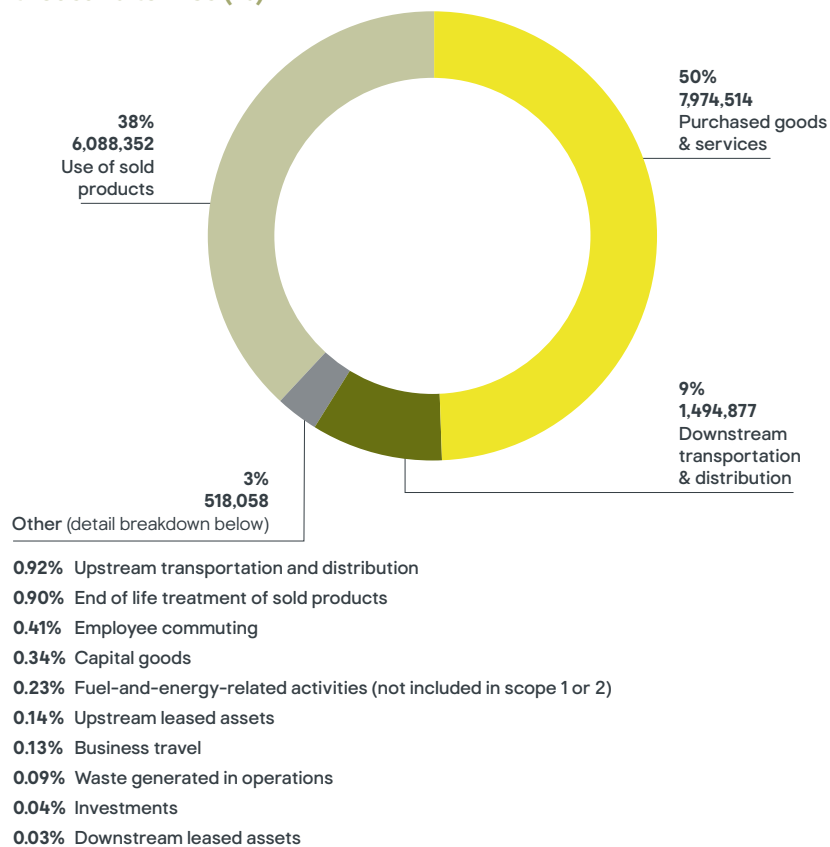
**“We’re working with our suppliers to reduce carbon emissions of the highest carbon-producing products, including peat, cement, ceramics and plastics.”**



# 50%

**of our carbon footprint comes from the manufacture of our products**

### Our scope 3 emissions 2020/21 thousand tonnes (%)



We calculated our full scope 3 carbon footprint in 2016/17; the split between the categories is shown above. The scope 3 chart includes reporting on the majority of our own operations for 2020/21 (see our [data appendix](#) for details). We have also updated the emissions from customer use of sold products this year. The remaining categories use 2016/17 baseline year data. The baseline year for purchased goods and services is 2017/18; we are not yet able to report an update on emissions from our supply chain but are reviewing currently.



# Towards peat-free gardening

**Peatlands are an important and unique habitat and store twice as much carbon as the world's forests. However, huge areas of peatland have been destroyed, with the use of peat in horticulture a contributing factor. Moving to peat-free gardening is one of the biggest contributions our industry can make towards tackling climate change.**

For almost 30 years, we have been working to remove peat from our products in the UK. This has involved working closely with our suppliers and growers to develop, test and refine our own range of peat-free products. Completely removing peat can be challenging since availability of replacement ingredients in sufficient volumes varies hugely across our markets and there has been scepticism among customers and parts of the industry about peat-free solutions, though this is changing. Peat-free alternatives have historically also been less affordable for consumers.

We are committed to ensuring the widespread availability of peat-free products that perform just as well as peat-based alternatives, so that consumers can make responsible gardening choices, no matter their budget.

We launched our new GoodHome high-quality 100% peat-free compost in B&Q and Castorama France in early 2020. This is formulated to provide an effective compost

using coir and other ingredients to replace peat. It is competitively priced so that price is not a barrier to customers in their purchase decision.

We expected to start phasing out our peat containing bagged growing media products during the year but progress was slowed by the pandemic which significantly increased demand for compost while disrupting some key supply chains. This meant we continued to sell our previous ranges for longer.

Completely peat-free compost now comprises over a quarter of all compost sold in the UK, Ireland, France and Poland (based on litres). Non-peat ingredients accounted for 52% of all bagged growing media ranges in 2020/21 (2019/20: 41%).

In 2021/22, we expect to see an improvement in the peat-free content of our own exclusive brand (OEB) composts, with the exception of ericaceous compost, as we introduce new peat-free combinations whilst selling through existing OEB peat-containing composts.

In 2023 B&Q, the banner selling by far the largest volume of growing media (77% of total sales sold by all banners), will become 100% peat-free across its bagged growing media range.

## Collaborating with our plant suppliers

We're also working with our plant suppliers to phase out the use of peat in our pot and pack bedding and hardy plants. This is challenging

given the volume of plants we sell and will require innovation to identify high-quality alternative materials that are widely available; nevertheless it is something we are working to achieve. Our data in this area is incomplete but we're committed to leading the market in this.

## Inspiring pollinator-friendly gardens

Nature has been an inspiration to many during the pandemic and B&Q teamed up with Butterfly Conservation to encourage customers to return the favour.

As a lead sponsor of the Big Butterfly Count 2020 in the UK, B&Q encouraged customers to get involved in citizen science by counting the butterflies that visited their garden. They also included help and advice on butterfly and pollinator-friendly plants on [diy.com](https://www.diy.com), through social media, direct email communications and in stores.

Butterfly Conservation reported that over 111,800 people took part in the Big Butterfly Count 2020.

**“In 2023 B&Q, the banner selling by far the largest volume of growing media, will become 100% peat-free across its bagged growing media range.”**



# Customers

## We will help make greener, healthier homes affordable

### We want to make sustainable living easy and affordable for our millions of customers.

A greener, healthier home is one that is well insulated, energy efficient and affordable to run. It uses fewer and more planet-friendly and long-lasting materials, is free from harmful chemicals and is fitted out with quality, long-lasting products made in ways that are better for people and the planet. Outside the home in people's gardens, this will include beautiful, naturally grown plants that provide food and shelter for birds and wildlife.

Our customer research shows that people aspire to have a sustainable home, but they often find it complicated or expensive to achieve. We want to change this.

Using our industry best practice Sustainable Home Product guidelines, we're embedding sustainability into our ranges so that customers will be able to choose any product they want and be confident it is as sustainable as possible.

We're also looking at how we can extend product life through repair services, removing harmful chemicals, reducing impacts from use of plastic and reducing the environmental footprint of our packaging.

### Our target

- 50% of sales to be from our Sustainable Home Products by the end of 2020/21.

### Our progress

42% of Group sales were from products that help create a more sustainable home in 2020/21. This is a 100% increase since 2011/12, when our target was set, and means a substantial proportion of our product range meets our Sustainable Home Product standards. Some of our banners exceeded our target, including B&Q who reached 55% of sales from Sustainable Home Products. We are now working to update our target for 2025.

See the following page for more detail.



# Our Sustainable Home Products

**Finding a sustainable product shouldn't be difficult or cost more. That's why sustainability is one of our five core design principles used in the development of our own exclusive product brand (OEB) ranges, alongside price, quality, form and function. When we improve a product's sustainability, we do not compromise on any of the other core design principles.**

Our industry-leading Sustainable Home Product guidelines, developed with experts Bioregional, help us improve the performance of our ranges. Every product is examined to assess whether it is sustainable, based on the guidelines. To be considered sustainable, a product must meet at least one criteria at 'Expect' level or higher and not meet any 'Watch list' criteria.

The guidelines are reviewed and updated every year to reflect changes in technology and improved understanding of environmental impacts. We make our guidelines easy to use and publish them on our website. We hope that by sharing our approach and what we've learned so far, we can help encourage change across our industry.

## 42% of sales from Sustainable Home Products in 2020/21

In 2020/21, 42% of our sales came from our Sustainable Home Products, an increase on 37% the previous year. This generated £5.13 billion for the business, an increase of 66% over the last five years.

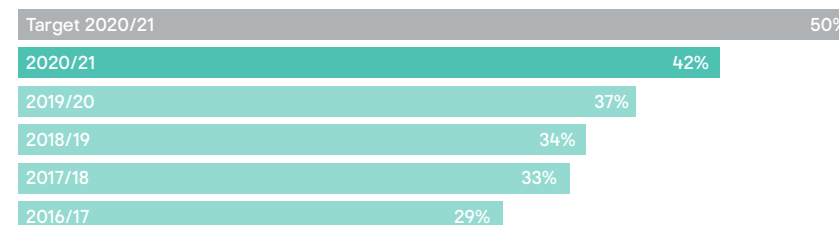
We were disappointed not to meet our longstanding target of 50% of sales to be from Sustainable Home Products by the end of 2020/21, but pleased at the progress we have made on integrating sustainability into our purchasing decisions since our target was first set almost a decade ago.

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. A total of 11% of sales enabled customers to create safer, healthier homes and connect with nature. We are now working to update our target for 2025.

## Sustainable Home Products



## Sustainable Home Products % of retail sales





### Taking a life cycle approach

We've been using our Sustainable Home Products guidelines for over a decade to improve the sustainability of our ranges. Now we want to further deepen our understanding of our product environmental impacts at each stage of the value chain; from extraction of raw materials to manufacturing and transport, use by customers and disposal at the product's end of life.

We've begun using a life cycle analysis tool, to review key products and ranges. The tool will enable us to calculate and compare our product impacts at each stage, and track our progress at reducing these over time.

It will help our teams to identify priority products for improvement and better understand which changes we can make to have the most impact on product environmental performance. It will help us to meet our goal to reduce emissions from purchased goods and services and use of sold products, by 40% per £million turnover by 2025 (2017 baseline).

We will be trialling the tool in 2021/22 and aim to focus on our lighting, textiles, paint, metals and cement ranges and some product packaging.

## Our Sustainable Home Products principles



### Connect to nature

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



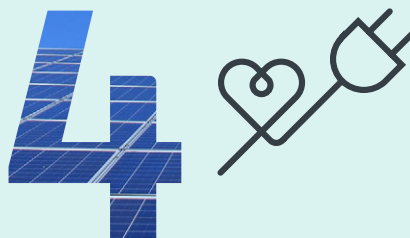
### Health & wellbeing

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



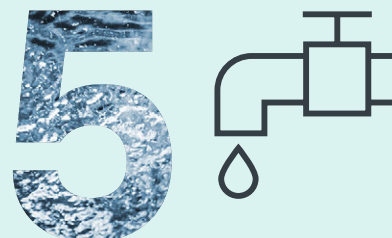
### Live smarter

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.



# Our sustainable products

## Connect to nature products

**Helping wildlife in gardens and beyond**

**Eating produce that we've grown ourselves**



Growing our own food has many benefits for physical and mental health and can help us to connect more with the natural world. Our modular kitchen garden product helps customers get started, even when they have very limited space. It is based on a raised bed system with accessories including plant supports, fine mesh netting to keep pests at bay, and covers to extend the season and aid with propagating seeds.

