



Kingfisher plc 2022 UK Gender Pay Gap Report



Welcome to the Kingfisher UK Gender Pay Gap Report 2022

Two years ago we launched our strategy, 'Powered by Kingfisher'. Underpinning this is our aim to create an agile, inclusive culture, led by trust. This is also one of our key priorities within our 'Responsible Business' strategy. This recognises that every one of our colleagues plays an essential role in our business. Our diversity is our strength and is fundamental to the way we operate.

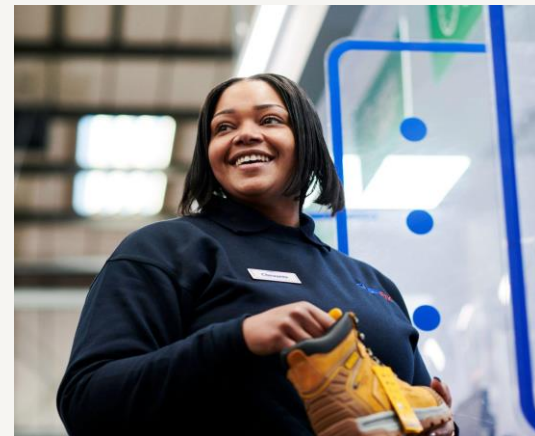
We are now beginning to see some early impact resulting from us making inclusion and diversity a strategic priority and we are encouraged to see this initial progress. Our gender pay gap statistics show modest improvements this year, but we know this is just the start of a multi-year journey to meet our commitments to truly reflect the communities within which we operate. Our median hourly pay gap decreased from 1.5% to 1.1% and our mean hourly pay gap has increased from 10.9% to 11.8% - both are below the provisional Office for National Statistics ("ONS") figure for businesses in the UK of 14.9%, which is calculated using UK Government data from all employees working in organisations in the UK.

We want to highlight the progress made in 2022 that is already beginning to move the dial:

- Our commitment to gender balance in senior leadership succession planning has led to improvement in our senior leadership representation, with the number of women in Group Executive roles and their direct reports increasing to 33% in 2022, from 29% in 2021. We have almost achieved our 2025 target of 40% women in Management roles (currently 39%), and we are moving towards our target of 35% women in senior leadership (currently 26%).
- Colleagues are now consistently telling us that inclusion and diversity are part of everyday conversations across Kingfisher and that they recognise the leadership commitment being made to the agenda. We are proud to see many of our colleagues at every level play active roles in helping us to make positive change.
- Our colleague offerings and Employer Brands have been updated with inclusion and diversity at the heart. We are pleased to have been recognised for this work with a number of external awards.

We're committed to continuing on this journey and thank all of our colleagues, our Kingfisher I&D Forum and our affinity networks for their work in ensuring that inclusion and diversity is at the heart of our culture.

Kate Seljeflot
Chief People Officer



This report sets out the [Kingfisher UK gender pay gap](#) which covers the 12 month period ending 5th April 2022, in line with the Equality Act 2010 Regulations 2017.

Our commitment is to become a more inclusive company, where every colleague knows the vital role they play in creating an inclusive culture to work and shop

Our Strategy

Senior Leadership

Our senior leadership team role models Inclusion and Diversity

Representation and authentic sponsors of culture change

We know that change at the top will take time and so we renewed our focus on gender diversity when launching our new I&D strategy in 2021. We set targets for improved gender representation on all senior leader succession plans and made great progress on this during 2022 with a 24% uplift to 67% from 43% in 2021. We have already almost achieved our 2025 target of 40% women in Management roles.

We are proud to be authentic sponsors of change. Our CEO and Chairman are members of the 30% Club which aims to increase representation of women on Boards and Executive Committees. Many of our Affinity networks are sponsored by members of our Group Executive or senior leaders from our banners.

Our progress

A Culture of Inclusion

Our culture supports everyone to thrive and succeed

Deep understanding of diverse groups to enhance the 'lived experience'

Our 16 Affinity Networks, our Kingfisher Inclusion and Diversity Forum, and colleague surveys have helped us to improve our understanding of diverse colleague experiences, and start to build a culture of allyship. From this, we've improved a number of our policies, including our maternity leave policy. We're seeing improvement in our colleague experience supported by increased inclusion scores in our colleague survey. In 2022 our Employee Net Promoter Score for 'belonging' was 13% higher than 2021.

We recognise the importance of having leaders who role model inclusion. During 2022 our leaders participated in Inclusive Leadership learning interventions, with over 6000 hours invested across the UK. These sessions supported leaders to be active allies, learn about inclusion and understand different dimensions of diversity.