We are also phasing out garden products with harmful chemicals to help make gardens better places for nature. To date we have removed products containing neonicotinoids, metaldehyde and glyphosate and we specify that the flowering plants we sell must not have been grown using neonicotinoid pesticides. Helping customers create beautiful, natural gardens has been more important than ever in the last year, with people spending more time at home during the pandemic.

## Health and wellbeing products

**Improved air quality**

**Make our homes safer and more accessible**

**Support an active lifestyle**

**Adapting to climate change**



We introduced phthalate-free artificial Christmas trees in 2020. This is part of our work to remove chemicals known to be harmful to people or the environment, for which safer alternatives are available and which are most likely to be found in our priority supply chains.

Replacing petrol powered tools with cordless options can reduce our customers' exposure to air pollution. For example, our Erbauer lawnmower is cordless and has a brushless motor. This means less air pollution, better energy efficiency, extended running times and the battery can be shared with other tools in the range.



Verve Modular Kitchen Garden Raised Bed Kit



## Live smarter products



**Made from reused or recycled materials**

**Helping customers reduce, reuse and recycle**

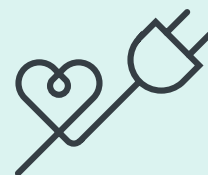
**Longer lasting**

**Rental and pay per use models**

Integrating recycled materials into our products can help to reduce waste and increase demand for recycled materials and reduce carbon emissions. We have a number of products that already contain recycled plastic including our range of Magnusson and Mac Allister toolboxes made with over 50% post-consumer recycled plastic. We've also added more recycled plastic to garden furniture and outdoor storage boxes. When using recycled materials, we never compromise on price and quality and expect them to perform just as well as non-recycled alternatives.

We aim to integrate circular principles into product design using our Principles for Circular Product Design, developed with sustainability experts Bioregional.

## Energy saving products



**Insulation and other energy efficiency solutions**

**Efficient appliances**

**Renewable energy and low carbon solutions**

Our GoodHome range of electric heaters are energy efficient and use smart technology. This means they can be programmed to come on only when needed. They also learn from customer behaviour over time, enabling them to predict when heating is and isn't needed, further improving efficiency. To complement our product range, we offer energy efficiency services in some retail banners such as Castorama France's free installation service for loft insulation, and support government schemes subsidising home energy efficiency improvements.

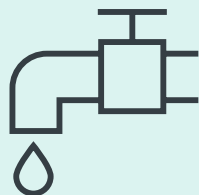
Our focus on energy-efficient and energy-saving products helps us reduce our scope 3 carbon emissions; read more on page 25.



## Water saving products

### Improving water efficiency

### Collecting and using rainwater



We're improving water efficiency across our ranges to help customers save money, water and energy. Our kitchen and bathroom basin taps, for example, now include aerating regulators to make them more water efficient. Aeration mixes water with air and regulates pressure, providing a good customer experience even with low pressure. Most of our taps now have a maximum flow of 8 litres per minute as standard compared with up to 12 in previous ranges. We are also working to improve water efficiency in our hand-held shower range which now meet our Sustainable Home Product standards for water efficiency.

## Sustainable materials

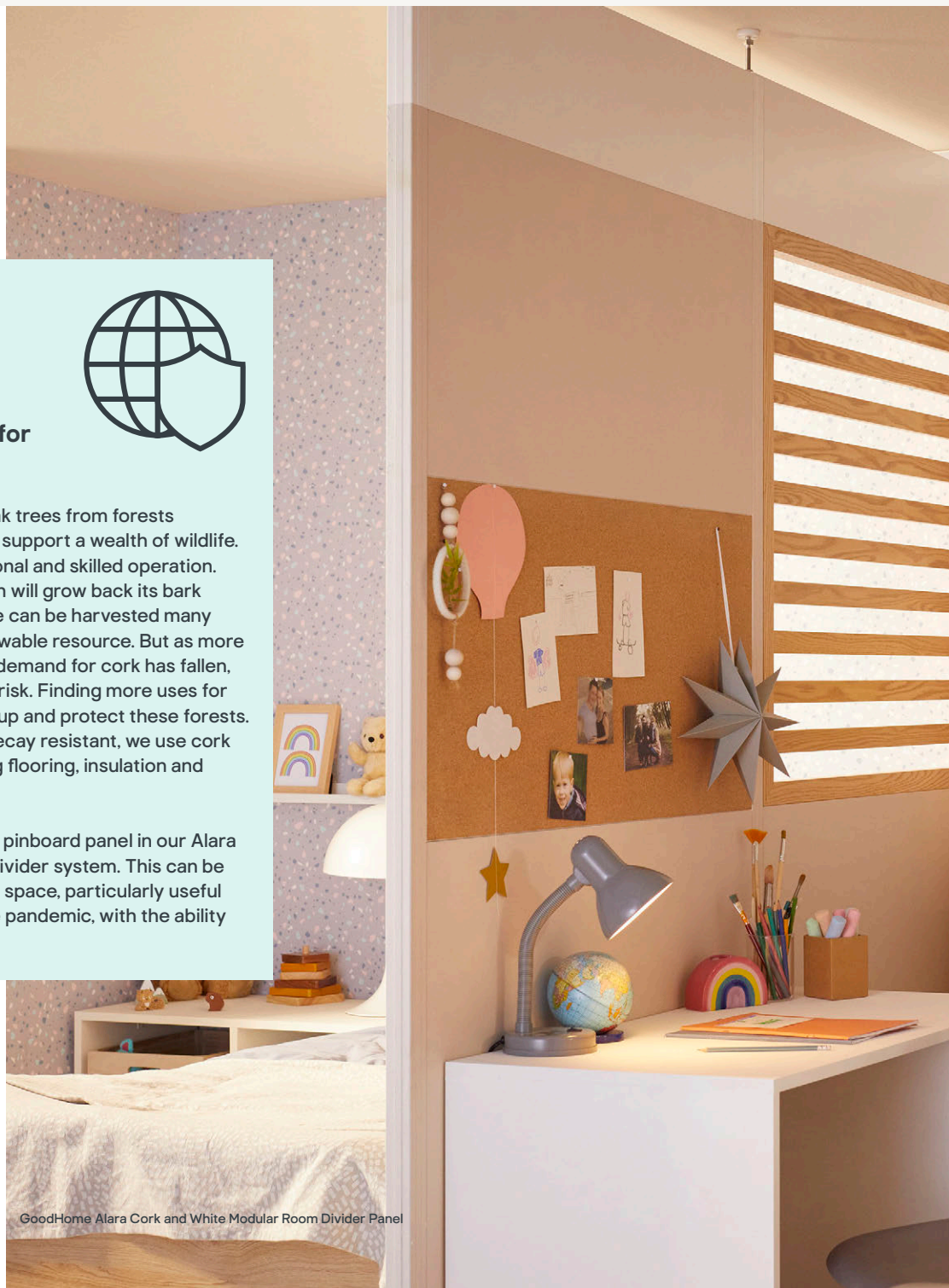
### Responsibly sourced

### Low carbon and better for the environment



Cork is harvested from cork oak trees from forests around the Mediterranean that support a wealth of wildlife. Harvesting the cork is a traditional and skilled operation. It does not harm the tree, which will grow back its bark layer over nine years. Each tree can be harvested many times, making cork a very renewable resource. But as more wine bottles have screw caps, demand for cork has fallen, putting the cork oak forests at risk. Finding more uses for cork can help to keep demand up and protect these forests. Naturally insulating, light and decay resistant, we use cork in a range of products including flooring, insulation and memo boards.

For example, we include a cork pinboard panel in our Alara easy-to-install modular room divider system. This can be used to create a home working space, particularly useful for many customers during the pandemic, with the ability to pin documents to the wall.



GoodHome Alara Cork and White Modular Room Divider Panel



## Improving sustainability: a long-term challenge

Achieving our sustainability goals isn't always straightforward and, sometimes, despite good progress, there are sustainability challenges that remain hard to tackle.

Our paint range is one example. It now includes more water-based paint options which have low levels of VOC chemicals which can affect indoor air quality. Our white and coloured emulsion paint ranges, for example, are over 90% low VOC. Water-based paint means there's no need to use solvents to clean brushes – further reducing customer exposure to VOCs. Together these changes have helped more customers to enjoy a healthier home.

However, reducing the VOC levels for some paint ranges is more challenging and we don't yet have all the solutions. For example, we've tested several different approaches to create a low VOC spray paint but each solution has drawbacks which would affect product quality.

We'll keep working on tackling this challenge and others like it (such as replacing harmful solvents with safer alternatives), partnering with our suppliers to make progress over time.

## Repair services to extend product life

Faulty products are not just bad for customers – they are a significant source of waste and a cost to the business. We aim to reduce product returns by making it easier for customers to have faulty or damaged products repaired. This can reduce our costs by up to 70% compared to an exchange or refund and prevent thousands of products from ending up as waste.

In all our retail banners we operate a call-out service for kitchen appliances, for example. We are also establishing repair services for some of our brands and increasing our stock of spare parts to make it easier for customers to service products.

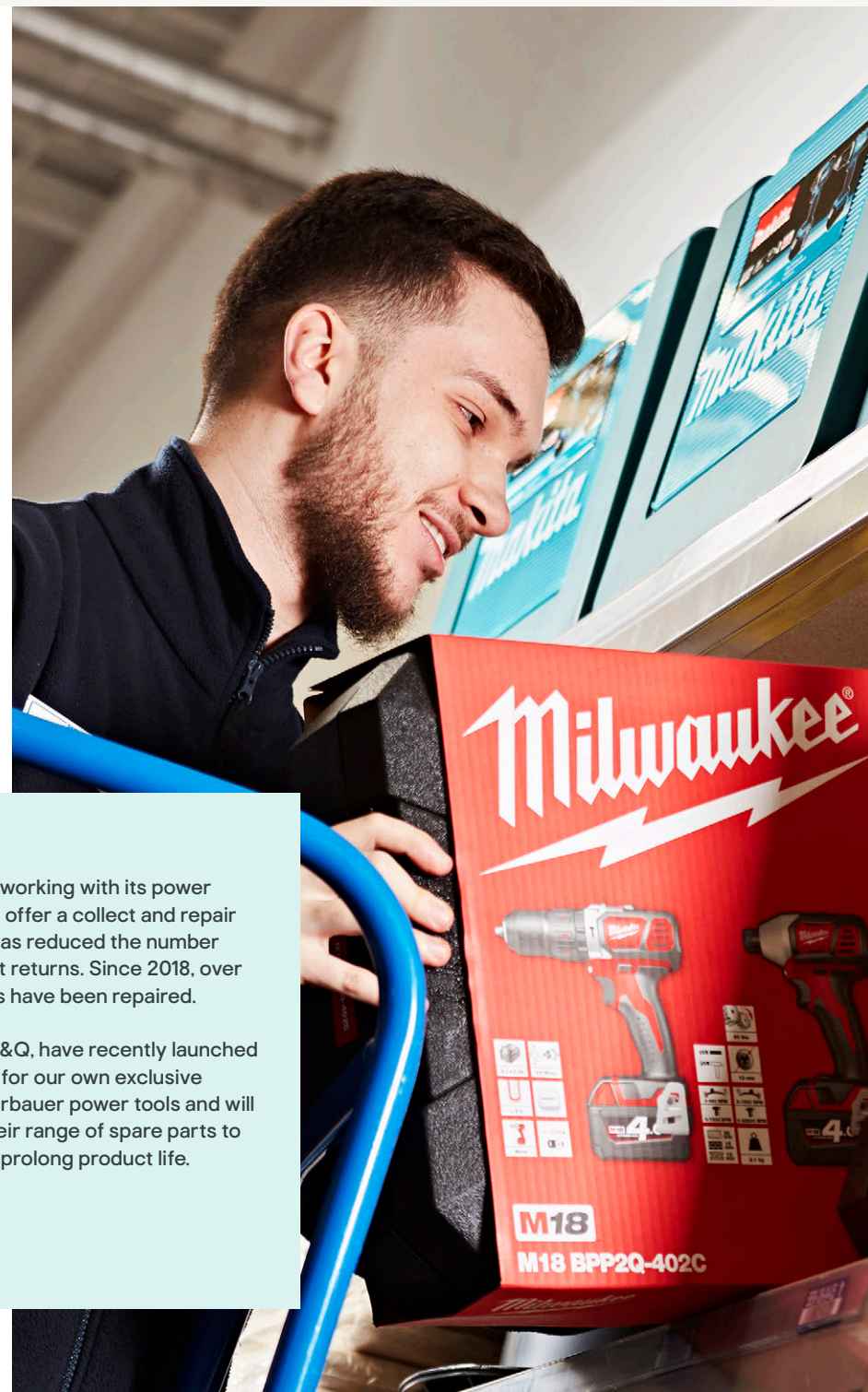
## Giving products a new lease of life at Screwfix

Product returns can be a significant source of waste in the retail sector. At Screwfix, we've been partnering with iForce for several years to reduce waste from returned power tools.

Through this partnership, returned tools are assessed and tested, repaired and cleaned where necessary, and whenever possible, refurbished for resale at a discounted rate. Almost 50,000 returned power tools were refurbished and resold in 2020, saving over £1.6 million. The 1% of tools that cannot be resold, are disassembled and recycled with no waste going to landfill.

Screwfix is also working with its power tool suppliers to offer a collect and repair service, which has reduced the number of faulty product returns. Since 2018, over 44,000 products have been repaired.

Screwfix, with B&Q, have recently launched a repair service for our own exclusive product brand Erbauer power tools and will be extending their range of spare parts to help customers prolong product life.





### Telling our sustainability stories in store

We want to make sure that customers can easily identify products that will help them to create a greener, healthier home.

At its new store in St Albans, B&Q tackled this challenge by creating a dedicated sustainability zone, featuring some of our greenest products. Customers can now easily learn about our Sustainable Home Products from smart home technology, to water-efficient taps, energy efficiency solutions and products made from recycled materials.





# Removing harmful chemicals

**We want all customers to enjoy a safe and healthy home, free from harmful chemicals. We are working with suppliers to identify and phase out chemicals of concern ahead of regulation. Improving chemicals management also helps to protect workers in our supply chain and the environment.**

By 2025/26, we aim to:

- achieve transparency of harmful chemicals in key supply chains;
- phase out the highest priority hazardous and high-risk chemicals of concern; and
- introduce five green substances.

## A more transparent supply chain

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 and regularly review and update them.

Increasing the transparency of chemicals use 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 will be piloting a new chemicals management software system in 2021, to

help us track high-priority vendors and their products. This will improve how we monitor compliance with our transparency requirements and chemicals policies as well as tracking supplier training.

## Surveillance testing

We use surveillance testing to confirm that products meet our requirements and monitor progress on phasing out our priority substances. Testing helps us to identify common challenges and informs supplier training. Our approach is to test a sample of products in each category and use the findings to calculate a representative compliance rate for each product category.

We have made progress on surveillance testing for textiles, testing 80 of the highest-risk products in our textiles ranges. We found that over 93% were free from phthalates, PFCs and halogenated flame retardants and are working with suppliers to phase out these chemicals from the remaining products. We are also developing our surveillance testing for plastics, focusing on product lines such as power tools.

As well as intentional use of chemicals by suppliers, products may contain 'unintentional' chemicals, due to contamination during the manufacturing process. Surveillance testing enables us to check for unintentional chemicals use. We have a process to find and fix the root cause of contaminations when they occur.

## Phasing out phthalates, PFCs and halogenated flame retardants

We have a large supply chain and product range, so we use a risk-based approach to prioritise chemicals for phase out.

Our current focus is on removing phthalates, PFCs and halogenated flame retardants from our OEBs by 2025. These are chemicals known to be harmful to people or the environment, for which safer alternatives are available and which are most likely to be found in our priority supply chains: textiles, plastics and chemical products (such as glues, paints and cleaning products).

During 2020/21, we removed phthalate plasticisers from the power cords in our Erbauer power tool range. We are also in the process of removing halogen flame retardants from this range and substituting with safer alternatives. We have worked with bathroom accessory vendors to remove PFCs from shower curtains and with safety boot vendors to remove phthalates.

## Unlocking the potential of green chemistry

Our target is to introduce five green chemical alternatives by 2025 – safer alternatives for potentially harmful substances.

We are active members of the US-based Green Chemistry & Commerce Council (GC3) and part of their GC3 Retailer Leadership Council. We have aligned our chemicals transparency

process with other members, to make it easier for suppliers to respond to multiple information requests.

In Europe, we collaborate through the NGO ChemSec's business working group and have co-founded GC3 Europe, launching in early 2021.

## Equipping our suppliers and colleagues

We train suppliers and provide advice and support to help them to strengthen their chemicals management system, phase out priority chemicals during manufacturing, and engage their own supply chain. Suppliers are identified for training using a risk-based approach.

During the year, training was restricted by the pandemic but we were able to run a training session on our chemical management standards for around 100 textile suppliers in China. Over 95% passed the exam following the training.

Feedback from suppliers shows our approach is aligned with other retailers and brands. One third of suppliers already have advanced knowledge in sustainable chemical management from other retailers and brands.

We train colleagues on our approach, so they can communicate our expectations to suppliers. In 2021/22, we will train colleagues in our retail banners to help them implement our chemicals roadmap and track progress.

We are reducing chemicals use through our work on sustainable materials, see pages 21 and 36.

## Reducing impacts from plastic

**We want to reduce the amount of plastic used in our products and packaging and to ensure that any plastic we do use has a lower environmental footprint.**

We focus on: increasing our use of recycled plastics, phasing out harmful chemicals used in some types of plastics (see page 35); switching to alternative materials; and designing products and packaging to use plastic more efficiently. We've also trained our design teams in the UK and France to design our plastic products to be more easily recyclable.

Read more on packaging, [page 37](#).

### Developing the recycled plastics supply chain

We aim to use at least 50 thousand tonnes of post-consumer recycled plastic per year by changing how we manufacture our products to make them more sustainable.

We have a number of products that already contain post-consumer recycled plastic including our GoodHome Neva composite deck board, Mac Allister toolboxes, Magnusson tool chests, Garcinia Stone and Pasillia kitchen cabinets and a four-seater garden coffee furniture set.

Sources of recycled plastic are not yet suitable for every product in our range because of legal, quality and supply challenges and we

are working with suppliers to help develop the recycled plastic supply chain. Previously our efforts have focused on use of recycled polypropylene but we are now exploring opportunities to integrate recycled Acrylonitrile butadiene styrene (ABS) and polycarbonate plastics.

We have strict quality standards to ensure that recycled plastic does not contain harmful chemicals. These specify the types of recycled plastic that can be used and require suppliers to achieve third-party certification or to carry out regular product testing.

We are members of the Green Recycled Plastic Supply Chain Joint Working Group (GRPG) in China which is working to develop shared standards on use of recycled plastic.



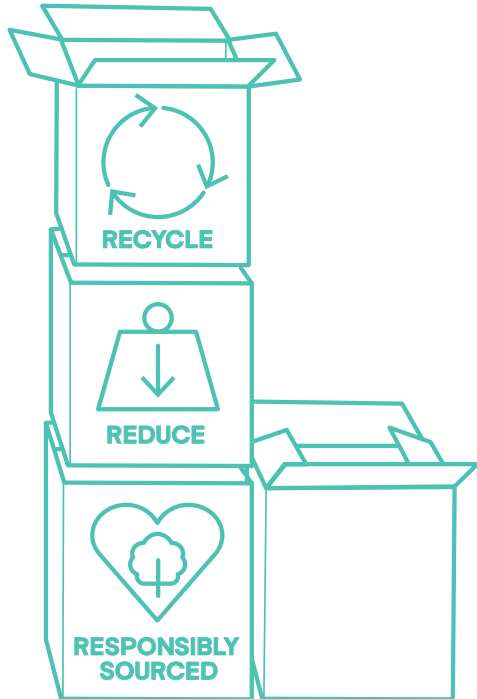
GoodHome Garcinia Matt Stone Kitchen



# Designing more sustainable packaging

## Packaging protects our products in store and in transit but can have a significant impact on the environment.

We have reviewed our packaging strategy for OEB products during 2020/21 and introduced new targets to help us increase our use of recycled plastic, ensure wood and paper complies with our sustainable sourcing policy, design out single use plastic and reduce packaging waste.



Our targets are:

- At least 30% recycled content in plastic packaging by 2022.
- Phase out non-recyclable plastic packaging such as PVC and expanded polystyrene by 2022.
- Reduce plastic packaging by 25% (by weight) by 2025.
- All paper and board used in packaging to be certified sustainably sourced by 2025.

We are improving the data we collect on our packaging and materials use to enable us to track progress and develop an action plan.

We are also exploring whether changes to the way we source our packaging can help us achieve our targets and track compliance with our policies. We will be running a pilot during 2021, which will see us sourcing packaging materials, printing and production for key products directly, rather than via our vendors.

## Developing alternatives to blister packs

Blister packs, a style of plastic packaging, are used for many of our products. They provide high levels of protection, enable customers to see what they're buying and allow space for product information and branding. However, this style of packaging is often difficult to recycle.

We're working with our packaging design teams and vendors to develop more sustainable alternatives to blister packaging that use cardboard rather than plastic.

We're also developing alternatives to cable ties used for some product packaging which are often made from PVC or nylon and difficult to recycle.

## Addressing impacts from transit packaging

Transit packaging is used to protect products being transported to stores and distribution centres. However, when products are over packaged fewer can be transported in each load, increasing costs and carbon emissions. Equally, if not enough packaging is used, products may be damaged, increasing waste.

We are holding 'transit packaging surgeries' bringing together the different stakeholders involved to find solutions to these problems. Three sessions have been held so far with our logistics team, transit suppliers, packaging designers and vendors to identify opportunities to improve transit packaging and reduce its environmental impacts.