Customer Proposition

We commit to accessible and inclusive products, and multichannel experiences

Inclusive, accessible design as a brand differentiator

Our colleagues should represent our customers and the communities we operate in. During 2022 our Own Exclusive Brands started to have inclusive designs at the forefront of product design and development.

We continue to evolve our in-store experience to be more accessible and inclusive, participating in the Sunflower lanyard scheme & piloting a partnership with Access Able, sharing information about our store layout and facilities which make shopping more predictable and enjoyable for customers with access needs.

Inclusive Youth Employment

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

Targeted initiatives focused on addressing disadvantaged youth

We are helping more young people enter the workforce. At the end of 2022 c.30% of B&Q colleagues and over 30% of Screwfix colleagues were under the age of 28.

Over 2022 we have enrolled nearly 4,000 apprenticeships across the Group.

In our Screwfix our apprenticeship programmes "Trade up to Branch Manager" and "Trade up to Assistant Manager" have 42% female participants.

Our targets

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

Achieve the FTSE Women Leaders target of 40% women at Group Executive level and direct reports by 2025.

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

Our progress

% of female colleagues	2020/21	2021/22	2022/23
Management	35%	38%	39%
Senior Leadership (top 300)	23%	25%	26%
Group Executive and direct reports*	27%	29%	33%

Colleagues completed 5.3 million hours of skills for life learning by the end of 2022 exceeding our 2025 target.

*per FTSE Women Leaders target

What is the gender pay gap?

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

Gender Pay compares average pay (both mean average and median average, for hourly pay and bonus pay) for men and women. Gender pay is therefore impacted by the number of men and women at different levels of seniority throughout the organisation.

Equal pay is determined by assessing whether men and women are paid equally for doing the same work or work of equal value.

At Kingfisher, we have policies and processes in place to ensure that our male and female colleagues are paid the same for work of equal value.

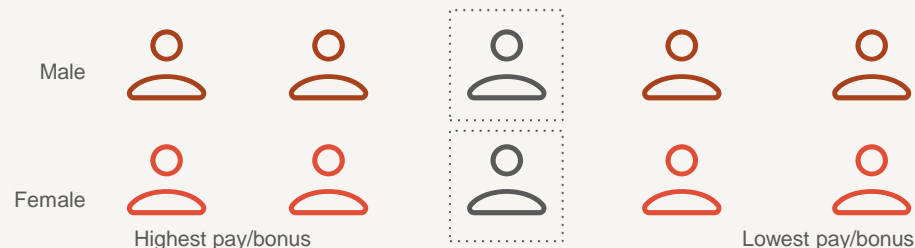
How the mean pay gap is calculated

The mean pay gap is the difference between average male and female pay.



How the median pay gap is calculated

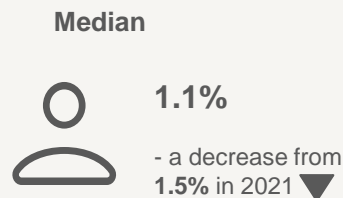
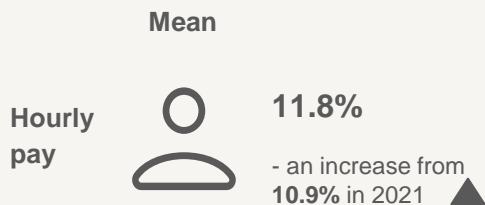
The median pay gap looks at the middle point of the population for male and female pay. The difference between the male middle point and female middle point is compared.



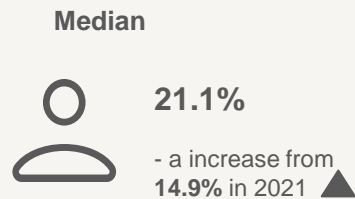
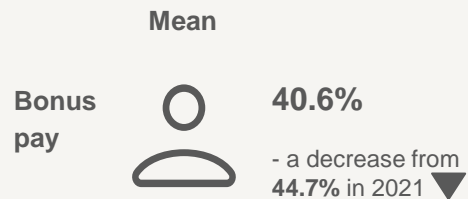
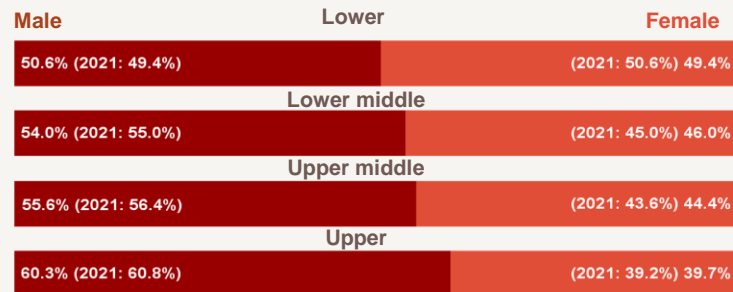
Note: The hour pay gap is calculated using pay during April 2022. The bonus gap is calculated using actual bonuses paid to colleagues for the 12 months to 5 April 2022.