## A sustainable packaging transformation at Screwfix

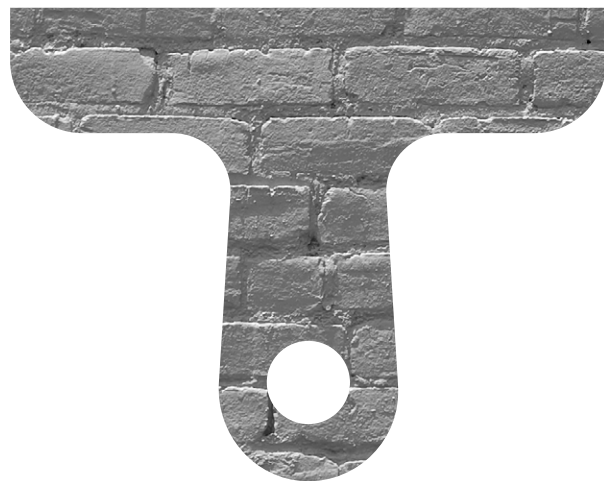
Screwfix has started a programme to transform its packaging, increasing use of recycled and recyclable materials and reducing plastic. The first products to use the new packaging are its own brand LAP range of electrical switches and sockets, around 120 products. The packaging has been totally redesigned to eliminate plastic and replace it with certified sustainably sourced cardboard. Further ranges will be switched to the new packaging in 2021/22.

Screwfix is working with its vendor base to implement the changes and will require all vendor branded products to comply with the new requirements by December 2024.



# Communities

## We will fight to fix bad housing



**We will fight to fix bad housing – donating our products, expertise, funding and time to help more than one million people whose housing needs are greatest in the communities we serve.**

Everyone wants their home to be safe, warm and welcoming. If those needs aren't met it is distressing. Yet millions of people across Europe still live in homes which are unfit – too small, too dark, too cold, too damp – or experience homelessness. This can have a devastating impact on confidence, health and future prospects. We want to help.

Through our charity partnerships, our fundraising and volunteering and our new network of in-country charitable foundations, we support projects that improve housing and community spaces for those that need it most.

In 2020, we saw Covid-19 exacerbate inequalities across our communities and have a profound impact on our relationship with our homes. We have responded through direct support for those on the frontline through our donations of PPE (see page 4), as well as significantly increasing our community investment activities.

### Our targets

- Help more than one million people whose housing needs are greatest by 2025.
- Provide over 20,000 colleague volunteering hours to support housing and home improvement projects in 2020/21.

### Our progress

We supported over 1,100 projects and donated £5.5 million with a further £2.7 million donated by colleagues and customers. Since 2016/17 we have reached 791,000 people, well on our way towards our goal of one million by 2025. As a result, we have increased our target and now aim to help at least two million people by 2025.

Planned colleague volunteering activities could not take place due to Covid-19 and people's safety taking priority, so we were not able to meet our volunteering target.

See the following page for more detail.



# Our network of local foundations

**Our network of charitable foundations from our banners now covers the UK, France, Poland and Romania, supporting charities working to improve housing and community spaces. Two further foundations will be launched in 2021 for Brico Dépôt France and in Spain.**

The foundations are funded by annual Kingfisher corporate donations as well as colleague and customer fundraising, and profits from sales of our reusable plastic bags. In addition, with the agreement of our shareholders, unclaimed dividends were also donated evenly to our foundations in 2020/21.

Our foundations have already started supporting a range of projects. For example, the new **B&Q Foundation** awarded grants to charities across the UK ranging from homelessness and abuse charities, to children's hospices and rehabilitation centres, to support communities with projects to improve homes or a community space. One of the first grants awarded was to St Martins in Norwich, a homeless charity supporting adults who are homeless or at risk of homelessness. The grant is being used to create a safe and welcoming outdoor area for clients to wait for appointments, meet and socialise, without the fear of being moved on.

**Fundacja Castorama** (Foundation Castorama Poland) supported the renovation of the Psychotherapeutic Center in Pszczyna, which runs a range of services to help vulnerable

people including those at risk of homelessness. The Foundation also supports a workshop space in a specialised children's school and educational centre in Kłeco.

The **Screwfix Foundation** has raised over £6.8 million since it was launched in 2013 which has been used to support 1,500 local charities and not-for-profits. During 2020/21, this included supporting the Rising Sun Domestic Violence & Abuse Service – a charity in Kent addressing domestic violence and providing services for adults, children and families. The Screwfix Pennies initiative asks customers to round up their orders to the nearest pound with the proceeds donated to charity through the Screwfix Foundation.

Through our newly created **Fondation Castorama** in France, we extended our community impact by supporting four NGOs working to improve housing and community facilities, increase access to housing and foster self-help networks among disadvantaged families and communities. For example, in the Provence region, it is supporting Compagnons Bâtisseurs to help low-income households improve their living conditions. The foundation's support will fund the creation of a DIY workshop and tool library where people can learn the skills and access the resources they need to improve their homes. Castorama France also piloted DIY skills training which we hope to deliver and expand in 2021.

Brico Dépôt France is also supporting the 'Brico bus', a mobile DIY service unit which visits disadvantaged communities around the country to help them improve their housing.





## Good Homes Change Lives in Romania

Nicușor is one of the 2,600 people who benefited from Good Homes Change Lives, the first financing campaign of Fundația BricoDépôt (the Brico Dépôt Romania Foundation).

His family's home does not have running water, but thanks to the work of NGO Zi de Bine Association, he's now able to use a mobile solar shower unit. Zi de Bine is one of 10 projects to receive a grant in 2020/21.

Any NGO in Romania had the chance to apply for the funding to support projects to improve living conditions and quality of life in disadvantaged communities. Other projects selected included: a hospice for cancer patients, a centre for disabled children and a children's after-school centre.

In addition to the Foundation grants, Brico Dépôt Romania also donated products from its stores to support the projects.



**“I’ve taken only one bath, in my entire life, before. I was younger and I went with my mother to a relative’s flat and they let me sit in the bathtub for as long as I wanted. But let the water jet come on me from above, from that round thing... I have never taken a shower like this in my life. I think that’s why I trembled here, inside...”**

Nicușor, 8 years old



# Partnering to increase our impact

**Our banners partner with leading organisations working to tackle homelessness and improve housing and support for vulnerable people.**

## Supporting Shelter in the UK

In the UK, B&Q supports the housing and homelessness charity Shelter. Our partnership focuses on helping people who have been through very difficult experiences to have a home where they can feel safe and secure. We fund a team of nine specialist DIY Skills Advisers who provide practical home improvement assistance to people who've experienced or are at risk of homelessness. This has benefited over 1,196 households since the partnership began. We provided funding to promote a series of digital advice films, helping Shelter reach more than 60,000 people.

## Taking action in France

In France, our Brico Dépôt banner continued its partnership with Fondation Abbé Pierre and supported Communauté Jeunesse "Femmes Solidarités 91" which provides emergency accommodation and support to female victims of domestic violence and their children.

Our partnership with the Red Cross continues to support local emergency response in the UK, France and Poland. In 2020/21, this included support to help those affected by serious flooding in the south of France.

## Partnering with Habitat for Humanity in Romania

Brico Dépôt Romania, is working with Habitat for Humanity to support families who have been severely affected by Covid-19. This includes making micro loans to help people struggling during the pandemic to fix up their housing. In addition, we launched our first financing campaign supporting 10 national charities.

**"Every day our team of specialist DIY Skills Advisers see the difference that even modest home improvements can have on people's happiness levels. With B&Q's ongoing support, we can continue to provide hands-on help and basic DIY training to even more people – equipping them with the confidence and skills to create a home where they feel happy and safe."**

**Polly Neate,**  
Chief Executive of Shelter





## Getting our colleagues involved

**We want to get our colleagues involved in our work with our charity partners. This can benefit our local communities and be a rewarding experience for colleagues. Unfortunately due to the pandemic and the need to maintain social distancing, we were not able to organise volunteering activities during 2020/21. We plan to restart volunteering activity when it is safe to do so and in line with government guidance in our markets.**

Our colleagues did get involved in a range of fundraising activities, however. For example, at B&Q colleagues took part in the virtual London Mojo Marathon, plotting an outdoor route between London stores in line with Covid guidelines, and raising £200,000.

Herts Young Homeless has been awarded a £5,000 grant from the B&Q Foundation to support its work with vulnerable 16- to 24-year-olds who are homeless or threatened with homelessness. Herts Young Homeless will use the funds to provide the young people they support with essential items of furniture or household equipment after they move out of shelters or their own homes following a family breakdown. Colleagues from the local B&Q store in Welwyn Garden City visited the charity to donate B&Q paint and other products.





### Over £8 million community contribution in 2020/21

We supported over 1,100 community programmes during the year through projects connected to improving housing, community spaces and to support Covid-19 relief efforts.

Altogether, our community investment was worth £5.5 million during the year (2019/20: £1.5 million). This includes cash donations, employee time and in-kind contributions, with product donations valued at cost price. This is equivalent to 0.70% of underlying pre-tax profits (2019/20: 0.26%).

At least 442,000 people directly benefited from our community contributions, bringing the total to 791,000 since 2016/17. We expect to reach our target of one million by 2025 ahead of schedule and, as a result, we have increased our ambition. Our new target is to help more than two million people whose housing needs are greatest by 2025.

Our customers and colleagues raised a further £2.7 million through in-store collections, payroll giving, fundraising events and using our contact centres to take pledges from the public during charity fundraising appeals (2019/20: £1.5 million).

Read about our PPE donations on [page 4](#).

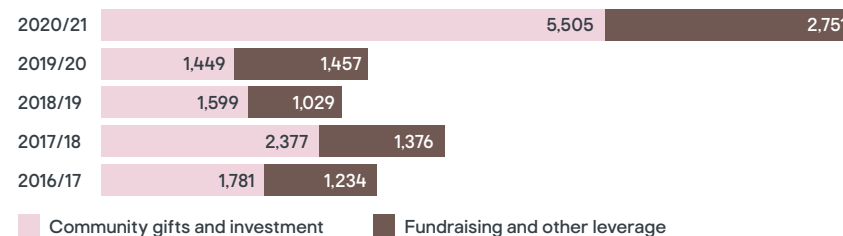


**+£8 million**  
community contribution  
in 2020/21

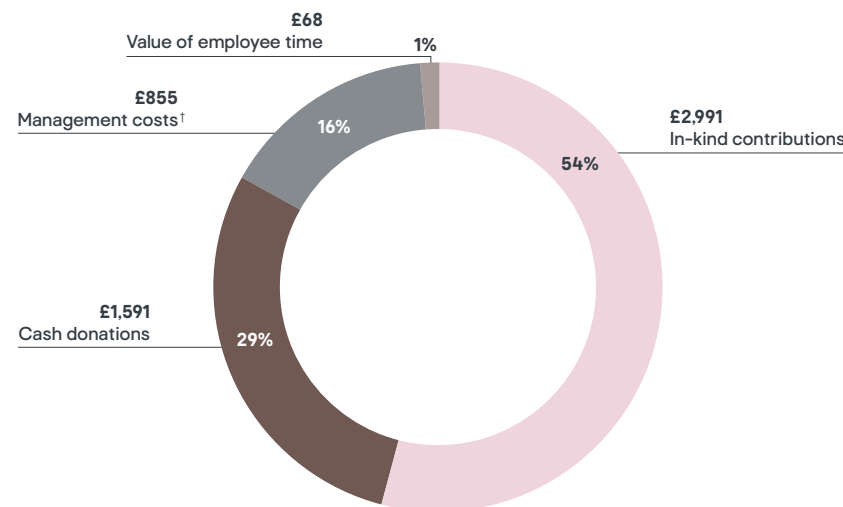


**791,000 people**  
directly benefited from our  
community contributions  
since 2016/17

### Community investment £ thousands



### Community investment: details of company giving 2020/21\* £ thousands



\* We follow the LBG guidelines on measuring community investment; definitions of categories can be downloaded [here](#).

† 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.

# If Walls Could Talk

**Tackling unfit housing requires a multi-sector, whole-society approach. That's why we want to work with others to catalyse change and encourage more people across business, government and society to take action.**

In 2020/21, we launched 'If Walls Could Talk', a new campaign, supported by our housing partners Shelter, Fondation Abbé-Pierre and Habitat for Humanity, to shed light on the issue of unfit housing across our markets.

The campaign began with a research report exploring the views of over 7,000 people across five countries in Europe (see box). This highlighted the impact of unfit housing on health and wellbeing and how housing problems have been exacerbated by the pandemic.

We are using the findings to help inform our strategic approach to fixing bad housing and to help us prioritise funding via our banner foundations. We've also communicated the results of this research to media and government. As part of the campaign we have increased the information we provide on our colleague websites to help people affected by housing issues. This includes, for example, raising awareness of Shelter's helpline for people in the UK.



## Shining a light on unfit housing in Europe

How does poor housing impact people's day-to-day lives, and what impact has the pandemic had on housing problems? These are some of the questions we explored in a survey of 7,000 people across the UK, France, Poland, Romania and Spain.

Our research found that unfit housing affects millions of people across Europe, contributing to health problems and negatively affecting many aspects of their lives. With people spending more time at home because of the pandemic, these problems have been magnified.

More than a third of people in France, Poland, Romania and Spain, and 18% in the UK, told us that they are living with 'significant housing

issues'. More often than not, these are long-term problems – almost two thirds (62%) have been living with at least one housing issue for over a year.

Excessive cold, noise and damp are the most frequently mentioned problems. Almost a third of people across all countries said it had a major impact on their overall wellbeing.

Those with housing issues said that lockdown and spending more time at home during the pandemic had magnified their housing problems, leaving them feeling "trapped", "powerless" and "frustrated". This was particularly the case for the most vulnerable in society and those with disabilities.





# Our Responsible Business Fundamentals

Being a Responsible Business encompasses all aspects of the way we work, from how we treat our colleagues and partners, to our sourcing practices, our ethical standards and our use of resources. We have clear policies to ensure we take a consistent best practice approach across our retail banners and keep improving.

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# Safety at work

**Every colleague should be able to do their job in a safe working environment. 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.**

In 2020/21, much of our focus has been on ensuring that we implement strict Covid safety measures in our stores and operations to protect colleagues and customers, see box.

## Clear standards and reporting systems

We have a Senior Management Safety Committee in each retail banner and a network of safety professionals.

We have Group health and safety management standards to ensure we take a consistent approach to occupational health and safety management across our locations. Our Group-wide accident management reporting system tracks accidents (including minor accidents) and near misses and helps us to identify the root causes of accidents and reduce safety risks. A Health & Safety dashboard, summarising performance at each retail banner, is regularly reviewed by the Group Executive and the Board.

We audit our stores against our mandatory minimum health and safety standards and each retail banner has an action plan to address areas for improvement.

## Operating safely during the pandemic

During the pandemic we implemented additional strict safety measures to protect our customers and colleagues. These have included:

- The provision of gloves, visors and masks to colleagues.
- Limiting the number of customers in store.
- Safe queuing before entering the store and floor navigational markers to help enforce social distancing.
- Sanitiser stations throughout the store.
- Perspex screens at paint mixing and timber cutting stations, in showrooms and at checkouts.
- Encouraging contactless or card payments wherever possible.

COVID Risk Assessments are regularly updated as advice changes. Similar measures are also in place at our distribution and fulfilment centres, and training has been provided to colleagues to help support and implement these changes to their work environment.

We're regularly checking and auditing our stores to make sure our health, hygiene and safety rules are implemented and working effectively.

During national lockdowns and restrictions, we have also supported our colleagues working at home. This included wellbeing support, individual working from home ergonomic assessments, and providing additional IT and ergonomic equipment to colleagues who needed it.

## 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 9,484 (2019/20: 11,183). The reduction is due to the impact of store closures during national lockdowns.

There were no work-related fatalities. However, a colleague at B&Q died after suddenly becoming unwell and falling in one of our stores.

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





# Human rights and ethical sourcing

## We respect human rights and take steps to protect the rights of our employees, workers in our supply chain and others affected by our business activities.

We recognise that managing and mitigating human rights risks and upholding human rights is a shared responsibility and we work with others, including suppliers, peers, industry bodies, NGOs and governments, to address salient issues and raise standards.

More detailed information on our policies and our approach to human rights and modern slavery risks in our supply chain, is published in our [Modern Slavery Act Transparency Statement](#).

Read about our Code of Conduct and whistleblowing process on [page 51](#).

### Our policies and approach

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 explain the ethical standards we require from suppliers, and our Ethical Sourcing and Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy requires all high-risk production sites of finished goods for resale (GFR) to have a valid ethical audit at least every two years.

We support a number of external initiatives that aim to protect and promote human rights and improve standards in the retail supply chain. For example, we are a signatory to 'Better Retail, Better World', the British Retail Consortium (BRC) commitments on the UN Sustainable Development Goals, and a member of the UN Global Compact, see our [data appendix](#).

The majority of our ethical sourcing work focuses on direct suppliers. However, we aim to influence standards in our extended supply chain, including among raw material suppliers. Read about our approach in relation to wood and paper ([page 20](#)) and leather ([page 21](#)).

### Identifying our salient human rights issues

We want to make sure we prioritise and manage our salient human rights issues. These are the human rights at risk of the most severe negative impact through our activities.

During 2020, we worked with a consulting partner to identify our salient human rights issues, across our business and supply chains, as defined by the UN Guiding Principles Reporting Framework.

We identified 10 salient issues. 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 also 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, and that we are addressing and prioritising these. This included consideration of emerging risks such as those related to the Covid-19 pandemic.

This work has 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.

### Partnering with Slave Free Alliance on modern slavery

Modern slavery is a complex issue and collaboration with others in the retail sector and beyond is key to raising awareness and creating change.

To help strengthen our capabilities, we are working with Slave Free Alliance (SFA), a social enterprise developed by anti-slavery charity Hope for Justice. The Alliance works with victims, law enforcement agencies and businesses to help bring about a slavery-free supply chain.

During 2020, they undertook a gap analysis covering our policies, risk assessment processes, due diligence and training provision. They made a number of recommendations for strengthening our approach, which included:

- Extend provision for training on modern slavery risks for colleagues.
- Strengthen supplier engagement and communication, to reinforce policy requirements.
- Conduct deep dives into high-risk materials' supply chains beyond 'finished product' level.
- Increase checks on suppliers, including ethical audits and spot checks.

During 2021/22, we will be working with SFA to implement their recommendations, including running training for colleagues and suppliers. Read more in our [Modern Slavery Act Transparency Statement](#).

## Monitoring compliance through ethical audits

We check supplier compliance with our standards through ethical audits, targeting suppliers in the highest-risk countries, sectors and locations.

The audit reviews suppliers' performance and identifies any instances of non-conformance with our standards relating to labour standards and human rights, health and safety, business ethics and environmental performance.

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. Once completed, their compliance with our standards will be confirmed through a follow-up audit.

As a last resort, we cease to trade with factories if they don't work with us to address business critical issues.

We monitor the effectiveness of our audit programme by grading suppliers and tracking the number and type of non-conformances that are found and remedied (see Audit results).

## Audit results in 2020/21

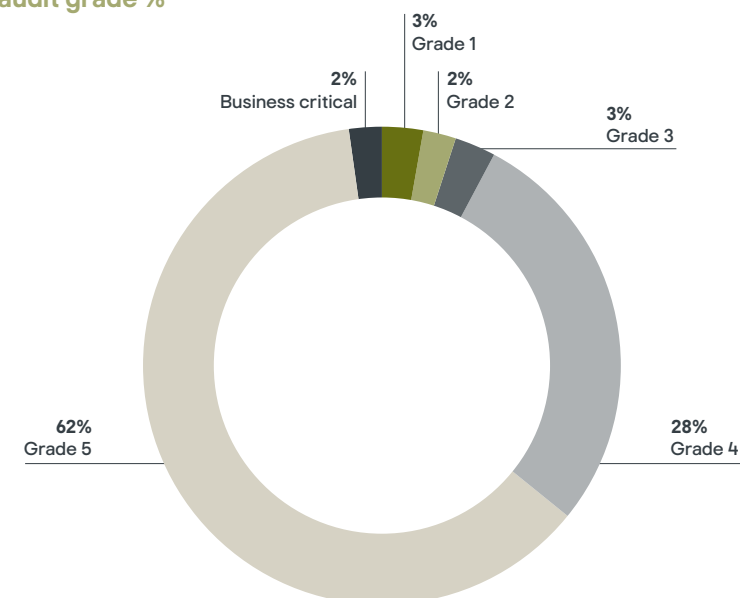
### Top five non-conformances by category (goods for resale)

The majority of non-conformances relate to health and safety, which include fire safety issues such as provision of fire extinguishers and number of fire exits. Other common non-conformances include working hours, wages and benefits, and environmental factors.

The number of non-conformances in the table are from ethical audits carried out in the past two years (2019/20 and 2020/21). The data covers production sites registered so far on Sedex.

Non-conformances	Number
Health, safety and hygiene	4,290
Working hours	1,037
Wages and benefits	719
Environment	445
Management systems	329
All other non-conformance categories	484

## Supplier production sites – GFR (goods for resale) 2020/21 by audit grade %



We allocate grades based on the results of the most recent ethical audit that has been carried out in the past two years. We use the Sedex audit grade classifications to develop our own internal grading. The grades are based on the number of non-conformances identified during the audit:

- grade 1 (no non-conformances);
- grade 2 (some observations);
- grade 3 (minor non-conformances);
- grade 4 (1–3 major non-conformances);
- grade 5 (4 or more major non-conformances or 1–3 critical non-conformances); and
- business critical (business critical non-conformances or 4 or more critical non-conformances).