Our 2022 Gender Pay Gap

Our Kingfisher UK Group is made up of three corporate entities (Kingfisher plc, Kingfisher International Products and Kingfisher Information Technology Services) and two banners (B&Q and Screwfix). We are required to disclose the gender pay gap for each entity which is [shown here](#). We've also chosen to show our consolidated group figures as we believe this better shows the whole Kingfisher UK community.



Proportion of females and males by pay quartile



Proportion of colleagues receiving a bonus



Our 2022 Gender Pay Gap Explained

We are encouraged to see some modest improvements coming through in our gender pay gap figures as a result of the actions we have been taking. We are pleased that there has been improvement in four of our entities in their hourly pay gaps and in three entities in their bonus pay gaps. We give more details below about why our Group pay gap continues to exist and why it has changed since 2021.

Why we have a pay gap?

We continue to work towards our global 2025 gender balance targets and improving gender representation on senior leaders succession plans. However, we still have more senior leaders that are male, as demonstrated by our top pay quartile, which is why we have a pay gap. Our senior leader roles attract higher salary and bonuses overall which creates the hourly and bonus pay gaps.

Why our pay gap has changed since 2021?

As our pay gap is primarily driven by the proportion of males in our top pay quartile it is sensitive to pay changes in this group. In 2022, our annual bonus outcomes were stronger than the prior year and as there are more male colleagues in these senior roles, this disproportionately increased the average pay for men used for this year's calculation. Thus even though we saw an increase in the number of women in our most senior roles, the net impact on our groupwide figures was an increase in our mean hourly pay gap. This did not have the same impact on our median pay gap as there were also more male colleagues in the lower pay quartiles in 2022, resulting in a decrease to our median hourly pay gap.

Our bonus pay gaps have fluctuated this year, with the mean decreasing and the median increasing. This is because of significant changes in the number of colleagues receiving a bonus (see box below), which has impacted both the average bonus payment made to males and females, as well as the distribution of employees that received a bonus. This year bonuses were primarily received only by our senior leaders who are proportionately more male than the whole of Kingfisher UK, which led to our bonus gap increasing.

About Kingfisher UK ¹

Kingfisher UK is only part of our international home improvement company. As this report focuses on the UK we show some key facts below.

c.40,000

Colleagues in Kingfisher UK

45.7%

of Kingfisher UK are female

96.6%

of UK colleagues work within retail banners ²

¹ Numbers are based on relevant employees as per the 2022 Gender Pay Gap calculation

² B&Q and Screwfix

Notes: The overall percentage of our colleagues receiving a bonus decreased across all of our entities and banners for 2022. We paid our retail colleagues pandemic related bonuses in 2021 to thank them for being essential workers throughout lockdown. As these thank you bonuses were related to the pandemic they were not paid in 2022.

Delivering on our action plan to reduce our gender pay gap

Our action plan forms part of our wider inclusion and diversity strategy, [summarised here](#). However, recognising the specific work we need to do to improve our gender balance, particularly at senior levels, we identified a number of targeted actions for 2022/23 to support our colleagues throughout their work life at Kingfisher. This clear ongoing action plan helps us ensure that we are continuing to focus on delivering change that will reduce our gender pay gap and achieve our commitment to become a more inclusive company.

When you join

We're continuing to ensure we consider diversity as we recruit. We have a goal of 50/50 balanced diverse shortlists for all roles recruited, and as per our commitment in last years report we have embedded this commitment across all our senior appointments.

We have made sure that our recruitment process is as inclusive as possible by providing more in-depth training to our senior hiring managers during 2022/23.

To support this further our new leadership behaviours were launched and include "Be Inclusive" and "Be Human" which are assessed during our hiring process for senior leaders.

Feeling at home

One of our 2022/23 priorities was to continue to leverage our Kingfisher Inclusion and Diversity ("I&D") Forum, chaired by John Mewett, CEO of Screwfix, to help us accelerate the delivery and impact of our I&D plans. Our Forum met 4 times in 2022/23 and has been focused on enhancing our colleague experience for all by improving the experience of minority and marginalised groups.

Looking forward, we will be launching our group-wide Allyship campaign this year which will highlight the importance of inclusive behaviours. It is connected with safe spaces for our colleagues to be curious, build empathy and work to become better allies. As promised, we built a suite of resources to support this campaign in 2022/23.

We successfully trialled reverse mentoring in 2022/23, in line with our action plan. Will be accelerating the roll out this scheme in 2023/24 to broaden thinking, challenge perceptions and support making more inclusive decisions.

Helping you grow

We continue to be focussed on developing and retaining our talent and making sure we have diversity in our talent pipeline.