16

production sites did not meet our minimum standards (i.e. they achieved a business critical grade); of these:

15

production sites resolved the non-conformance

1

production site submitted corrective actions and are pending auditor approval

## Progress against our policy

Our policy is to ensure all suppliers meet our ethical and environmental standards. To monitor progress against our policy, we require high-risk production sites of finished GFR to have an ethical audit. In 2020/21, there were 1,318 high-risk GFR production sites listed on Sedex. Of these, 960 production sites have had an ethical audit in the past two years, which equates to 73%.

Under our new strategy we aim to maximise the benefits of our distinct retail banners, which will continue to have their own product ranges and commercial approaches in order to service our customer base effectively. The pandemic has also had an impact as it has made it harder to visit factories and reduced the number of auditors available.

Going forward, we will continue to work with suppliers to achieve compliance with our ethical policies and standards. This will include our Offer & Sourcing function working with our retail banners to help them prioritise suppliers for engagement and auditing. More information is provided in our [data appendix](#).

## Goods not for resale suppliers

We work with EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our goods not for resale (GNFR) supply chain. Any new suppliers are required to complete the EcoVadis questionnaire covering four themes – labour and human rights, environment, ethics, and sustainable procurement. Their responses are reviewed by EcoVadis and a rating provided highlighting strengths, weaknesses and risk areas. The EcoVadis assessment is a requirement in our tender process for new suppliers, with a minimum score threshold of Bronze.

We aim to assess 85% of our GNFR spend (with suppliers with whom we spend over £75,000) by the end of 2021. To date 60% of our spend has been assessed by EcoVadis. The suppliers achieved an average score of 60 out of 100, which is a Silver rating.

All suppliers who do not meet EcoVadis Bronze level must put an action plan in place to improve. They are required to redo the assessment within 12 months to demonstrate that they now meet at least Bronze level. We will be supporting low scoring suppliers to make improvements.

## In practice: supplier engagement examples

### Embedding our standards among sub-contractors

Our tools and hardware suppliers often work with a large number of manufacturing sub-contractors. We want to make sure that these sub-contractors meet our responsible sourcing standards.

We are running a pilot project with our tools and hardware suppliers in China to develop our approach in this area. Suppliers are required to disclose the sub-contractors they work with and how they select, manage, audit and review sub-contractors. Where we find that suppliers do not have a robust approach to responsible sourcing, we are working with them to address this and agree an action plan to meet our standards. We carry out unannounced site visits to check implementation.

Six suppliers joined the project during 2020.

### Responsible recruitment of migrant workers

Recruitment and the supply of temporary, contract and seasonal labour have been identified as high-risk areas for modern slavery and human rights. We are sponsoring the Responsible Recruitment Toolkit from allianceHR, a specialist trade organisation. This provides a package of free training, self-assessment and support to help suppliers and their labour providers to embed responsible recruitment practices.

We have rolled out the Toolkit to suppliers of finished goods in the UK which use recruitment agencies. Eleven suppliers signed up and commenced using the platform during 2020. We aim to roll the Toolkit out to suppliers in the rest of Europe (when it becomes available in those countries) and to GNFR suppliers, during 2021/22.

We are also working with the consultancy Elevate to provide training for suppliers in Asia on the responsible recruitment of migrant workers.

# Waste and recycling

We want to design out waste from our operations, find new ways to reuse and recycle resources and help our customers to do the same. We are committed to achieving zero waste to landfill and 90% of waste recycled.

## Cutting waste to landfill

We are engaging our stores and waste management contractors to improve recycling rates and reduce waste. Our updated contracts with waste management contractors in the UK and France now include our waste reduction and recycling commitments. From 2021, we will hold quarterly meetings with contractors to review progress against these. In France, we have monthly waste scorecards for our stores to encourage improvements.

We are also helping customers to reduce, reuse and recycle by introducing take-back and recycling schemes in some stores. This can reduce waste to landfill, increase recycling of materials that aren't consistently covered by kerbside schemes and enable more circular use of resources. In the UK, B&Q is installing recycling units for small electrical products, batteries and light bulbs in all stores, exceeding regulatory requirements. B&Q also takes back old plastic plant pots for recycling in some stores. In France, we have permanent collection points in some stores for old paint pots and paint waste.

Our work on packaging redesign, use of recycled plastic and product repair services also help to reduce waste, see [page 37](#).

## Closing the loop on packaging waste

We're always looking for new ways to turn waste into products. A great example is one of the plastic film products sold by Screwfix and B&Q for use in construction projects. It contains recycled plastic that comes from polythene packaging waste collected from our UK distribution centres.

## 69% waste recycled

In 2020/21, we generated 176,600 tonnes of waste, a decrease of 4% year on year, compared to an increase in like-for-like sales of over 7%. This reduction in waste generated is partly due to store closures in 2020 as a result of the pandemic. Our recycling rate was 69% (2019/20: 70%) and we diverted 85% of waste from landfill (2019/20: 87%).

We were disappointed not to meet our zero waste to landfill target by our target date of 2020 but will keep working towards this commitment going forwards. We expect to see improvements in 2021/22 as we increase engagement with our waste management contractors and update our waste contracts in other markets.

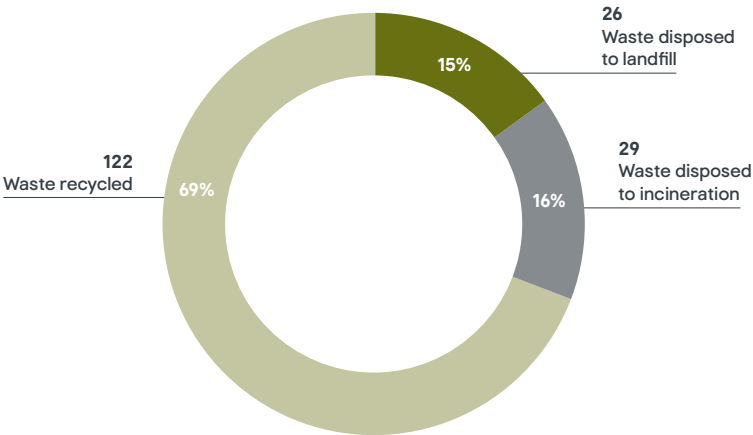
## Waste recycled %



## Waste diverted from landfill %



## Waste recycling and disposal 2020/21 thousand tonnes





# Ethical conduct

**We expect everyone working with us to carry out our business fairly and with complete integrity. We do not tolerate bribery or corruption.**

## Our Code of Conduct

Our Code of Conduct helps to promote a culture where transparency, honesty and fairness are the norm. It sets out our personal and shared responsibilities for meeting high ethical standards. It states that all employees have a duty to report any potential breaches of the Code. Our Code forms part of the contractual terms and conditions for all new employees.

The Code includes sections on: sustainability; ethical behaviour; working with third parties; modern slavery; anti-bribery and corruption; gifts and hospitality; and conflicts of interest, amongst others. We operate an online approval and reporting procedure for hospitality and gifts.

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

## Embedding our standards

All new joiners are required to complete Code of Conduct training, which includes our anti-bribery and corruption policies. In 2020/21, over 35,000 colleagues also completed a Code of Conduct refresher module, launched during the year, and over 3,000 colleagues working

in sensitive areas of the business received a fair competition training module. By April 2021, 74,000 colleagues had completed the refresher module.

The training covers our integrity principles, how to report concerns via the Kingfisher Speak Up channel and other topics in line with our Code of Conduct. Different modules are available to store and office colleagues, tailored to the specific integrity risks they may encounter. We also provide additional Market Abuse Regulation training for colleagues in higher-risk roles.

## Strengthening our governance processes

During 2020/21, we established our Group Ethics and Compliance Committee to help ensure good governance of compliance-related activities across the Group. It is chaired by the Kingfisher Chief Financial Officer and meets at least four times a year. Other members include our Chief People Officer, Group General Counsel, Internal Audit and Risk Director, and Group Head of Compliance.

Our compliance network, including a Local Compliance Officer in each retail banner, helps us implement our Code. During 2020/21, we started the establishment of a Local Ethics and Compliance Committee in each of our retail banners to help further embed our policies.

Our internal audit function monitors compliance among businesses to the Code requirements, using a risk-based approach to plan their work.

The Audit Committee of the Board of Directors receives regular updates on the outcomes from our internal audits, whistleblowing reports and the outcome of internal investigations. Statistics and trends will be monitored by the retail banners' Local Ethics and Compliance Committees.

In 2020/21, we launched a new third-party due diligence tool for goods not for resale vendors to integrate and strengthen our due diligence process in areas such as anti-bribery and corruption, sanctions and conflict of interest.

## Raising concerns and whistleblowing procedures

We encourage employees to ask questions or raise concerns via their line manager or member of the Legal and Compliance team. They can also report any concerns via our independent Speak Up channel or get advice via a dedicated email address. We raise awareness of the hotline via our Code of Conduct training.

Reports are investigated and if an employee is found to have breached our Code of Conduct, appropriate disciplinary action is taken. The number of open and resolved cases and the outcomes are reported to the Audit Committee of the Board of Directors. We will be introducing new training for colleagues in charge of investigations during 2021/22.

In 2020/21, there were 168 cases opened of which 160 were investigated and closed during the year.

## Communicating our Code to colleagues and suppliers

During 2021/22, on top of the Code of Conduct refresher training, we will be running an awareness campaign to highlight our integrity standards and encourage colleagues to use our Speak Up channel to report concerns or raise questions. This includes videos from members of our Group Executive to reinforce the importance we place on integrity.

We embed the requirements of 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.

# Cyber security and data protection

**Cyber-attacks and security incidents 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. All colleagues have a role to play in protecting data and guarding against cyber security threats.**

In 2020/21, we further strengthened our security procedures, monitoring and training in light of the increased risks resulting from the pandemic including more colleagues working from home and a significant increase in online sales.

## Cyber security: our approach

Our Information Security and Risk Director develops and implements our approach to cyber and information security based on industry best practice. Our Chief Information Officer oversees our approach to cyber security and reports directly to our Chief Executive Officer.

The Board of Directors receives regular updates on cyber security risks and processes, at least every six months.

Our Group Information Security and Acceptable Use Policy is 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 the NIST Framework and comply with the General Data Protection Regulation (GDPR) and other relevant regulations.

New IT solutions go through a 'Secure By Design' process to ensure they are secure and compliant with applicable regulations and adhere to our security standards when deployed. As part of our IT controls framework, we regularly test our IT processes to confirm that they meet our standards and, if any risk areas are identified, we put in place a mitigation plan and monitor progress against this.

We conduct regular impact assessments of cyber threats facing Kingfisher and take appropriate steps as needed.

## Internal and external audit

Our security policies, standards, IT processes and governance frameworks are regularly reviewed by an independent audit team. In the last two years this has included external auditors carrying out a cyber security audit and an audit of our use of cloud services. Review and audit findings are reported to the Audit Committee of the Kingfisher Board of Directors.

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.

We have cyber security insurance which was renewed in 2020. The renewal process involves our insurers reviewing our protections and controls.

## Working with others

Suppliers must confirm that they comply with our cyber security policies, and this requirement is integrated into our supplier contracts. Contractors completing IT development work are contractually required to train their staff on cyber security.

We participate in industry and government forums to ensure we remain aware of the latest cyber threats and to share best practices. This includes the Cyber Security Information Sharing Partnership (CiSP), a joint industry and government initiative set up to exchange cyber threat information in real time, and working with the British Retail Consortium on data security and regulatory topics.

## Training our colleagues

We communicate our policies and remind all colleagues to keep security top of mind through our training and awareness campaigns. During 2020/21, we developed guidance on cyber security when working from home and provided regular tips and reminders to colleagues.

Cyber security is included in our induction training for all colleagues, including contractors. In 2020/21, we also launched more detailed cyber security awareness training covering how to identify and guard against cyber threats such as phishing. This is now being rolled out.



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

Key policies include our Data Protection Policy and Record Keeping Policy, supported by a suite of more detailed standards. Our [Data Protection Policy](#) and [Data Protection Standard](#) are published on our website. We update our policies regularly.

For any process at Group or banner level that may involve handling personal data, and is likely to result in a high risk to individuals, colleagues are required to complete a data protection impact assessment. Suppliers that process personal data on behalf of Kingfisher must confirm that they comply with our data and security policies, and this requirement is integrated into our supplier contracts.

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; relevant information can be found in our [privacy notice here](#).

All new joiners are required to complete data protection training. In addition, we roll out annual refresher training on data protection and the GDPR to all colleagues across the Group. During 2020/21, 35,000 colleagues completed the refresher training; by the end of March 2021, 74,000 colleagues had completed the training.

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. We provide training to explain to our colleagues how to recognise and what to do if a data breach happens.

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



# Tax governance and risk management

**The Kingfisher Code of Conduct applies high standards of transparency, honesty and fairness to colleagues 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 2020/21 it contributed £2.2 billion in taxes that it both pays and collects for these governments.

The Group pays tax on its profits, its properties, in employing 80,000 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.

In 2020/21, Kingfisher decided to repay and forego all UK and Republic of Ireland business rates relief for which it was eligible, worth £105 million.

Kingfisher participates in the Total Tax Contribution survey that PwC perform for the Hundred Group of Finance Directors. The 2020 survey ranked Kingfisher 26th (2019: 28th) for its Total Tax Contribution in the UK. In 2020, 97 (2019: 99) companies contributed to the survey.

The statutory tax rates applicable to this financial year (2020/21) in our main jurisdictions were: UK – 19%; France – 32%; Poland – 19%.

### Total taxes paid as a result of Group operations £billions

	2019/20	2020/21
Taxes borne	0.7	0.7*
Taxes collected	1.3	1.5
Total tax contribution	2.0	2.2

\* Includes the repaid business rates relief referred to on page 5.

**The Group seeks to engage with tax authorities with professionalism, honesty and respect.**



# 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 also engage on sustainability topics, supporting measures that incentivise sustainable business practice and encourage investment in sustainable business and innovation; see opposite for examples from 2020/21.

## 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 a number of 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 also listed on the EU Transparency Register.

## Which issues did we prioritise in 2020/21?

Our public policy priorities during 2020/21 primarily focused on the response to the pandemic. Other priorities included: preparing for the new Trade and Cooperation Agreement (TCA) after Brexit; changes to property taxes (UK and Poland); deforestation; domestic energy efficiency; and housing policy.

## Examples from 2020/21

- 1. Apprenticeships:** Screwfix's 'Trade Apprentice' competition celebrates tradespeople at the start of their careers. This year, in a session hosted by the UK Apprentices Minister and the competition finalists, the apprentices shared their experiences of the pandemic and its impact on their training, mental health and uptake of renewable and green technologies by trade professionals.
- 2. Brexit:** In 2020/21 we continued to implement our Brexit contingency planning. Priority areas included customs and product regulation, environmental standards, and requirements for plant passporting and plant health safety checks. Our Government Affairs Manager chairs the British Retail Consortium's Brexit working group.
- 3. Home energy efficiency:** In 2020/21 the French Government's 'MaPrimeRénov' scheme, which provides funding for domestic energy efficiency projects, was expanded and made available to all households. We supported this as a direct way for customers to claim government funding to complete home energy efficiency projects. Castorama France has a dedicated section on its website to encourage customers to participate.

## 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 (TÜSİAD).

# 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.**

Reflecting the Trustees' commitment to sustainability, the KPS integrates responsible investment principles into its work and communicates with stakeholders on its approach to environmental, social and governance (ESG) issues.

## 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 state whether this integrates ESG factors.

## Investments

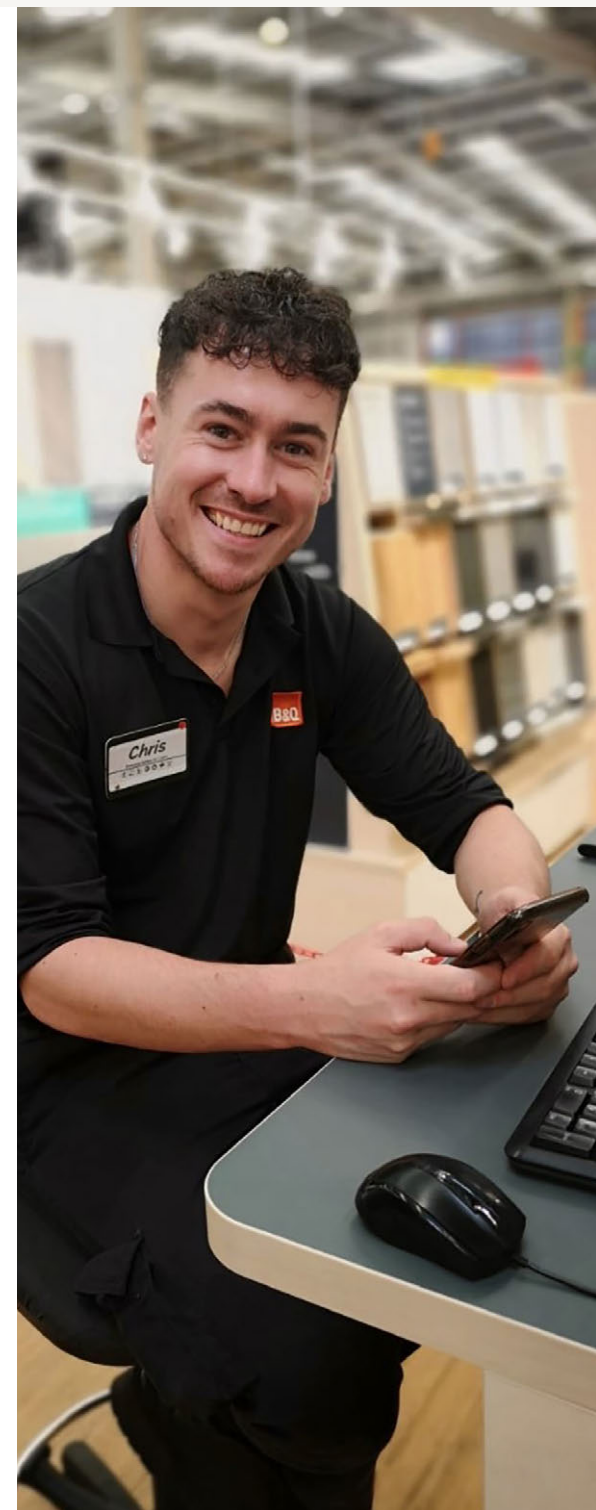
The KPS Trustees have explored opportunities to invest in specific funds that support progress on sustainability issues, such as renewable energy. Existing investments include a £15 million stake in a global farmland fund which invests in farmland operated according to sustainable farming methods and a £20 million investment in a global renewable energy fund.

The Trustees take into account the potential risks and opportunities associated with climate change and the transition to a low carbon economy. The investment strategy for their passive equity holdings aims to hedge climate change risk by prioritising companies who invest in low carbon innovation and reducing investment in carbon intensive industries. The Trustees have also decided to switch the underlying fund of the Diversified Return Fund to the Legal and General Future World Multi-Asset Fund which provides enhanced ESG integration. Around 98% of the Money Purchase membership is in the default strategy which consists of 50% Passive Equity Fund and 50% Diversified Return Fund.

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 Trustees have also decided to introduce a tool which will provide members with greater visibility of their underlying investments. It will allow members the opportunity to provide their views directly to the investment managers on how they believe votes, in respect of shareholder resolutions relating to those companies, should be cast.

**“The Kingfisher Pension Scheme Trustees take into account the potential risks and opportunities associated with climate change and the transition to a low carbon economy.”**





# 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 new Responsible Business Committee (RBC) leads and oversees delivery of our Responsible Business strategy. The Committee's role includes supporting setting the ambition, facilitating and monitoring Kingfisher's Responsible Business strategy.

The RBC is a Committee of the Kingfisher Board and is chaired by non-executive director Sophie Gasperment. Its members are our CEO, a second non-executive director, our Chief Offer & Sourcing Officer, our Chief People Officer and a banner CEO, currently our Screwfix CEO.

The Committee met twice during the year to review progress on our key priorities and Environmental, Social and Governance (ESG) risks and will meet three times in 2021. The Board receives regular updates about our performance and sustainability risks and reviews our Responsible Business KPIs each quarter as part of its governance dashboard.

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.

## 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 product brand ranges and support banners as a centre of excellence.

Each of our banners has appointed a Responsible Business lead to oversee our efforts at market level. They are supported by our central team and the sustainability experts within Group functions. Banners are integrating Responsible Business actions into their three-year plans, setting out how they will progress towards our targets. We will be further developing our approach to Responsible Business governance in our banners during 2021/22.

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. The network usually meets twice a year in person as well as through regular webinars, with presentation and discussion on a range of topics, from climate change to forests to human rights. In-person meetings were not possible during 2020/21 due to the pandemic but we held monthly webinars on key topics.

## Integrating Responsible Business performance measures

To encourage focus on our Responsible Business priorities, in FY 20/21, for the first time, we linked a portion of our colleague bonus programme to our performance against our key Responsible Business priorities, and will continue to do so in FY 21/22.

The details of this bonus and the pay-out for 2020/21 are summarised in our [Annual Report and Accounts, page 97](#).

**“The Responsible Business Committee’s role is to support and oversee delivery of how Kingfisher operates as a Responsible Business. Promoting ownership of our Responsible Business strategy by colleagues across the group, setting ambitious targets, monitoring impact and progress against our four Responsible Business priorities, as well as ensuring underpinning fundamentals are in place, are key areas of focus for the Committee.”**

**Sophie Gasperment,**  
Chair of the Responsible Business Committee

## 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](http://www.kingfisher.com/sustainabilitypolicies).

We aim to review our policies regularly and update them when necessary. In light of our new operating model, a review of all policies will take place during 2021. During 2020 we updated our Ethical Sourcing and Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy to incorporate recommendations from our auditors.

Significant updates to our policies are approved by our Group Executive.

## Fines and prosecutions

There were no prosecutions or fines relating to health, safety or the environment during 2020/21.

## 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.
- Resource scarcity.
- Supply chain ethical and environmental compliance.
- Wood and paper compliance.
- Discrimination.
- Sustainability regulation and compliance.
- Delivery of our Responsible Business strategy.