We have set ourselves a target of having at least 70% of senior leader roles with at least one woman in the succession plan ready to step up within the next 5 years. During 2022/23 we made significant progress and we have already reached 67%.

We committed in 2022/23 to ensuring that our talented colleagues continue to have the opportunity to participate in schemes including Be Inspired and Diversity in Retail which connects them with leaders and peers in our industry and beyond. We nominated twice as many colleagues than in 2021/22 and we will look to continue this in 2023/24.

Tools to make us succeed

We stated last year that we would prioritise working towards our 2025 gender balance targets, we have made progress and hope to accelerate this over the coming year.

In January 2022, we partnered with the Kingfisher Gender Affinity Network to share insights and co-create actions from listening groups on gender stereotypes of leadership.

We also committed to improving insights through better data and our retail banners and UK group functions launched their "Power of You" campaign in September 2022 to achieve this - the campaign promotes the importance of diversity data collection and why this will improve inclusion and diversity at Kingfisher. With the help of our Affinity networks who are acting as ambassadors, we hope to increase our diversity data completion rates over the next year so that we can set targets beyond gender.

We're continuing to work with our external partners in Diversity such as the 30% Club, Stonewall and the Business Disability Forum to improve the employee experience for our colleagues, and use external indices to benchmark our inclusion to identify areas for change.

Our 2022 Gender Pay Gap by legal entity: Our corporate entities

Under the UK Equality Act 2010 Regulations 2017, all legal entities in Great Britain with more than 250 employees are required to report their gender pay gap. As such, set out below and on the following page are the gender pay gap figures for each of Kingfisher UK's 5 legal entities.

Kingfisher PLC

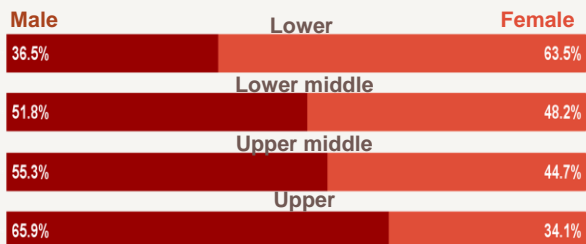
Employing primarily individuals in our corporate head office and the management teams of our Banners.

	Hourly pay gap	Bonus pay gap
Mean	37.7%	61.4%
Median	18.5%	46.9%

Percentage of colleagues who received a bonus in 2022

Female	Male
57.9%	52.0%

Proportion of females and males by pay quartile



Kingfisher International Products Limited (KIPL)

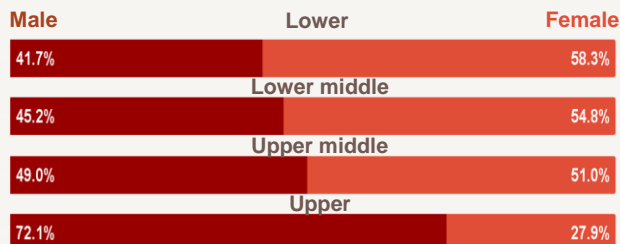
Employing colleagues in our Offer & Sourcing and Supply & Logistics business.

	Hourly pay gap	Bonus pay gap
Mean	25.9%	37.1%
Median	20.0%	28.2%

Percentage of colleagues who received a bonus in 2022

Female	Male
65.7%	73.1%

Proportion of females and males by pay quartile



Kingfisher Information Technology Services (UK) Limited (KITS)

Employing individuals in our IT services business

	Hourly pay gap	Bonus pay gap
Mean	10.9%	29.9%
Median	5.3%	17.0%

Percentage of colleagues who received a bonus in 2022

Female	Male
82.4%	76.4%

Proportion of females and males by pay quartile



Our 2022 Gender Pay Gap by legal entity: Our retail banners

B&Q Limited

UK Retail operations

	Hourly pay gap	Bonus pay gap
Mean	7.0%	42.9%
Median	0.7%	17.9%

Percentage of colleagues who received a bonus in 2022

Female	Male
10.3%	12.1%

Proportion of females and males by pay quartile

Male	Lower	Female
49.9%		50.1%
	Lower middle	
54.3%		45.7%
	Upper middle	
55.3%		44.7%
	Upper	
57.3%		42.7%

Screwfix Direct Limited

UK Retail operations

	Hourly pay gap	Bonus pay gap
Mean	8.9%	41.4%
Median	1.6%	15.4%

Percentage of colleagues who received a bonus in 2022

Female	Male
15.2%	18.6%

Proportion of females and males by pay quartile

Male	Lower	Female
52.3%		47.7%
	Lower middle	
52.2%		47.8%
	Upper middle	
57.3%		42.7%
	Upper	
62.8%		37.2%