Read more on our approach to risk management in our [Annual Report and Accounts](#).

## Franchise partnerships

As part of our Powered by Kingfisher plan, we will use the Group's established, strong retail banners and own exclusive product brands, to grow the business in new territories through partnership agreements.

We signed our first franchise agreement with the Al-Futtaim Group in early 2021 to expand B&Q in the Middle East, starting with the opening of two B&Q franchised stores in Saudi Arabia. Al-Futtaim has a proven track record of successful franchise partnerships with global retail brands. We conduct extensive due diligence on potential franchise partners and our key policies, including our Code of Conduct, our IT Security Policy, Environmental Sustainability Policy, Human Rights Policy, Supply Chain Workplace Standards, and our Deforestation Policy, are included in our contract. We reserve the right to monitor and audit key practices to ensure compliance with our policies.

**We have sustainability experts in our Group functions who are responsible for driving and embedding Responsible Business practices.**



# Engaging our stakeholders

**Sustainability challenges are often complex and systemic in nature. We partner with stakeholders to progress our work on Responsible Business issues and encourage change beyond our business. Stakeholder views and feedback helps us to develop our approach and improve our communications.**

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.

Our approach to stakeholder engagement includes:

## 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.

Two Responsible Business questions are included in our quarterly Brand Health Tracker consumer research, and a third metric will be added in 2021/22. This research explores perceptions of our banners in the UK and France in relation to sustainable products and community investment.

## Colleagues

We listen to colleague feedback through our direct interactions and regular surveys. 79% of colleagues responded to our most recent colleague engagement survey which included questions on our response to Covid-19 and the support provided to colleagues. We continue to have high engagement across the Group, with our overall engagement score increasing from 79 to 81 (vs the retail average of 66, as defined by our external engagement survey partner). Read more on [page 16](#).

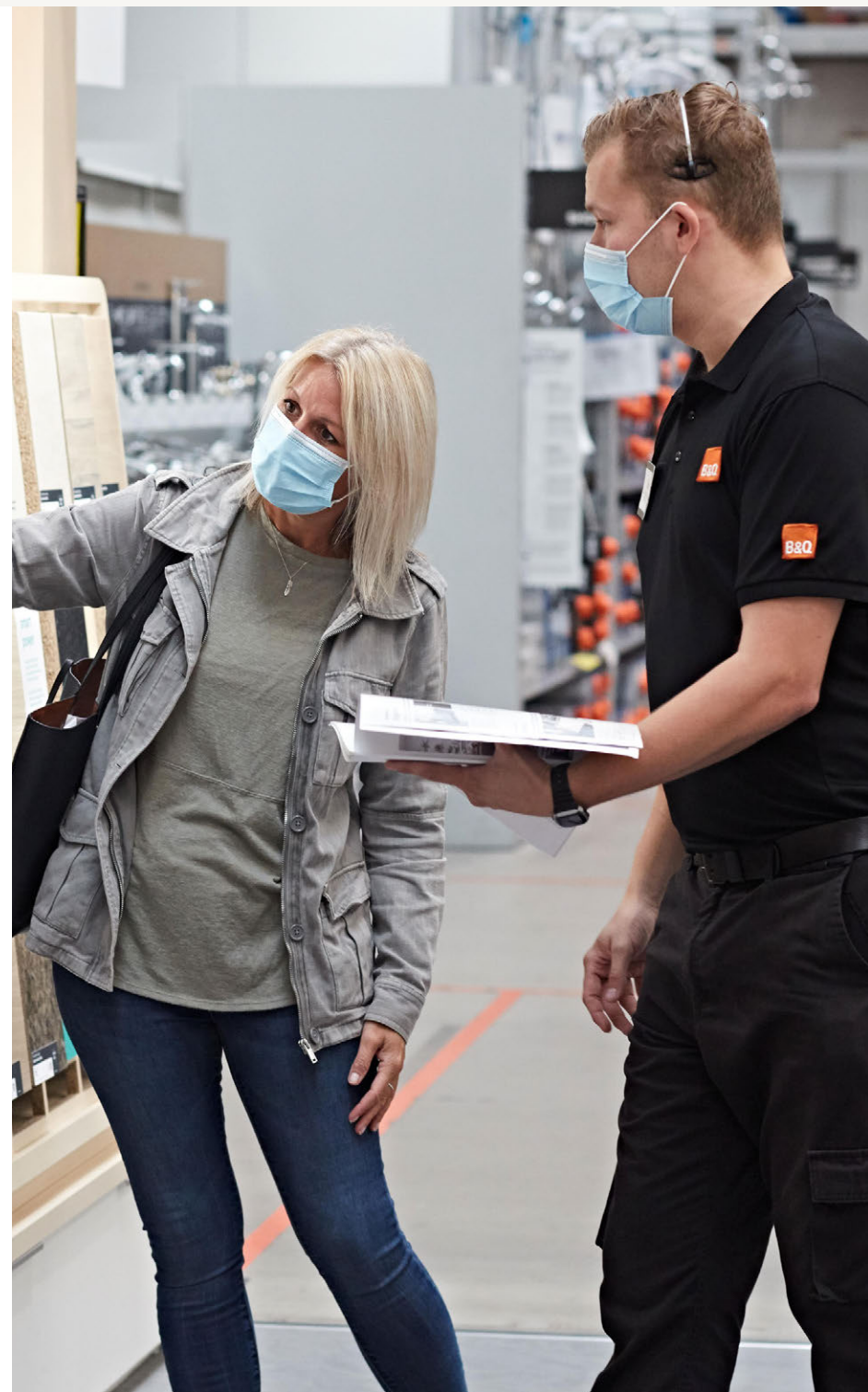
## Investors

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 a number of investors and analysts on ESG topics in 2020/21, in addition to participating in four ESG investor conferences and meeting with 78 investors on ESG topics.

## 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 55](#).



## 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 47 and 51.

## 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 12, 19 and 41.

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

For more information on how we engage our stakeholders, see our [2020/21 Annual Report and Accounts](#).

## How is our performance rated?

We participate in many external benchmarks and indices. In 2020/21, these included:

### MSCI-ESG

We received a AAA ESG rating for our ability to manage ESG issues (2019/20: AAA). This is the highest possible score, achieved by 3% of companies.

### ISS ESG

We received a corporate rating of B- (good) (2019/20: B-).

### Sustainalytics

We scored 9.7 (negligible risk). We rank 1st out of 40 in home improvement retail and 2nd out of 428 in the wider retailing sector.

### CDP Climate Change

We disclosed our climate change performance through CDP Climate Change and received a rating of A- (2019/20: A-). This puts us in the leadership category, among the top 28% of companies in our sector globally.

### CDP Forests

We disclosed our performance through CDP Forest and received a rating of B in relation to timber (2019/20: not scored). We scored D in relation to cattle products (2019/20: not scored) and expect to see an improvement in this score as we progress our work on leather sourcing.

### Workforce Disclosure Initiative

We received a score of 66%, above the sector average of 60%.

### FTSE4Good Index

We are listed in this index with a rating of 4.4 out of 5 (strong performance) (2019/20: 4.4). This puts us in the 95th percentile.

### Forest 500 (Global Canopy Programme)

Identifies and ranks the most influential companies and institutions in the forest risk commodity supply chain. We ranked 11th out of 67 retailers with a score of 40%.



FTSE4Good





# 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 refresh

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 early 2021 our matrix was reviewed by our consultants, 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.

The governance of our Responsible Business programme, including how we establish and uphold clear, transparent and accountable governance structures, is explained in further detail on [page 57](#).

We have strategies in place to manage our most material issues.

## 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 2020/21 and the Performance Data Appendix 2020/21 (together the “Report”) for the reporting year ended 31 January 2021.

### 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 63](#).

### 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 recommendation last year, 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 data from source into the Reporting Tool continue to rely predominantly on manual processes using spreadsheets. We repeat our recommendation to introduce automated processes and use systems-based solutions for carbon footprint; haulage; energy use; community investment; and supplier assessment data. This year we noted improvements in the processes for Sustainable Home Products and responsibly sourced wood and paper products, but these areas should also be considered for greater automation and systems-based solutions.
- Gender diversity: material errors were found in the Castorama France data return in the classification of management grades. Kingfisher corrected the data and subsequent checks at two other banners identified no further issues.
- Community investment: material errors were found in the Screwfix data return for ‘motivation’ (community investment/charitable gifts). Kingfisher undertook additional checks at other banners and data for B&Q, Brico Dépôt Romania and Castorama Poland, along with the Screwfix data, was subsequently updated.
- Responsibly sourced wood and paper products: we noted the number of non-compliant SKUs (products) increased significantly over the reporting period as the data collection expanded to include all banners. We recommend Kingfisher creates action plans to decrease the number of non-compliant SKUs in line with its Forest Positive ambition and works with banners to implement these action plans.

### Selected Information

The scope and boundary of our work is restricted to selected 2020/21 performance data included within the Report (the “Selected Information”), as indicated with ‘0’ in the [Performance Data Appendix 2020/21](#) for the following areas:

### Colleagues

- Gender diversity (page 19)

### Planet: Forest Positive

- Responsibly sourced wood and paper products (page 21)

### Planet: Climate change

- Carbon footprint (pages 23 to 25)
- Haulage – dedicated fleet vehicles (page 26)
- Energy use (page 27)

### Customers

- Sustainable Home Products sales (page 28)

### Communities

- Community investment (page 31)

### Fundamentals: Responsible sourcing

- Supplier assessments (page 34)
- Supplier assessments – site grades (page 34)

### 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 2020/21 (the “Criteria”), which can be found [www.kingfisher.com/datamethodology](http://www.kingfisher.com/datamethodology). 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 Reviews of Historical Financial Information’, 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, Screwfix and Castorama France, to review processes and systems for preparing retail banner level data consolidated at Group level. 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 at banner level:
  - Gender diversity data – Kingfisher corrected the data at banner level and subsequent checks at two other banners identified no further issues;
  - Community investment data – Kingfisher undertook additional checks at banners, and data for four banners was updated;
- 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 climate risk analysis of Kingfisher's property portfolio, 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  
15 June 2021



### 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](http://www.dnv.co.uk/BetterAssurance)



## Read more

Our Responsible Business website  
[www.kingfisher.com/responsible-business](http://www.kingfisher.com/responsible-business)

Annual Report and Accounts  
[www.kingfisher.com/annualreport](http://www.kingfisher.com/annualreport)

Our performance data appendix  
[www.kingfisher.com/dataappendix](http://www.kingfisher.com/dataappendix)

Our Responsible Business data collection methodology  
[www.kingfisher.com/datamethodology](http://www.kingfisher.com/datamethodology)

Our Sustainable Home Product guidelines  
[www.kingfisher.com/shpguidelines](http://www.kingfisher.com/shpguidelines)

## Contacts

What do you think about our performance?  
We'd love to hear your views on Responsible Business  
at Kingfisher at [responsiblebusiness@kingfisher.com](mailto:responsiblebusiness@kingfisher.com)

Kingfisher



castorama



SCREWFIX

